

# The Future of Healthcare Policy and Politics 2016

# What Happened In the Presidential Election

- 5<sup>th</sup> time in U.S. history that a President has won the electoral college and lost the popular vote
- President Elect Trump did better with blacks and hispanics than Mitt Romney
- Not a “mandate” election like Reagan (489-49 in electoral college) or Obama (brought in 21 new house members and 8 new Senate members)
- Only once in the last 64 years has a party retained the Presidency for a third term
- Just enough people wanted change from the last eight years

# What Happened In The U.S. Congressional elections

- Republicans retain control of U.S House of Representatives by 238-193 margin, but lose 6 seats (4 still being counted)
- Senate stays in Republican hands at 52-48. Loss of two Republican seats but Republicans should pick up more seats in 2018 as there will be only 8 Republican seats up and 25 Democratic seats – ten in states that Trump carried
- Presidency and both Senate and House are in Republican hands for only the 4<sup>th</sup> time in a 100 years
- Will they "overreach" like Democrats in 2008?

# Democrats, not Republicans, are in Trouble

- Republican party has more elected offices at all levels of government in over 80 years
- Democrats will lose U.S. Senate seats before they gain more – Democrats have to defend 26 of 33 U.S. Senate seats up in 2018
- Republicans totally control the Governorship and both Houses of the state legislature in 25 states including Utah
- Republicans control 68 of 99 state legislative chambers – very important for redistricting

# Democrats in the "wilderness"

- Republicans control 33 of 50 Governorships
- Democrats have no leader after Clinton. Sanders? Who else? Do they become more liberal or move to the center
- Republican "bench" is much deeper than Democrats until at least 2020
- Republicans control 4170 state house seats, Democrats hold 3,129
- Democrats have lost federal and state offices substantially since 2010

# New Sheriff In Town

- Dr. Tom Price
- 8 year Congressman from Georgia
- Respected Orthopedic Surgeon
- Practiced at Emory University Hospital for 20 years
- Current Budget chair (succeeded Paul Ryan)
- Major opponent to Obamacare

# HHS secretary has enormous discretion under the ACA

- The ACA literally states in the thousands of times that the HHS Secretary can make the decision on something in the ACA.
- Look for major roll backs of ACA regulations or other discretionary changes almost immediately.
- He also has interest in dealing with the unsustainable costs of Medicaid and Medicare

# New "Undersheriff"

- Seema Verma as new head of CMS – founder of Health Policy Consulting firm SVC, Inc.
- Close to Vice President Elect Pence – helped him do Indiana's Medicaid expansion

# Whither the ACA?

- Republicans WILL “repeal and replace” almost immediately in a “lightning strike” but how and “how much” still to be determined. Will likely repeal as much as possible as soon as possible and then replace later.
- Policy, Procedure and Politics all come into play
- Can “defund and repeal” anything to do with money in the ACA through the budget reconciliation process which can’t be filibustered (only need 51 Senate votes). Individual and corporate mandates, Medicaid expansion, medical device tax can be changed this way
- Unclear if they can change other policy without Democratic help to avoid a filibuster or lawsuits

# Whither the ACA?

- Will likely want to keep some of the “popular” parts of the ACA but will “phase out subsidies for insurance” over time.
- How aggressive with the Trump administration be in scaling back 40,000 pages of new regulations brought on by the ACA?
- How do you take away or change insurance for over 20 million Americans?
- Not an easy task to fully unravel – how do you penetrate the bureaucracy?

# Utah Election: Status Quo

- Utahns are generally happy with state and local leaders right now
- Governor Herbert handily wins re-election
- Utah Senate stays 24-5 Republican with same leadership
- House still heavily controlled by Republicans by at least a 62-13 margin (democrats picked up one seat)
- Major change in Republican leadership by replacing Rep. Jim Dunnigan as House Majority leader with Rep. Brad Wilson

# Utah Medicaid Expansion Status

- CMA has still not approved the limited regular Medicaid expansion plan passed in the 2016 legislative session
- Unclear if or when it will get approved
- Not much likely to happen on this in 2017 legislative session
- Could see a broader expansion pass in 2018 or 2019 depending on federal decisions

# Grants or Per Capita Allotments?

- What will be the process?
- One or many targeted block grants?
- Potential reductions in federal funding over time?
- Changes in rules and regulations – more flexibility to the states to design own program – work requirement, more options on coverage
- We need to be proactive with both state and federal legislators and regulators

# Benefits to Utah on Medicaid

We are a low per capita spending Medicaid state – we could actually see more money coming to us under a “fairer formula”

We are one of the few states that could actually do a good job on some type of block grant system as we work well together on Medicaid

Senator Hatch will be a major player in all of this – will he help Utah?

More local control and flexibility

# Potential Negatives For Utah

- Less money coming into Medicaid from the federal government
- Match rate could be cut
- Funding could be capped

# Major Health Issues in 2017 State Legislative Session

- Medicaid budget in general
- Medical Marijuana
- Population Health
- Insurance reform and code rewrite – surprise billing
- U of U Medical School funding
- Opioid Crisis

# Final takeaways

- "Buckle Up" as there will likely be major changes in Medicaid, Medicare and the ACA
- But it will take longer than anyone thinks
- Beware the law of unintended consequences
- Medicare and Medicaid are fiscally unsustainable and it gets worse every day
- We can and should do better in healthcare in the US