



COOPERATIVE OF
AMERICAN PHYSICIANS

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Cooperative of American Physicians, Inc.

Trumpcare vs. Obamacare: What's Next?

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WHAT DOES THE ACA (“OBAMACARE”) COVER?

- ▶ “Guaranteed Issue”: No exclusion for pre-existing conditions
- ▶ No annual or lifetime caps
- ▶ Children can stay on parents’ coverage until age 26
- ▶ “Individual Mandate”: If you can afford coverage, you must purchase it
- ▶ Mandated “Essential Health Benefits”
- ▶ Eliminated cost-sharing for certain preventive benefits

WHAT DOES THE ACA (“OBAMACARE”) COVER?

- ▶ Federally subsidized Medicaid expansion
- ▶ Exchanges with subsidies for qualifying individuals and families
- ▶ Most Americans still covered by employer and government sponsored plans
- ▶ Additional 20 million Americans now have coverage
- ▶ Program protection and enforcement tools
- ▶ Center for Medicare and Medicaid innovation

WHERE HAS OBAMACARE RUN INTO TROUBLE?

- ▶ Significant premium increases in many markets
- ▶ High deductibles
- ▶ Only one or two insurers in the market
- ▶ Narrow networks (vs. “you can keep your doctor”)
- ▶ Adverse selection
- ▶ Too few “young invincibles” have signed up
- ▶ 19 states have refused Medicaid expansion (\$\$\$)

WHAT VOTE IS NEEDED TO REPLACE THE ACA?

- ▶ House has voted 60+ times to repeal; Obama vetoed
- ▶ Repeal of the statute requires 60 votes in Senate
- ▶ Will filibuster rule be changed?
- ▶ “Reconciliation” for budget bills requires majority vote only
- ▶ January 20, 2017 Executive Order
- ▶ Repeal before replace or concurrently?

WHAT ACA PROVISIONS ARE “LIKELY” TO BE RETAINED?

- ▶ Coverage for all (vs. “access” to coverage)?
- ▶ No pre-existing condition exclusion (with conditions?)
- ▶ Children can stay on parents’ policy until age 26
- ▶ Anti-fraud and abuse enforcement tools
- ▶ MACRA (“doc fix”)

WHAT ACA PROVISIONS DO TRUMP/REPUBLICANS WANT CHANGED?

- ▶ Not yet clear
- ▶ Permit insurers to sell across state lines
- ▶ Eliminate individual mandate
 - Will “death spiral” accelerate?
- ▶ No annual or lifetime caps (?)
- ▶ Eliminate exchanges and subsidies
- ▶ End Medicaid expansion (or change its funding)

WHAT ACA PROVISIONS DO TRUMP/REPUBLICANS WANT CHANGED?

- ▶ Allow insurers to offer less comprehensive plans
- ▶ Repeal tax on device manufacturers
- ▶ Repeal taxes on individuals to pay for Medicaid expansion and exchange subsidies
- ▶ Repeal fees on insurers

WHAT DO REPUBLICANS WANT TO REPLACE OBAMACARE WITH?

- ▶ Various House and Senate bills plus Trump's broad statements
- ▶ HHS Secretary Designee Price
- ▶ Limited pre-existing condition protection
- ▶ “Continuous coverage” requirement or “carrot” and “stick” approach
- ▶ Allow insurers to charge more to older patients (current limit is 3X)
- ▶ Eliminate mandatory minimum benefits
- ▶ Reduce or eliminate subsidies and give tax credits

WHAT DO REPUBLICANS WANT TO REPLACE OBAMACARE WITH?

- ▶ Replace hefty federal payment for Medicaid expansion with block grants and more state flexibility
- ▶ Some proposals would repeal prohibition on new physician-owned hospitals
- ▶ Medicare vouchers (Speaker Ryan)
- ▶ State high-risk pools
- ▶ HSAs would be expanded
- ▶ Is Big Pharma at risk?
- ▶ What happened to tort reform?

THE POLITICS OF REPEAL AND REPLACE

- ▶ Under ACA, percentage of uninsured is at a record low of <9%
- ▶ CBO projections of repeal: 32 million eventually lose coverage and premiums double
- ▶ Is public opinion shifting?
- ▶ Polls indicate concern over repeal without concurrent replacement
- ▶ Has affordable healthcare become a right in the minds of most Americans?
- ▶ Who gets the blame if the private insurance markets collapse?
- ▶ Does repeal and “delayed” replacement work?

THE POLITICS OF REPEAL AND REPLACE

- ▶ Pressure from Republican governors who have expanded Medicaid with federal funds
- ▶ Will significant numbers of blue collar Trump voters be adversely affected if replacement does not go well?
- ▶ 8 Democratic Senators up in 2018 in red states
- ▶ Pressure from hospitals, plans, physicians, and consumer groups
- ▶ “Mirabile Dictu”– Will the Democrats and Republicans be forced to work together on replacement?

IMPACT OF REPEAL IN CALIFORNIA

- ▶ California “all in” on the ACA
- ▶ 1.4 million on Covered California and 90% subsidized
- ▶ 3.8 million new Medicaid enrollees
- ▶ Possible loss of \$15 billion in federal funds

IMPACT ON PHYSICIANS

- ▶ Dr. Tom Price as physician advocate?
 - Against Feds “dictating” how MDs practice
 - Favors less auditing of medical necessity vs. fraud
 - Favors more flexibility for “private contracting”
 - Favors expanded telehealth coverage
 - Protects MDs from becoming “data entry clerks”
 - Backs transparency in pricing and outcomes
 - CMMI “gotten off track”
 - As a legislator, opposed Medicaid expansion and subsidies

IMPACT ON PHYSICIANS

- ▶ Will there be less money to pay physicians?
- ▶ Impact of fewer patients with coverage
- ▶ More fighting with insurance companies over payment and coverage
- ▶ Importance of input from organized medicine
- ▶ Will the move to value vs. volume be reversed or slowed?

CONCLUSIONS

- ▶ It is still early, and the situation is fluid
- ▶ Republicans and Trump have a lot riding on successful replacement
- ▶ Clash between top-down, and market- and state-based approaches



Questions

