HEALTHY DIALOGUES
CONVERSATIONS ABOUT HEALTHCARE REFORM

An invitation to Utah’s leaders
PRESENTED BY

Intermountain Healthcare
Healing for Life®
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

- 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

- 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

- 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. increased 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

♦ Tax treatment for employer-sponsored insurance
  > $260 bil. of revenue loss

♦ Pervasive use of 3rd-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

♦ 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)
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

♦ 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

♦ 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

♦ VA and Choice Act expiration
♦ PDUFA renewal
♦ 21st 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

♦ 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 \textcolor{red}{\uparrow} Health, Need to Focus on the Social Determinants of Health

♦ Need more attention to targeted \textit{prevention}
  -- recognize obesity is the new \textit{smoking}
  -- will require \textit{sustained campaign} for success

♦ More \textit{efficient, effective healthcare} is important, but SDH are \textbf{more} important
  -- early childhood education, fight against poverty, more food security, equal opportunities for women

We spend \textit{enough}; we need to spend it \textit{smarter}!