

Health Care Reform

The Affordable Care Act expands health insurance coverage for millions of patients and will increase access to health services and treatments. Provisions in the new law must be implemented with the goal of improving patient access to quality services and treatments. Pfizer supports more predictable access to quality health care coverage for patients who rely on our medicine to improve and extend their lives. We actively supported parts of health care reform with which we agreed, and will continue to support these provisions and seek to improve those elements with which we disagree. Pfizer will advance the development of policies that preserve the integrity of the doctor-patient relationship, freedom of choice when determining appropriate medicines, and continued incentives for innovation.

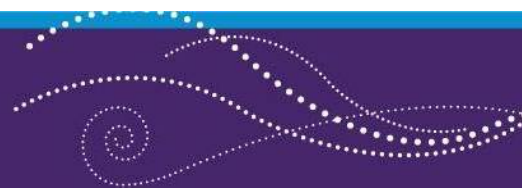
Background

Signed into law in March 2010, the Affordable Care Act (ACA)¹ was the end result of a national and congressional debate focused on two primary goals: expanding access to quality affordable health insurance and minimizing growth in health care spending. Supporters of health care reform and ACA noted throughout the debate that millions of Americans, including both the uninsured and many “underinsured” citizens, are unable to obtain quality care and medically necessary treatments due in part to the high cost of health insurance coverage. Under ACA, affordable access to insurance will be provided through new health insurance exchanges, co-ops, Medicaid expansion, new subsidies, and individual and employer mandates. The law also establishes a number of new programs that seek to slow the growth of health care spending—including payment reforms that reduce inefficient spending and reimburse based on the quality of patient outcomes and performance rather than just on the quantity of services rendered.

The main points of discussion in advance of ACA passage were the cost of the reform, the impact on the quality of patient care and outcomes, and its population-wide impact. The law and its true impact will continue to evolve as it is implemented over the next ten years and many of the details for the implementation of ACA are yet to be finalized through the regulatory process. Keeping cost, quality and health impact in the forefront while developing guidance will help ensure that the goals are met.

Key Facts and Figures

- Many Americans do not have adequate health insurance coverage to meet their medical needs.
 - According to the U.S. Census Bureau, the number of uninsured Americans increased to 50.7 million people (16.7%) in 2009 from 46.3 million people (15.4%) in 2008.²
 - One in five Americans does not get the necessary care when it is needed: In 2007, 59 million people reported not getting or delaying needed medical care—up 43% since 2003.³
 - More than 90% of the uninsured report cost as a barrier to receiving timely care.⁴ Rising insurance premiums, higher deductibles, and copayments have led to increased Americans’ out-of-pocket costs and caused to postpone doctors visits or not go at all.
 - In 2009, the Centers for Disease Control (CDC) reported that 60 million (or one in five) Americans annually experience gaps in their insurance coverage.⁵
 - The new law will provide health coverage to approximately 32 million of the 46 million currently uninsured Americans.⁶
- Health care costs have risen over the past decade.
 - The U.S. spends significantly more than the average of other developed nations on health care. In 2007, the U.S. spent \$2.2 trillion, or 16.2% of GDP, on health care.⁷



- Health care costs doubled from 1996 to 2006, and are projected to rise to 25% of GDP in 2025 and 49% in 2082.⁸
- Employer-sponsored insurance premiums have more than doubled in the last decade, a rate three times faster than wage increases.⁹
- The new law will cost \$940 billion over a ten-year period.¹⁰
- The CBO estimates that the law will reduce the federal deficit by approximately \$138 billion by 2019.¹¹

Pfizer's Position

Pfizer believes that every American should have access to affordable, quality health care, and, by supporting reform efforts, we are committed to help ensure this outcome. By controlling costs and extending health coverage to millions of Americans, the Affordable Care Act takes important first steps toward addressing many of the problems facing the U.S. health care system. Pfizer recognizes that some provisions within the new law could be implemented, in ways which are disadvantageous for some patients, and we are committed to working with policymakers, health care professionals, and patients to bring about cost-effective policies that preserve the doctor-patient relationship, choice of treatments and incentives for innovation to ensure we deliver on the promise to find tomorrow's cures. Of critical importance, ACA provisions should not be used as a measure to ration care or allow treatment decisions to be made solely on the basis of cost.

How Patients and Health Care Professionals Benefit

The new law will provide millions of patients with enhanced access to affordable health coverage including mandatory coverage of basic preventative services like mammograms. As a result, many patients will be able to get the important health services, treatments, and screenings they need to stay healthy.

How the Health Care System Benefits

Provisions related to quality measures and payment reforms will help improve the efficient use of resources and the quality of patient care and outcomes throughout the health care system.

What It Means for Pfizer

Expanded access to health insurance coverage will help ensure that patients with under-diagnosed and under-treated conditions are able to address them; and that those who will benefit from Pfizer medicines are better able to have access to them.

¹ The Patient Protection and Affordable Care Act (PPACA, P.L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (HCERA, P.L. 111-152), is collectively referred to in this paper as the Affordable Care Act of 2010 (ACA).

² DeNavas-walk, C., B. Proctor and J. Smith. *Income, Poverty, and Health Insurance Coverage in the United States: 2009*. U.S. Census Bureau. September 2010. Available at: <http://www.census.gov/prod/2010pubs/p60-238.pdf>.

³ Cunningham, P.J., and L.E. Felland. "Falling Behind: Americans' Access to Medical Care Deteriorates, 2003-2007." *Results from the Community Tracking Study*. Center for Studying Health System Change Tracking Report. No. 19, June 2008. Available at <http://www.hschange.com/CONTENT/993/993.pdf>.

⁴ Ibid.

⁵ Cohen, R., et al. "Health insurance coverage: Early release of estimates from the National Health Interview Survey 2009" NCHS Brief 2010.

⁶ Congressional Budget Office. Letter to the Speaker of the House of Representatives. 18 March 2010. Available at: <http://www.cbo.gov/ftpdocs/113xx/doc11355/hr4872.pdf>.

⁷ Office of the Actuary, Centers for Medicare and Medicaid Services. *National Health Expenditure Data for 2007*. U.S. Department of Health and Human Services, available at:

http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp#TopOfPage

⁸ Orszag, P. *Growth in Health Care Costs: Statement Before the Committee on the Budget, United States Senate*. Congressional Budget Office. 31 January 2008. Available at:

<http://www.cbo.gov/doc.cfm?index=8948>

⁹ Kaiser Family Foundation & Health Research and Educational Trust. *Employer Health Benefits 2008 Annual Survey*. Kaiser Family Foundation. 2008. Available at:

<http://ehbs.kff.org/?page=abstract&id=1>

¹⁰ Congressional Budget Office. Letter to the Speaker of the House of Representatives. 18 March 2010. Available at: <http://www.cbo.gov/ftpdocs/113xx/doc11355/hr4872.pdf>.

¹¹ Ibid.