

HIDA
HEALTH INDUSTRY DISTRIBUTORS ASSOCIATION
www.HIDA.org

**Distribution & Home Health
Post-Healthcare Reform**
*Missouri Alliance for Home Care Presentation
April 2011*



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STREAMLINING HEALTHCARE™
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Agenda


1. Value of Distribution
2. Political Landscape
3. Health Reform


Distribution in the Healthcare Supply Chain



Manufacturer





Distributor



Healthcare Provider

Medical products distributors provide a convenient, single point of contact for healthcare providers to purchase and receive a wide array of medical supplies and products

- Reduce the size and complexity of ordering various products from different manufacturers
 - Manage delivery and logistics
 - Assume supply chain risk for customers and manufacturers
 - Alleviate storage needs and costs
- Enable customized orders, especially for small healthcare providers
 - Track customers' inventory
 - Assume supply chain risk for customers and manufacturers
 - Process returned goods and recalls
 - Provide same-day or next-day deliveries in many cases


Top Distributed Product Categories

Extended Care	
1	Incontinence Products
2	Enteral Feeding & Medical Nutritionals
3	Gloves
4	Skin Care Products
5	Wound Care
6	Point of Care Testing (POCT) Reagents/Supplies
7	Metal/Plastic/Paper Products
8	Respiratory
9	Needles & Syringes
10	Adhesive, Bandages, Dressings & Sponges



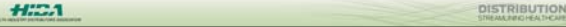
Key Distribution Facts

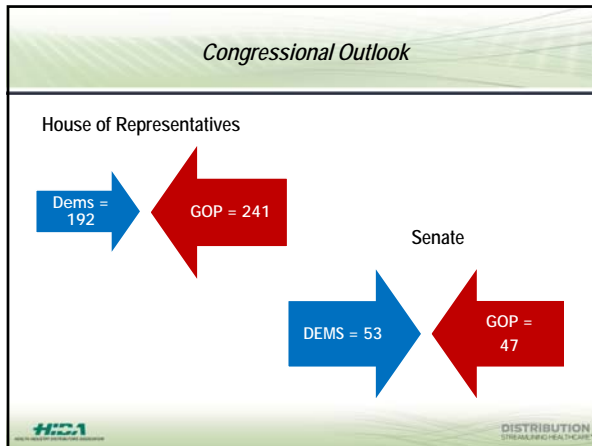
- Providers have access to products from as many as 2,200 medical product manufacturers through their distributor.
- Most healthcare distributors are located within 50 miles of population centers to support first responders in emergency situations.
- Providers save 68% of staff costs on every order when they work with medical products distributors.
- A single distribution center supplies an average of 440 healthcare sites with medical products.



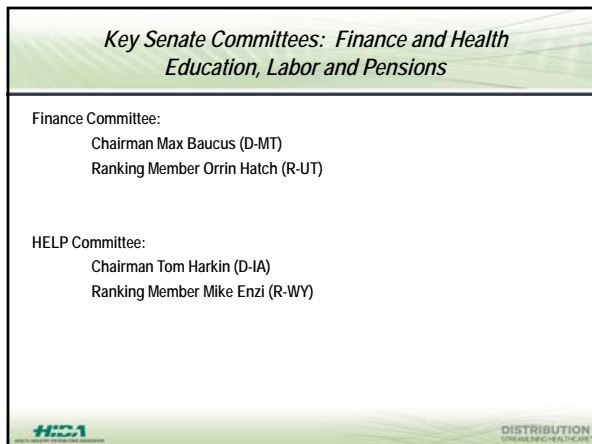
Managing Supply Costs

- **Drop-shipping supplies directly to the patient or clinicians home saves time and money**
 - Reduces travel related expenses
 - Less inventory
 - Helps clinicians better serve their patients!
- **Formulary/Order Forms**
 - Work with your distributor rep. to create an order form of approved items
 - Ensures staff is providing the highest level of care utilizing the most cost effective products
 - Customized usage reports to help track and manage supplies
 - Reduces overall supply costs!









