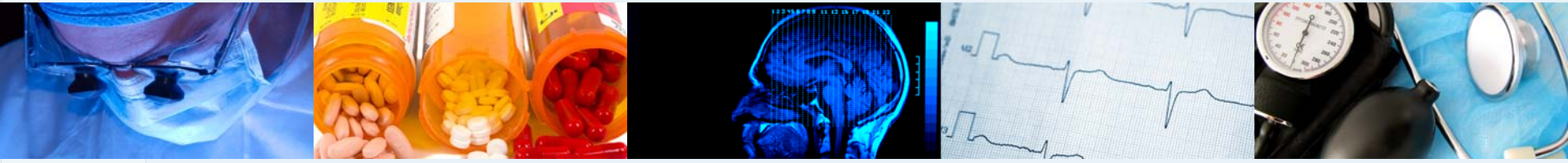


U.S. Health Care Reform: Political Perspectives & Commercial Opportunities

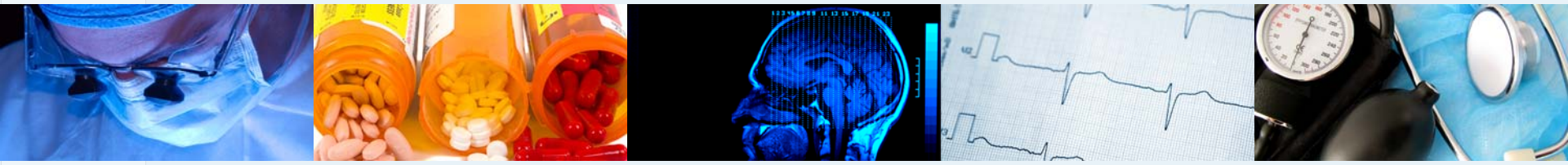
**Maria T. Currier
Michael Werner
Holland & Knight LLP**

**Danish-American Business Forum
United States Embassy
March 22, 2010**



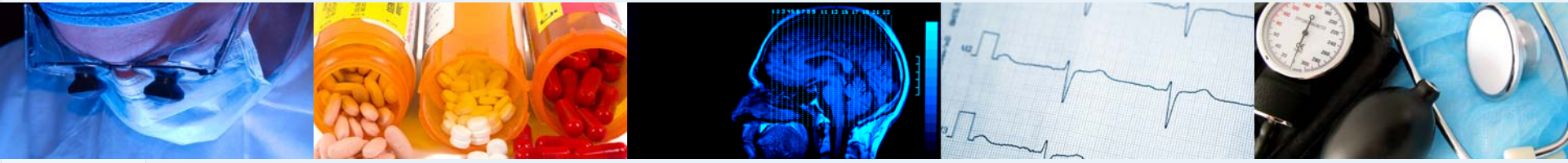
Health Reform Passes House

- Senate health reform bill passes 219-212
- House reconciliation bill passes 220-211
- Debate now moves to the Senate for debate and vote on reconciliation bill



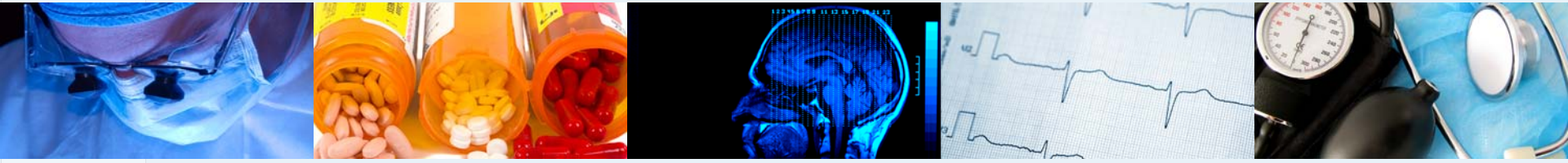
Health Reform Overview

- Provisions to Increase Coverage
- Private Insurance Market Reforms – no pre-existing conditions, lifetime caps, etc.
- Medicare Changes and Cuts – VBP, MA cuts; independent advisory board; pilot projects/demonstrations
- Financing – new taxes on health industries



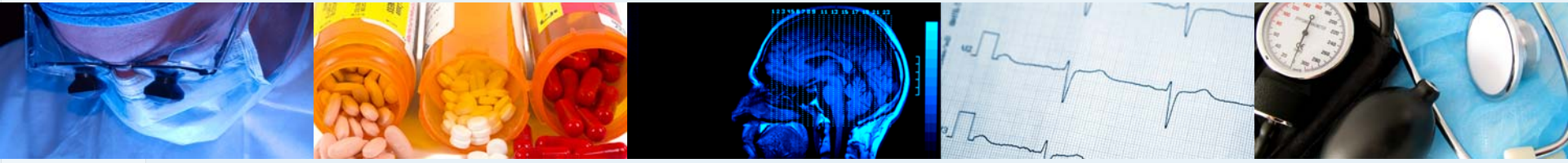
Vaccines in Private/Public Insurance

- Private: First dollar coverage for all preventive services and ACIP-recommended vaccines in private insurance plans
- Medicare –
 - Study re: cover all recommended vaccines in Part B instead of Part D.
- Medicaid –
 - Allocates extra FMAP funds to states that decide to include coverage for adult vaccines.



