2018 Political Outlook
Legislation/Regulation
• Where We’ve Been
• Where We’re Going?
Key Takeaways For Employers
House Balance of Power: 115th Congress

Republicans: 237
Democrats: 193
Vacancies: 5

Note: Five vacancies include AZ-08 (Franks), MI-13 (Conyers), NY-25 (Slaughter), OH-12 (Tiberi), and TX-27 (Farenthold).

Source: https://blog.invariantgr.com/election-update-4-adac4765cdaa?ct=t(EMAIL_CAMPAIGN_4_13_2018)
Senate Balance of Power: 115th Congress

Republicans 51
Democrats 47
Independents 2

Note: Two independents (Angus King and Bernie Sanders) caucus with Democrats.

Source: https://blog.invariantgr.com/election-update-4-adac4765cdaa?ct=t(EMAIL_CAMPAIGN_4_13_2018)
Trump Job Approval and Disapproval: Weekly Averages

- % Approve
- % Disapprove

GALLUP

JAN '17  FEB '17  APR '17  JUN '17  AUG '17  OCT '17  DEC '17  FEB '18

47  54  57
45  40  38
54  58
41
60  60  60
35  35  35
57  57  57
40  40  38
Legislation: Where We’ve Been

- Tax bill approved (December):
  - Repeals individual mandate penalty in 2019, and
  - Allows medical expense deduction exceeding 7.5% of income (17/18 tax years).
- “Cadillac” Tax delayed until 2022.
- 1.3 trillion dollar spending bill approved (March) with health provisions:
  - $3.6 billion for opioids,
  - Six-year CHIP reauthorization (thru 2023), and
  - NIH increased funding, other agencies flat funding.
Legislation: Where we haven’t been

- Individual market stabilization action on:
  - Reinsurance, and
  - Cost-sharing reductions.

- Result: premium increases to mirror 2018 (in CO individual market was 34.4 percent).

- In reaction, states are pursuing their own strategies to reduce premiums:
  - 1332 waivers for reinsurance – CO HB18-1392 including assessments on insurers.
Regulation: Where We’ve Been

- Association Health Plans (AHPs)
- Short-term plans
- Medicaid work requirements
- Individual mandate guidance
- Drug pricing
- CMMI initiative changes
Association Health Plans

- Proposed rule released in early January.
- Expands ability of small businesses and independent contractors to band together to buy insurance.
- Loosens definition under ERISA (allows AHPs to be treated as large employers).
- Final rule expected this summer.
- If advances opens up ERISA = risk to large self-funded employers.
Short-Term Plans

- Proposed rule would expand short-term plans from 3 months to 1 year.
- Plans are not required to meet essential health benefits and pre-existing condition rules in ACA.
- Opponents concern: expands discriminatory benefit designs and insufficient plans.
## Short –Term vs. Traditional Insurance

<table>
<thead>
<tr>
<th>Comparison</th>
<th>Short-Term Insurance</th>
<th>Traditional Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-existing condition exclusions?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Guaranteed coverage?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Medical history look back?</td>
<td>Some</td>
<td>No</td>
</tr>
<tr>
<td>Maternity care?</td>
<td>Not usually</td>
<td>Yes</td>
</tr>
<tr>
<td>Hospitalization?</td>
<td>Not for pre-ex</td>
<td>Yes</td>
</tr>
<tr>
<td>Mental health/substance abuse?</td>
<td>Not usually</td>
<td>Yes</td>
</tr>
<tr>
<td>Purchased with gov’t subsidy?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Annual/lifetime dollar limits?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Out of pocket max limit?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Source:** [https://www.ehealthinsurance.com/ehealth-package-ebook/resources/ehealth-package-ebook.pdf](https://www.ehealthinsurance.com/ehealth-package-ebook/resources/ehealth-package-ebook.pdf)
CMS released guidance in support of state 1115 waivers to add work requirements. Three states have been approved, 10 are pending and more on horizon.

New Executive Order directs agencies to submit plans to expand work requirements.

Legal challenges underway.

In CO – nearly all adults receiving Medicaid benefits are employed.
Individual Mandate Guidance

- Released early April and applies immediately.
- Exempts people from the penalty if they:
  - Live in a county with one or zero ACA insurers,
  - Live in a county where the only plans violate their beliefs by covering abortions, and
  - Need care by a specialist but available plans do not provide access to such care.
Drug Pricing

- President Trump announcement end of week of April 23rd.
CMMI Initiatives

- New CMS Administrator driving CCMI direction.
- More flexibility for doctors to opt out of initiatives.
- Recent Request for Information on “new direction” for CMMI.
- New programs working through clearance will provide more options to advance payment/delivery innovation.
Legislation: Where we’re going

- 2018 – Limited agenda (bipartisan and no cost)
  - Opioids (effects 1 in 3 families)
  - Telemedicine
  - Continuing resolution (pre-election)/Omnibus (lame duck)
Post-Election Agenda (2019)

Democrats Control
- Expansion of govt. role in health care
  - Medicare/Medicaid “for all” and “buy-in” bills
- Individual market stabilization
- Drug prices
- Enhanced oversight of Trump Admin.

Republican Control
- Medicare/Medicaid reforms
- ACA rollbacks
- Cadillac tax repeal
  - 11K/31K triggers in 2022
- HIT repeal
- HSA enhancements
- Employer mandate
Regulation: Where we’re going

- Continue to ease reporting burdens for providers and employers.
- Additional CMMI initiatives with increased flexibility to advance value-based payments.
- More 1332 waiver approvals to allow states to innovate in design of ACA markets.
- Additional 1115 Medicaid waiver approvals and redesign of the Managed Care Rule.
- Regulation/guidance in support of reining in drug costs.
THANK YOU

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