

Supreme Court Decision to Uphold Healthcare Law Means “Game On” for Health Industry: Crunch Time for Those Who Waited, Says PwC

Today’s Supreme Court ruling upholding the Affordable Care Act gives extra punch to the market forces pushing healthcare away from fee-for-service and re-injects a new sense of urgency into the transformation of the health industry, according to a report published today by the Health Research Institute (HRI) of PwC US.

“Despite the political uncertainty, private-sector initiatives, accentuated and accelerated by the health reform law, are moving forward,” said Kelly Barnes, Leader of PwC’s U.S. Health Industries practice. “The pressure for innovative ways to provide higher-quality, more affordable healthcare continues. Healthcare organizations that have been sitting on the sidelines will now have to get in the game and play catch-up.”

In the report, Implications of the US Supreme Court ruling on healthcare, HRI explores answers to the question: “What’s next?” for states, employers, insurance companies, physicians, hospitals and other providers and pharmaceutical and life sciences companies. According to HRI:

- The Court’s decision clears the path for a new era of healthcare megapayers -- the federal government, large employers and state insurance exchanges empowered to direct business based on health outcomes.
- Implementation deadlines that once seemed far off now are rapidly approaching. There is renewed pressure on health organizations not only to comply with rules and compliance deadlines but also to find more innovative ways of delivering high-quality, affordable care that proves their worth.
- Creation of new state and private insurance exchanges, greater pricing transparency, mobile technology, and nontraditional competitors are turning the health business into a retail operation.
- Incentives for collaboration are quickening the convergence of hospitals, insurers, drugmakers, physicians, and technology companies.
- Economic uncertainty and federal budget reductions add muscle to efforts to improve efficiency, eliminate waste, and constrain overall cost growth.

Leading health sector participants have been devising new ways to conduct business and move ahead of the competition in the face of impending deadlines under the Affordable Care Act. Among the provisions that are scheduled to take effect soon are new reporting and disclosure obligations for employers, benefit design changes for certain health plans, penalties for hospitals that have unnecessarily high readmissions, and a requirement that insurers devote 80-85 percent of their premiums to medical care or refund the difference. In addition, participants will need to accelerate efforts to be competitive for federal funding that

Supreme Court Decision to Uphold Healthcare Law Means “Game On” for H

Published on Medical Design Technology (<http://www.mdtmag.com>)

will be available for innovation, health insurance exchanges, new quality measures and other provisions of the law.

To date, more than \$1 billion in grants has been allocated to support state exchange readiness, and Medicaid spending is expected to total \$4.2 trillion from 2012 to 2021. With 23 million individuals anticipated to buy insurance from the exchanges and 17 million people enrolling in Medicaid by 2021, the two provisions are heightening activity in states.

HRI analysis shows that so far, 29 percent of states (14 states plus D.C.) have made significant progress toward reform, while 37 percent (19 states) have made moderate progress. The remaining 33 percent (17 states) have done less to implement the law. To meet expectations and deadlines, some states may need to collaborate with other states that are farther along to leverage infrastructure and information.

A full copy of the HRI report is available for download at via <http://www.pwc.com/healthreform> [1].

About the PwC Health Research Institute (HRI)

The PwC Health Research Institute provides new intelligence, perspectives, and analysis on trends affecting health-related industries. HRI helps executive decision makers navigate change through primary research and collaborative exchange. Our views are shaped by a network of professionals with executive and day-to-day experience in the health industry. HRI research is not sponsored by businesses, government, or other institutions.

About PwC’s Health Industries Group

PwC’s Health Industries Group (www.pwc.com/us/healthindustries [2]) is a leading advisor to public and private organizations across the health industries, including healthcare providers, pharmaceuticals, health and life sciences, payers, employers, academic institutions and non-health organizations with significant presence in the health market. Follow PwC Health Industries at <http://twitter.com/PwCHealth> [3].

About the PwC Network

PwC US helps organizations and individuals create the value they’re looking for. We’re a member of the PwC network of firms with 169,000 people in more than 158 countries. We’re committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at www.pwc.com/us [4].

Source URL (retrieved on 01/27/2015 - 5:38pm):

<http://www.mdtmag.com/news/2012/06/supreme-court-decision-uphold-healthcare-law-means-%E2%80%9Cgame-on%E2%80%9D-health-industry-crunch-time-those-who-waited-says-pwc>

Links:

Supreme Court Decision to Uphold Healthcare Law Means “Game On” for H

Published on Medical Design Technology (<http://www.mdtmag.com>)

[1] <http://www.pwc.com/healthreform>

[2] <http://www.pwc.com/us/healthindustries>

[3] <http://twitter.com/PwCHealth>

[4] <http://www.pwc.com/us>