

Emory University and Health Care Reform

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Emory University supports comprehensive bipartisan healthcare reform. We support improving quality, reining in costs and ensuring coverage, while protecting the critical role played by our nation's Academic Health Centers.

Academic Health Centers (AHC) like Emory play a unique role in the nation's health care. They:

- provide primary and specialized clinical care for millions of Americans;
- train future health care workforce;
- conduct health care research and develop next generation life saving treatments, therapies, and technologies;
- provide more than 40 percent of the care for the nation's uninsured and underinsured, despite representing only 6 percent of all hospitals; and
- often treat the sickest and most complex patient cases.

Emory's Priorities in Health Care Reform:

- Ensure adequate federal support for medical education and workforce training, emphasizing the additional costs of educating nurses, physicians and other health professions in the clinical setting;
- Mitigate financial impact of health reform on academic health research, explaining the added costs and complexity of clinical trial patients;
- Protect levels of provider payments to academic health centers;
- Protect crucial role of AHCs as safety net providers;
- Seek role for academic medicine in innovation, development and testing of new health care models; and
- Protect the current tax-exempt status of teaching hospitals.

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Emory supports the agreement negotiated by the AHA with the U.S. Senate Finance Committee as a framework for health care reform:

- Limits total negative impact of health care reform for hospitals at no more than \$155 billion over ten years;
- Prevents any reduction in Disproportionate Share Payments (DSH) from starting before 2015 and mandates no more than a 40 percent reduction;
- Prevents any new penalties for hospital readmission from applying to medically necessary readmissions;
- Requires that rates in any new public plan option be negotiable and not pegged at Medicare reimbursement rates;
- Protects federal indirect medical education payments;
- Stipulates that resulting policy must result in at least 95 percent of Americans having health coverage.

In addition, Emory and eight other Academic Health Centers recommend that health care reform address the following issues:

- Administrative simplification: Recent studies show that interaction with insurance companies cost an average sized physician practice more than \$68,000 a year;
- Medical liability reform: hospitals in NY State alone spent \$1.4 billion last year on malpractice coverage;
- Medical education: teaching hospitals by definition incur greater costs in providing services. Legislation should protect graduate medical education (GME) and indirect medical education (IME) and expand federally funded residency slots in states like Georgia with low resident/per capita ratios.
- Geographic cost variation: some elected officials are eager to regulate costs based on the Dartmouth Atlas which suggested great variation in Medicare spending among various regions. However, we believe this is an incomplete picture and argue that there are many reasons for variation. Atlanta, New York, Baltimore, and Chicago are different from Scottsdale, AZ or Rochester, MN and the sheer difference in costs is not understood well enough to form the basis of regulation.

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