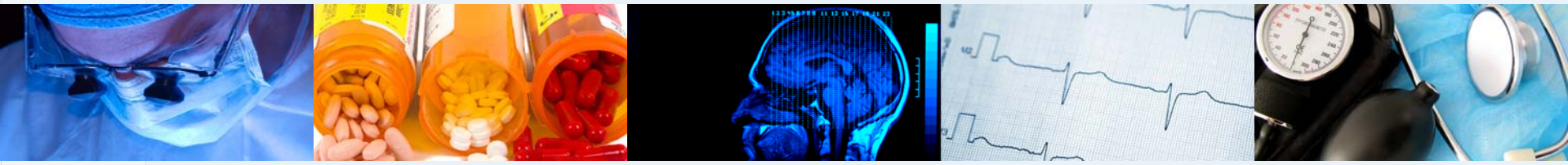
Other Major Provisions for Life Sciences

- Comparative Clinical Effectiveness Research
 - Federally funded research for comparing treatments and services
- Biosimilars
 - Creates US pathway for approval
- Sunshine Act -- public reporting of any transfer of value to physician, teaching hospital, and others
- Cures Accelerator Network – funding to spur development of “high need cures”;
- “Pay for Delay” prohibitions stripped out
- Close Medicare “Donut Hole” – Pharma Part D discounts



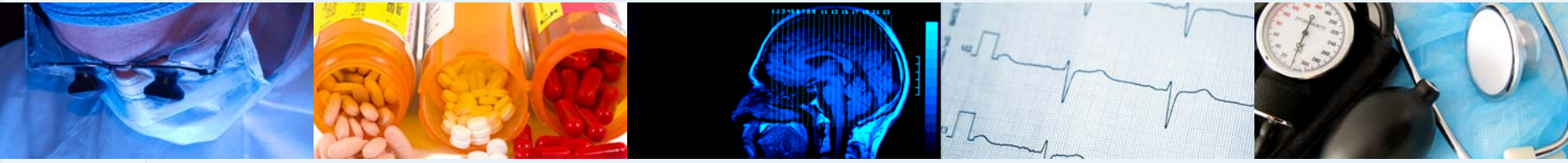
Implications of U.S. Health Reforms on Hospitals and Other Providers – New Payment Models

- New payment models will transform the “Structure” of U.S. health care delivery system.
- Medicare Demonstration Projects – Testing new episodic hospital bundling payments.
 - A single payment for multiple providers across various settings v. current provider-based fee for service system.
 - New business models needed to manage the “bundled payments”
 - Emerging physician-hospital partnerships.
 - New strategic alliances between hospitals and post-acute care providers (Nursing homes, home health agencies, rehabilitation hospitals).
- Emergence of larger integrated delivery systems.



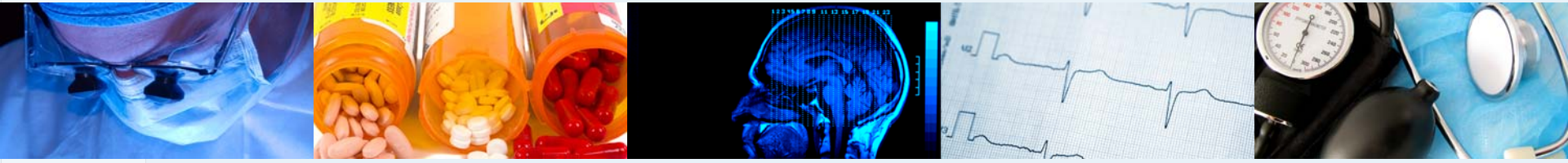
Implications of U.S. Health Reform on Hospitals and Other Provider – Health Information Technology

- Modernization and automation of the delivery system.
- Telecom companies capitalizing on the growth of health IT.
 - Electronic Medical Records
 - Redesigning workflows to align with increased electronic enabled health delivery and new interdependencies
 - Remote patient monitoring
 - Telemedicine



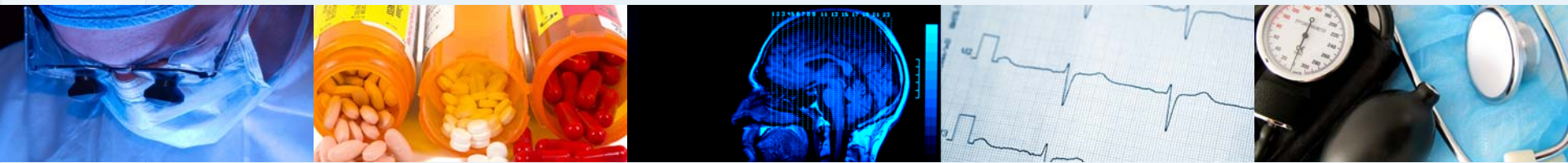
Implications of U.S. Health Reform on Hospitals and Other Provider – New Healthcare Delivery Models

- “Medical Home” Concept
 - Patient-centered comprehensive primary care approaches – focused on wellness and prevention
- Increasing focus on internet and social networks for health education and treatment
- Value-based purchasing (instead of volume based payments)
- Comparative effectiveness research (what works best)
- Development of care standards – clinical pathways
- Must be able to demonstrate and measure “quality”
- Care delivery moving into new venues (retail clinics)
- New “transitional care” companies emerging



Implications of U.S. Health Reform on Insurance Industry

- Significant new insurance market rules and consumer protections
- New individual and employer coverage mandates
- Creation of health insurance exchange (individual and small group)
- Expansion of Medicaid coverage and subsidies
- Increased need for public-private partnerships (Medicaid State Programs)
- Decreased Medicare Advantage payments



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