Health Policy in the 114th Congress and 2016 Elections

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March 7, 2016
Voters: Healthcare Is One of the Most Important Issues

- Terrorism: 38%
- The economy and jobs: 34%
- Cost of YOUR health care/health insurance: 28%
- Dissatisfaction with government: 28%
- The federal budget deficit: 28%
- Gun control: 27%
- The situation in Iraq and Syria: 26%
- The 2010 health care law: 23%
- Immigration: 23%
- Taxes: 22%
- Race relations: 20%
- Climate change: 16%

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted January 13-19, 2016)
Public Concerns About Healthcare: No Issue Dominates

<table>
<thead>
<tr>
<th>Issue</th>
<th>Single Most Important</th>
<th>One of Many Factors</th>
<th>Very Important, But Not Most Important</th>
<th>Not an Important Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of health care, health insurance, and prescription drugs</td>
<td>8%</td>
<td>56%</td>
<td>26%</td>
<td>9%</td>
</tr>
<tr>
<td>Medicare</td>
<td>7%</td>
<td>54%</td>
<td>27%</td>
<td>11%</td>
</tr>
<tr>
<td>The future of the 2010 health care law</td>
<td>6%</td>
<td>51%</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>7%</td>
<td>48%</td>
<td>31%</td>
<td>14%</td>
</tr>
<tr>
<td>Creating a national health plan in which all Americans would get insurance through a universal form of Medicare-for-all</td>
<td>8%</td>
<td>46%</td>
<td>25%</td>
<td>18%</td>
</tr>
<tr>
<td>Providing health coverage for the uninsured</td>
<td>5%</td>
<td>44%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Reproductive health care services for women including birth control</td>
<td>5%</td>
<td>42%</td>
<td>22%</td>
<td>30%</td>
</tr>
<tr>
<td>Abortion</td>
<td>6%</td>
<td>39%</td>
<td>23%</td>
<td>30%</td>
</tr>
</tbody>
</table>

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted January 13-19, 2016)
Public Opinion Remains Divided on ACA – Nearly Six Years After Enactment

SOURCE: Kaiser Family Foundation Health Tracking Polls
Most Insured Americans Like Their Coverage: Greater Risk from Dramatic Changes in Health Policy Than Reward for Health Reform

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted January 13-19, 2016)
Little-Known Fact:

Republicans and Democrats in Congress agreed on important health policy issues in 2015:
1. Value of Medicare Advantage plans
2. Repeal of Sustainable Growth Rate (SGR) cuts on Medicare reimbursement
3. Delay of Cadillac Tax
Driving Bipartisan Consensus

1. Reining in health costs through payment reform.
2. Moving away from Fee-For-Service in favor of:
   a) Incentive payments aligned with potential savings.
   b) Target interventions to help high-cost, high-need individuals avoid unnecessary hospitalization or emergency room use.
   c) Aligning policies among public and private insurers.
Elements of Payment Reform

- Capitated rate
- Value-based purchasing
- Blended, bundled, global payment models
- Financial reward
- Financial risk
March 3, 2016:

- 30% of Medicare A&B (excluding Medicare Advantage) tied to Alternative Payment Models

- Additional goals: 30% of entire health care system by 2016
  50% by end of 2018
“The success of these efforts will depend greatly on the ability to develop metrics that are viewed by a broad spectrum of stakeholders as accurate measures of performance—an endeavor that has made great progress but still faces substantial challenges.”

–Institute of Medicine, Vital Signs: Core Metrics for Health and Health Care Progress (Washington, D.C., National Academies Press 2015)
Most Significant Change to ACA to Date:

- Two-year reprieve from the Cadillac Tax
  - HR 2029, Consolidated Appropriations Act, 2016
Health Care Under Debate in 2016 Election
Principle points of health reform raised by GOP Presidential candidates

- Repeal ACA
- Affordability
  - Tax credits to help individuals purchase coverage on identical basis for employer-provided coverage and individually purchased
  - New limits on employee exclusion
  - Enhanced competition by sales across state lines
- Repeal coverage requirements
  - Minimum essential coverage
  - Prohibition of medical underwriting
  - Addition of subsidized high-risk pools
  - Mandated coverage
- Entitlement reform
  - Medicaid converted to block grants (not Trump)
  - Medicare evolves to defined contribution
Will the Presidential campaign produce a debate on the risk shift inherent in likely GOP plan?

- Employee exclusion limits
- Medicaid block grants
- Medicare premium support reforms
Sen. Sanders Sticks with Single-Payer

- Would create a federally administered single-payer health care program.
- Would cover the entire continuum of health care:
  - from inpatient to outpatient care; preventive to emergency care; primary care to specialty care, including long-term and palliative care;
  - vision, hearing and oral health care;
  - mental health and substance abuse services; as well as
  - prescription medications, medical equipment, supplies, diagnostics and treatments.
Clinton plan: Continue ACA and add to coverage

- Insurance coverage available through exchanges regardless of immigration status (no subsidy without documentation)
- Public option available as state option
- Tax credit up to $5,000 to offset out-of-pocket and premium costs over 5% of income
- Ceiling exposure of 8.5% income for exchange participants
- Government action to reduce Rx drug costs
- State option for public option
The begrudging, astonished view of Trump candidacy by D.C. political class:

“I keep thinking Trump should be held back by his lack of qualifications, his erratic temperament, his questionable mental stability and his disinclination to work with others. But so far, these defects seem to be having little or no effect. Right now, Trump is on a trajectory to win...[the nomination].”

55% of Republican primary voters support candidates other than Donald Trump...but there is also little evidence that...voters will coalesce behind a single “anti-Trump” candidate.
Legislative realities required for ACA repeal in next Congress

- GOP control of White House, House and Senate
- Filibuster-proof margin in Senate: 60 votes
- Simple majority in Senate can repeal using Budget Reconciliation Act, but limitations apply
2016 Budget Reconciliation Act reveals extent of repeal possible using this strategy

Was repealed:
- Cadillac Tax
- Health insurance exchange subsidies (beginning 2018)
- Medicaid expansion
- Individual mandate
- Employer mandate
- Reinsurance, risk corridors and risk adjustment programs
- Medical device tax
- Medicare payroll tax increase for upper income taxpayers
- Net investment income tax increase (capital gains) for upper income taxpayers
2016 Budget Reconciliation Act reveals extent of repeal possible using this strategy

**Remained untouched:**

- Prohibition on denial of coverage for pre-existing conditions
- Guaranteed issue and renewability
- Community rating
- Essential health benefits requirements
- Restrictions on annual/lifetime insurance limits of dollar value of coverage
- Actuarial value requirements for exchange plans
- Prohibition on rescission of coverage
- $500 billion+ in Medicare payment cuts to finance coverage expansion
Thank you!

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