

# Reforming Healthcare Reform ??

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## What Comes Next??

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# Surprising Election Results!



- ◆ Trump wins presidency with 304 electoral votes
  - Clinton wins popular vote (Calif/NY)
- ◆ More surprising – R’s retain Senate
  - 24 R’s seats up in 2016 v. 10 D’s seats
  - R’s lost 2 seats: 52/48
- ◆ R’s lost only 4 House seats: 239 v 193

# Republicans Control Congress and the White House, but ...

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- ◆ Republicans are without a filibuster-proof majority in Senate
- ◆ Means Republicans need some Democratic support or else use *budget reconciliation* process
  - challenge is that much of ACA becomes “off limits”
  - *Byrd rule* won't allow legislation where budgetary effects are “*incidental*”
- ◆ House vote will also be *challenging*
  - Freedom Caucus

# *ACA – What Needs to Happen Next?*

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- ◆ *ACA clearly needs changes*
  - exchanges are still in churn in year 4
  - 1/3 of counties left with one insurer in exchange
  - CBO had predicted 18 million in exchanges by 2017; sign-up for 2017; 12.1 million
- ◆ *“Reform and repair” or “repeal and replace”?*

# Lots of ACA-Related Policy “Mistakes”

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- ◆ Limiting age-band to 3:1 instead of 5:1
- ◆ Allowing 26 yr. olds to stay on parents policy after 1/1/14
- ◆ Guaranteeing future coverage with no penalties
- ◆ Lenient “special enrollment” rules
- ◆ Continuing enrollment churn

# One Strategy: Repair or Reform the ACA



- ◆ Democrats have indicated a need for repair
- ◆ Might be possible for a Senate coalition to reform/repair the ACA; House is less clear
- ◆ Politics hasn't allowed this option
  - R's spent 2010-2016 vowing to *repeal and replace*

But ...

- ◆ Not clear Congress can get beyond the verbal debate

# Republicans Adopted a “3 Bucket” Strategy



1. Fast-track a budget bill –the *American Health Care Act*
2. Changing regulations and other administrative changes
  - Need to follow APA changing regulations
3. Separate legislative package for other changes – malpractice reform, selling ins. across state lines
  - Requires 60 Senate votes

**ACHA thru the House; in the Senate ...**

# AHCA Major Provisions

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- ◆ Advanceable, refundable tax credits based on age
  - \$2,000 - \$4,000; phases out after \$75,000/\$150,000
- ◆ Allow 30% surcharge for 1 year for people w/o continuous coverage
- ◆ ↑ HSA limits for high deductible plans
- ◆ Ends *enhanced* Medicaid match for new enrollees in 2020
  - makes *Medicaid per capita block grant* program
- ◆ \$100 bil patient/state stability fund



# Republican Challenges for Healthcare Reform...

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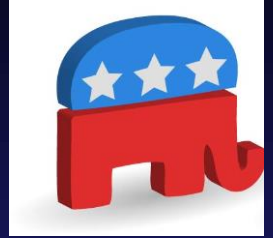
- ◆ Conservatives don't like income-related tax credits -- dampen work incentives, but ...
- ◆ Hard to get adequate credits to near poor/low income w/o
- ◆ Conservatives don't like “*mandates*” but hard to protect against pre-existing conditions w/o it
- ◆ 30% one year *surcharge* – too high for the public; too low for CBO
- ◆ Removing all ACA taxes leaves no \$ for replacement

# CBO Scoring of Original AHCA



- ◆ Uninsured ↑ 14 million in 2018; 24 mil by 2026
  - 2018: 6 M from individual market; 5M from Medicaid; 2M from employers
- ◆ Deficit ↓ \$337 bil
  - ↓ in outlays from Medicaid and tax credits; ↓ in revenue from mandate and ACA taxes
- ◆ Premiums would ↓ by 2020; ↑ in 2018 – 2019 (mandate gone)

# House Moderate R's Add Amendments to Get ACHA Passed







- ◆ MacArthur amendments allow states to “*opt-out*” of ACA provisions
  - allow insurers to change minimum benefits
  - allow plans to charge more by age/health status
  - allow states to not enforce 30% surcharge
- ◆ States that “*opt-out*” have to set up “*high-risk pools*”
- ◆ Upton amendment added \$8 bil to high risk pools (\$138bil)

HR 1628 passed May 4<sup>th</sup>: 217-213

# CBO Scoring of Revised ACHA Bill



- ◆ Basically the *same* as original version of ACHA
  - 14 mil  in uninsured for 2018; 23 mil  by 2026
  - Medicaid spending  \$834 bil over 10 years
  - deficit  \$119 bil
  - avg. premiums purchased lower

Specifics maybe *wrong* but *directionally correct!*

# Political Challenges Remain for Reform

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- ◆ *Two-person* majority in the Senate
  - challenges from both the conservatives and the moderates
- ◆ Senate passage requires keeping 50 R votes or getting support from D's
- ◆ If legislation is passed, will need to go back to the House for another vote/modification

Outcome remains *unclear!*

# Cassidy-Collins Legislation

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- ◆ States have three options:
  1. Continue with the ACA. Same funding for Medicaid; 95% of premium subsidies
  2. Receive 95% of federal funding. Direct deposit/refundable tax credits in HSA accts. Pair w/high deductible plan
  3. Create own solution but with no Fed funding
- ◆ Two other R supporters (plus D supporters?)
- ◆ Keeps some ACA provisions but not all

# Republican Governors ...

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- ◆ Republican governors generally support “repealing/replacing” the ACA, but
- ◆ At least 15 R governors have raised *concerns* about AHCA proposal
  - coverage losses especially concerning to many
  - lack of additional state flexibility also concerning
  - but for some, AHCA *not* conservative enough
- ◆ Republican governors proposal

# For Now ACA Remains “Law of the Land”

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- ◆ R’s need to take steps to stabilize the exchanges
  - will R’s support cost-sharing reduction payments?
  - will R’s enforce mandate?
- ◆ Will some of the hold-out states expand Medicaid?
  - Kansas passed expansion legislation but was vetoed
  - Georgia and North Carolina discussing expansions
- ◆ R’s expect to use waivers (1332; 1115) to give states maximum flexibility?



# Can Republicans be Successful at Healthcare Reform?

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- ◆ D's have not indicated support for *any* R bill  
-- even Cassidy-Collins, which lets states continue with the ACA if they want
- ◆ Can a coalition of D's and R's come together on a bill that significantly *modifies* the ACA?
- ◆ Focus on *value-based healthcare* and *MACRA* will *continue* in any case
- ◆ Next Presidential term will be *Medicare's* turn!

# Role For Nurses in Health Reform

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- ◆ Country is in a period of change ...
  - need to have views/positions *known* and *clear*
- ◆ *Expanding role* and *importance* of nurses in healthcare delivery will continue
- ◆ Need to decide *what* you want and *how best* to achieve your goals
- ◆ *Focus* – on short-term and long-term goals