

# Health Reform Overview

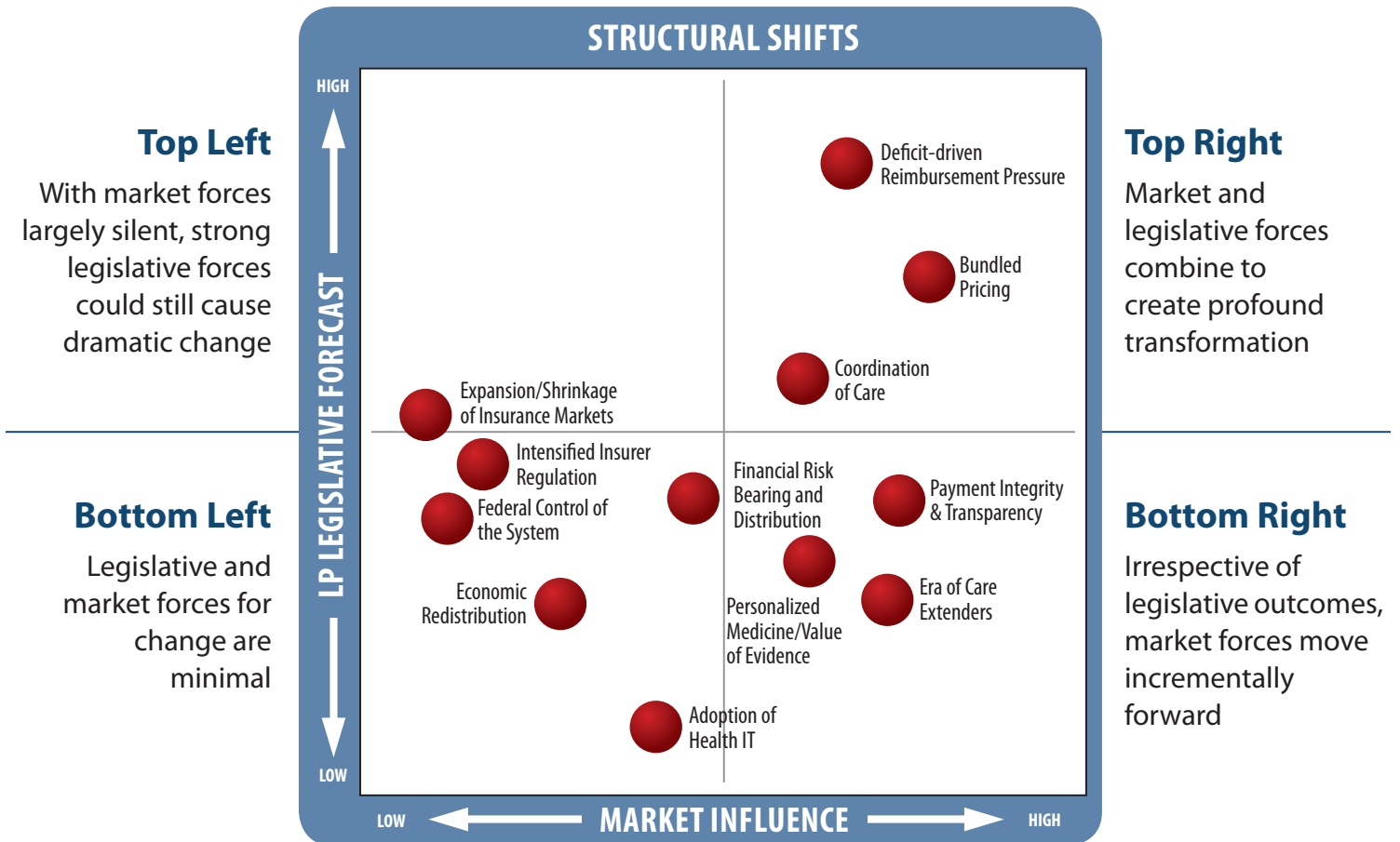
The United States health system continues to evolve as dramatic, and in some cases, irreversible trends change the system. These trends, or “influencers,” include both the dramatic changes contemplated in various forms of Federal health reform legislation and in the broader marketplace. Together, legislative and market forces will combine to reward entities that orient their strategies and operations to deliver value.

## Health Reform Framework

### CORE THEMES: Federalization, Risk Allocation, and Value Driven Integration



## Health Reform Influence Matrix



## Federal Health Reform Scenarios

### Congressional Gridlock - Health reform falls apart

- Tainted bill pushes “Ds” away and “Rs” are happy to let it go
- Both parties fold tent and move on

### Democratic Smaller, Cheaper, Incremental - Something over nothing

- “Ds” restart and abandon the most controversial measures
- Watch for health reform to be co-mingled with other legislative fixes

### Senate (Most or All) - Proponents power forward

- Existing efforts lead to formal budget reconciliation process
- House passes Senate bill

### Leadership Compromise - Leaders construct common ground approach

- Bill is scaled back
- Both parties accept “something is better than nothing”

### Bureaucratic End-run - Administration exercises existing authorities

- Application of waivers, rules and regulations, and budgetary powers
- Strategy is complemented by a legislative reconciliation approach