

FEDERAL POLICY UNCERTAINTY IN HEALTH CARE

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Agenda

2018 Political Outlook

Legislation/Regulation

- Where We've Been
- Where We're Going?

Key Takeaways For Employers

House Balance of Power: 115th Congress

Republicans

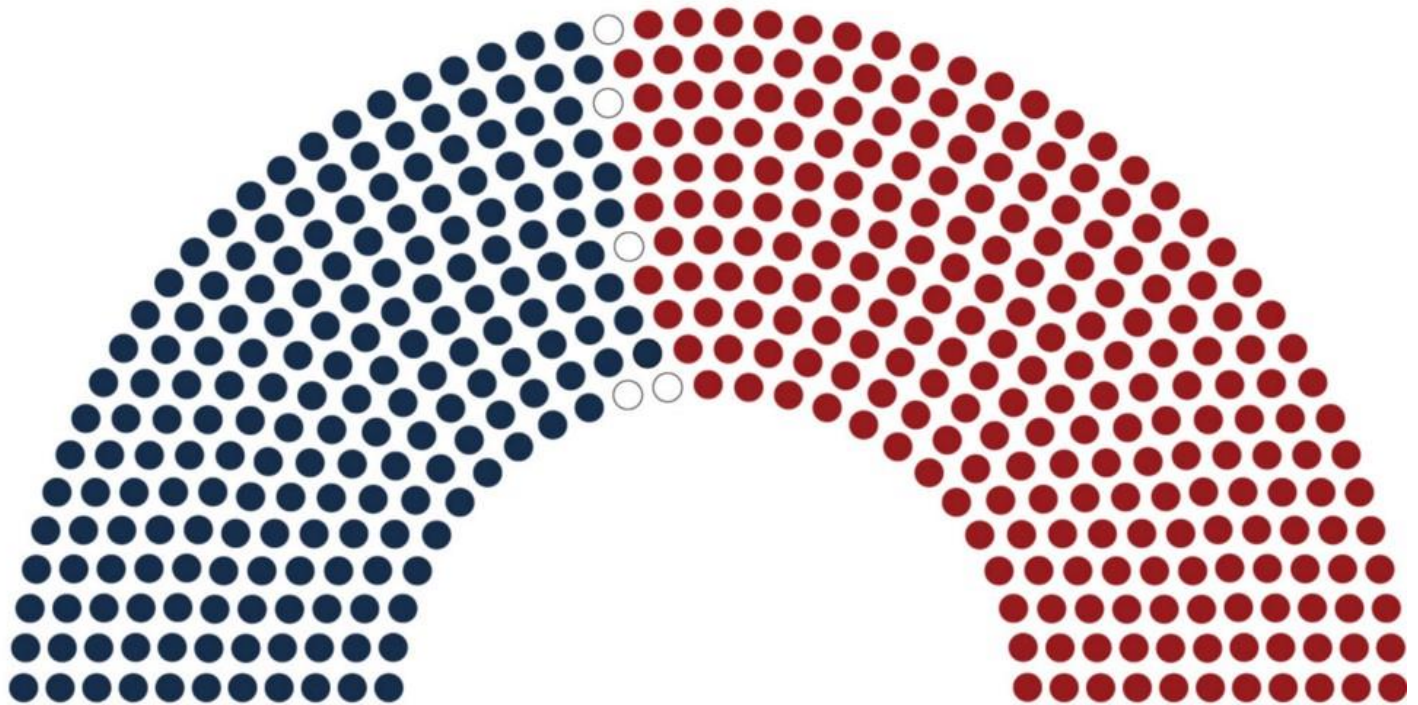
237

Democrats

193

Vacancies

5



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

Senate Balance of Power: 115th Congress

Republicans

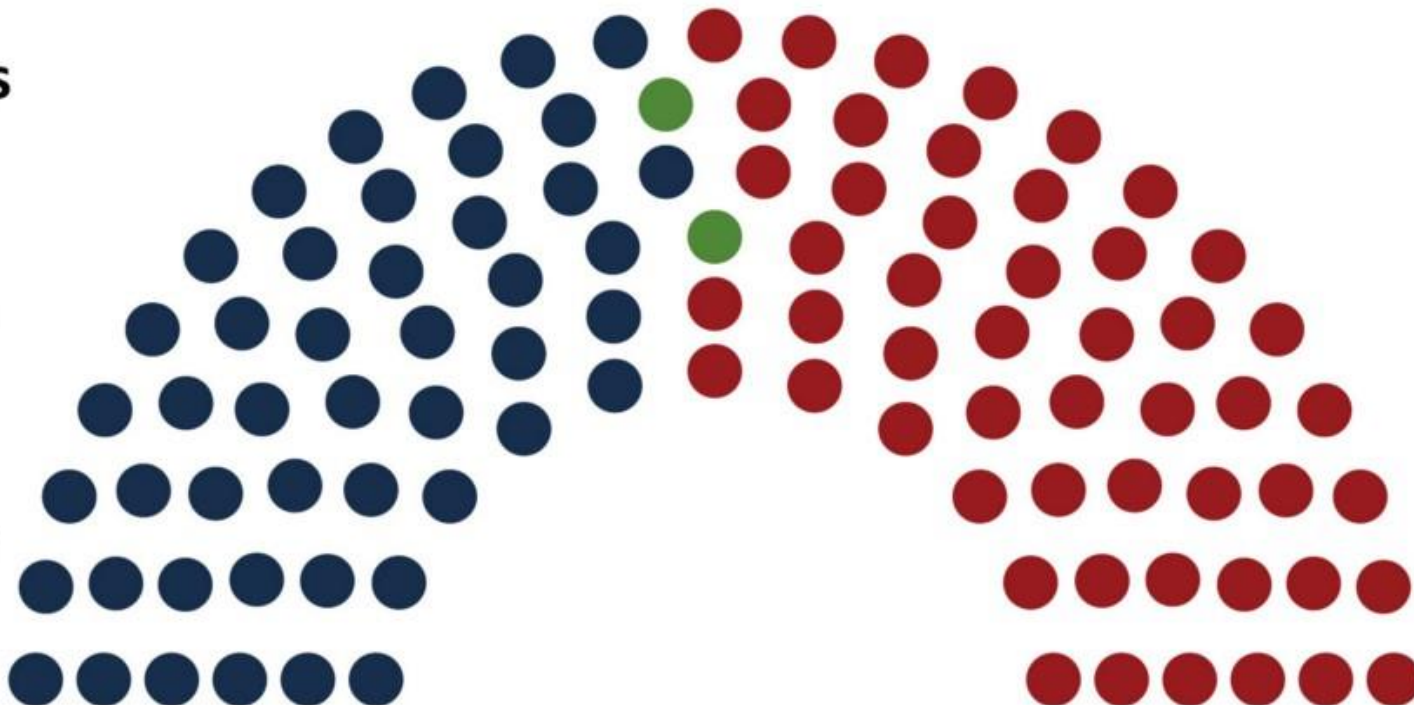
51

Democrats

47

Independents

2

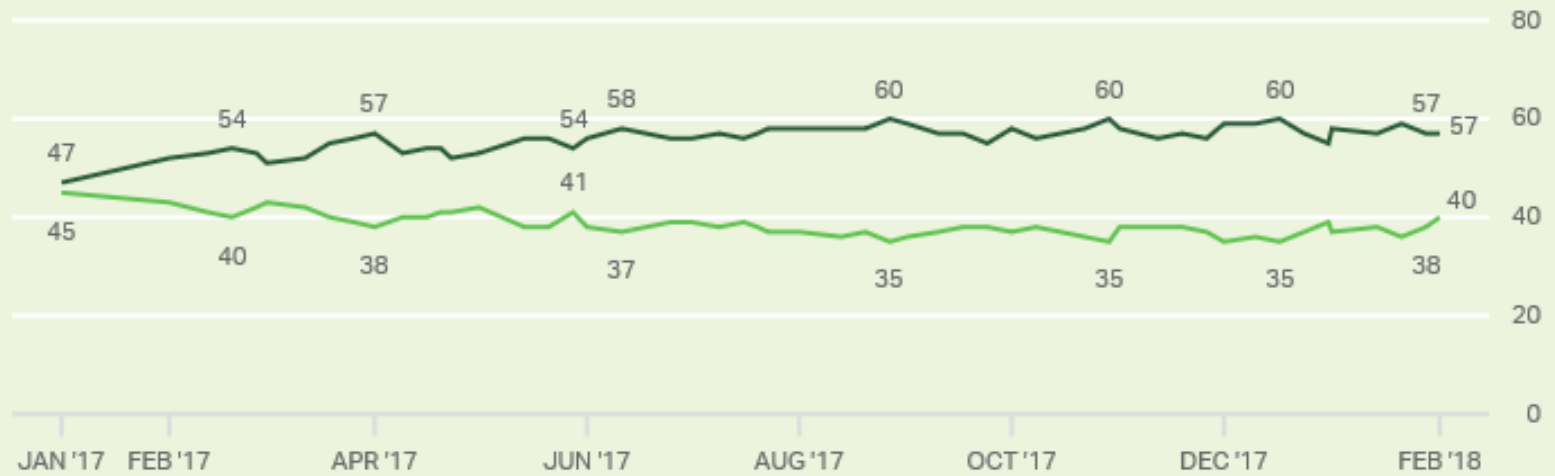


Note: Two independents (Angus King and Bernie Sanders) caucus with Democrats.



Trump Job Approval and Disapproval: Weekly Averages

■ % Approve ■ % Disapprove



GALLUP

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.
- Health Insurance Tax paused for 2019.
- 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

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

Source: <https://www.ehealthinsurance.com/ehealth-package-ebook/resources/ehealth-package-ebook.pdf>

Medicaid Work Requirements

- 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 CMMI 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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