House Leadership: 112th Congress

<p>Republicans</p>  <p style="text-align: center;"><small>Speaker John Boehner (OH)</small></p>   <p style="text-align: center;"><small>Majority Leader Eric Cantor (VA)</small></p> <p style="text-align: center;"><small>Majority Whip Kevin McCarthy (CA)</small></p>	<p>Democrats</p>  <p style="text-align: center;"><small>Minority Leader Nancy Pelosi (CA)</small></p>   <p style="text-align: center;"><small>Minority Whip Steny Hoyer (MD)</small></p> <p style="text-align: center;"><small>Assistant Leader James Clyburn (SC)</small></p>
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Key House Committees: Way & Means and Energy and Commerce

Ways & Means Committee:
 Chairman Dave Camp (R-MI)
 Ranking Member Sander Levin (D-MI)

Health Subcommittee: Chairman Wally Herger (R-CA), Ranking Member Pete Stark (D-CA)
Oversight: Chairman Charles Boustany (R-LA), Ranking Member John Lewis (D-GA)

Energy and Commerce Committee:
 Chairman Fred Upton (R-MI)
 Ranking Member Henry Waxman (D-CA)

Health Subcommittee: Chairman Joe Pitts (R-PA), Ranking Member Frank Pallone (D-NJ)
Oversight and Investigations Subcommittee: Chairman Cliff Stearns (R-FL), Ranking Member Bruce Braley (D-IA)

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Incoming Medical Providers in Congress



Representatives	Senators
Dan Benishek (MI-1) – General Surgeon	John Boozman (AR) – Optometrist
Diane Black (TN-6) – Nurse	Rand Paul (KY) – Ophthalmologist
Larry Bucshon (IN-8) – Cardiothoracic Surgeon	
Scott DesJarlais (TN-4) – Physician	
Renee Ellmers (NC-2) – Nurse	
Paul Gosar (AZ-1) – Dentist	
Andy Harris (MD-1) – Anesthesiologist	
Nan Hayworth (NY-19) – Ophthalmologist	
Joe Heck (NV-3) – Emergency Physician	

112th Congress Outlook

112th Congress Officially Convened Jan. 3, 2011



Political Decisions:

- Campaign rhetoric versus political reality
- Repeal health reform versus thoughtful alternative?
- Targeted and purposeful hearings and legislation?
- Government shutdown over appropriations?



112th Congress Outlook

- **Legislation:**
 - Repeal and replace votes
 - Targeted issue repeal (i.e., 1099, individual mandate, HIEs, Medicaid expansion)
 - Tort reform
 - SGR
 - Budget showdown
 - Appropriations
- **Congressional Oversight Hearings**
- **Regulation:**
 - Medical device tax
 - Accountable care organizations
 - Competitive bidding
 - Unique device identification



**Key Health Reform
Home Health Provisions**



Healthcare Reform

- Payment changes
 - Home health cuts of \$39 billion over 10 years
- Rebase payments in 2014
- Competitive Bidding Expansion – nationwide by 2016
- Established federally administered voluntary long term care insurance program – the Community Living Assistance Services and Supports (CLASS) program
 - In December 2010 was recommended for repeal by the bipartisan National Commission of Fiscal Responsibility and Reform

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Healthcare Reform

- Value Based Purchasing – HHS Sec. required to complete plan for HH agencies by Oct. 2, 2011
 - What is value-based purchasing?
- National Voluntary Bundling Pilot program:
 - Includes acute and post-acute providers
 - Designed to increase care coordination
 - 5-year pilot program
 - Starts January 1, 2013

HCA DISTRIBUTION STREAMLINE HEALTHCARE



CLASS Program – Key Dates

- **January 1, 2011 Sec. 8002(d) Requires the inclusion of information on supplemental coverage from the CLASS program in the National Clearinghouse for Long-Term Care Information.**
- **January 1, 2012 Sec. 8002(a) Requires the Secretary to:**
 - (1) establish an Eligibility Assessment System;
 - (2) enter into agreements with the Protection and Advocacy System for each state; and
 - (3) enter into agreements with public and private
- **October 1, 2012 Sec. 8002(a) Requires the Secretary to designate a benefit plan as the CLASS Independence Benefit Plan**

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Recent Recommendations by MedPAC

- \$100 co-payment for each 60-day home health treatment period
- Change home health rates & eliminate MB update in 2012
- Review counties with “aberrant” use of home health services
- Revise case-mix system
- Eliminate update for SNFs in 2012

HIDA Healthcare Reform Resources

Resources

- www.HIDA.org/Reform
- Healthcare Reform Market Brief

Status

- Tracking hearings
- Tracking regulations

Next steps

- Update market brief (3/2011)
- Quarterly Check-ups





Thank you

Thank you! Any questions?

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