

## **Implications to TeamHealth of Supreme Court's Ruling on the Affordable Care Act**

*June 28, 2012*

### **What does the decision mean?**

In a 5-4 vote last month, the Supreme Court voted that the Patient Protection and Affordable Care Act (ACA) is in fact constitutional. The court ruled that Congress has the power to compel individuals to purchase insurance as a tax on people who do not have health insurance. Upholding the ACA includes establishing insurance exchanges in each state, prohibiting insurance companies from discriminating against the sick, and requiring nearly all Americans to prove on their income taxes that they carry health insurance starting in 2014.

The court, however, did strike down part of the reform law's mandated expansion of Medicaid. Congress had aimed to expand the insurance program for the poor by at least 16 million people, but the court ruled that Congress did not have the power to cut off Medicaid funding for states that refused to comply with the law's eligibility rules.

### **How will it impact TeamHealth?**

With more Americans covered by health insurance, we believe we will see increased volumes in all three of our hospital based service lines: emergency department patient visits, increased hospital admissions, and more surgical procedures. With expanded coverage and a lower uninsured population, more individuals will be accessing healthcare, driving incremental revenue and lowering bad debt. Given that approximately 20 percent of our patient population is uninsured, TeamHealth would benefit from having these previously self-pay patients covered through Medicaid and state exchanges.

The increased patient visits will have an impact on the country's already overburdened emergency departments. In a press release issued today, Dr. David Seaburg, president of the American College of Emergency Physicians (ACEP) stated that, "While there are provisions in the law to benefit emergency patients, it is clear that emergency visits will increase, as we have already seen nationwide. There are physician shortages and there are also drug shortages and serious mismatches between patient needs and available resources."

Hospitals will continue to struggle with overcrowding and patient throughput challenges and will seek innovative solutions—like those offered by TeamHealth—to operate more efficiently. We believe our focus over the coming years, both for TeamHealth and for all of our partners in healthcare, should remain focused on improving quality, enhancing access and reducing costs. TeamHealth is well positioned to weather the changes, as we have for the past three decades.