Reforming Healthcare Reform

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 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?

♦ 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”

♦ 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

♦ 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
♦ Increases 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
Conservatives don’t like income-related tax credits -- dampen work incentives, but …

Hard to get adequate credits to near poor/low income w/o Republican Challenges for Healthcare Reform…

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)
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 4th: 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

♦ *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

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 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”

♦ 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?

♦ 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!
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