

# HEALTHY DIALOGUES

CONVERSATIONS ABOUT HEALTHCARE REFORM

*An invitation to Utah's leaders*

PRESENTED BY



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# How to *Reform* Healthcare Reform??

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# Focus of the ACA Thus Far



- ◆ *Expanding* coverage
- ◆ Insurance reforms
- ◆ *Limited* delivery system reforms
  - value based purchasing, ACOs
- ◆ Medicare Innovation Center and its pilot projects
  - mixed record at best

# Some Progress on Traditional Healthcare Challenges

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- ◆ Too many uninsured
- ◆ Unsustainable spending growth  
-- short-term v. long-term



*Less progress on ...*

- ◆ Patient safety issues
- ◆ Clinical appropriateness

# Number of Uninsured Have Clearly Declined

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- ◆ Latest uninsured estimates show decline has stalled
    - total uninsured: 16% in 2010 → 9.1% in 2015
  - ◆ Larger than expected ↑ from *Medicaid* expansion  
(68M est. for 2016 v. initial est. of 52M <65)
- But ...
- ◆ 28 million expected to be *uninsured* (2026) under current law

# Healthcare Spending: The Challenges May Be Returning

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- ◆ Healthcare spending had several years of very slow growth:  $<4\%$  per year
- ◆ Never clear how much was policy-induced and how much was recession-related
  - how much payment or delivery reform v. ↑ed use of high deductible plans
- ◆ 2015 OECD report showed US spending slow-down  $<$  OECD average; suggests mostly *recession-related*

# And Many “Perverse” Incentives Remain in Healthcare

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- ◆ Tax treatment for employer-sponsored insurance  
> \$260 bil. of revenue loss
- ◆ Pervasive use of 3<sup>rd</sup>-party payment w/o direct  
controls on spending, utilization, technology
- ◆ Reimbursement still mainly fee-for-service
- ◆ Liability concerns remain for physicians, hospitals  
and manufacturers

# Pre Election Polling Data on Issues/ACA

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- ◆ Most important issues: (1) Economy/jobs  
(2) National security  
(3) Immigration  
(4) Health
- ◆ Attitudes towards ACA remain mixed:
  - 42% “*against*” v. 40% “*for*”
- ◆ Most important health issues are access and affordability (esp for Rx)





# Post Election Polling

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- ◆ Top issues listed: Economy (35%); Security (21%); Healthcare (15%)
- ◆ Plurality of voters thought ACA went too far
  - 45% said ACA went too far v.
  - 31% said didn't go far enough v.
  - 18% said about right (NBC Exit Polls)

# Surprising Election Results!



- ◆ Trump wins presidency with 279 electoral votes
  - Clinton wins popular vote by small amount (Calif/NY)
- ◆ More surprising even – 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

# What the Election Means for Healthcare

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- ◆ R's *don't* have a *filibuster-proof* majority
  - means need to use budget reconciliation vehicles, or get some Dem support in Senate
  - *may* keep R's from over-reaching
- ◆ ACA *needs change*
  - churn/drop-outs by plans; special-enrollment churn; rigid waiver rules;
  - could modify ACA 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 for uninsured after 1/1/15
- ◆ Promising (unfunded) risk corridors for 2014-2016
- ◆ Extremely lenient “special enrollment” rules
- ◆ Promising people could “keep their ins. and their doctors,” etc.

# Potential ACA-Related Policy Changes

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- ◆ Could “revise/reform” ACA *but ...*
  - politically likely to “*repeal (with delay) and replace*”
- ◆ Move to a plan *like* June *House R plan*?
  - replace exchange subsidies w/refundable tax credits
  - limit unlimited tax subsidies for employer-spending
  - allow 5:1 premium variations
  - use continuous coverage to protect against pre-existing conditions
  - consider Medicare-like penalties for future unins.

# Also Some Non ACA-Related Legislative Issues for Next Congress

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- ◆ VA and Choice Act expiration
- ◆ PDUFA renewal
- ◆ 21<sup>st</sup> C Cures Act (unless passed in lame duck session)
- ◆ Rx drug pricing challenges
  - CMS will *not* be given administered price authority

# And Longer Term Challenges Remain

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- ◆ Healthcare spending battle not yet won
- ◆ 28 million uninsured expected to remain;
- ◆ *Entitlement reform* is still in our future
  - current Medicare/Soc. Sec. programs are unsustainable
- ◆ Improving value and safety in healthcare remains *elusive*



# But to Really ↑ Health, Need to Focus on the Social Determinants of Health

- ◆ Need more attention to targeted *prevention*
  - *recognize* obesity is the new *smoking*
  - will require *sustained campaign* for success
- ◆ More *efficient, effective healthcare* is *important, but* SDH are *more* important
  - early childhood education, fight against poverty, more food security, equal opportunities for women

We spend *enough*; we need to spend it *smarter*!





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