Trump Administration and the 115th Congress

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Presentation Overview

• Agenda and Environment for 2017
  – Washington Outlook
• Health Care Priorities
  – Trump Administration
  – Congress
  – AAFP-Related

Timeline for 2017 Activity

2017

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- April
  - Debt ceiling
- May
  - Tax reform
- June
  - Infrastructure
- July
  - Jobs
- August
  - Health reform

- September
  - National Defense Authorization Act
- October
  - MACRA
- November
  - CHIP/Medicaid
- December
  - Tax reform
Trump Governing Style is Evolving

- Tweets
- Executive Orders
- Congressional leadership
- VP Mike Pence
- Democrats
- ???

What is the Problem with Congress?

- Cook Political reminds us that the middle is virtually gone
  - 72 swing districts
  - 56% decline since 1998
  - 20% decline from just four years ago
  - Paralyzing partisanship

ACA Repeal and Replace – Diagnosis

- AHCA legislation pulled from House floor – Mar 24
- Policy differences among House Republican factions
- Widespread stakeholder opposition
- Lack of support from key governors on Medicaid reforms
- Aggressive timeline by Trump/Congressional leadership virtually impossible to meet
- Reconciliation only mechanism to advance in Senate
Moving Forward on ACA Repeal & Replace

- White House hoping to resolve differences
- Seeking House vote on AHCA
- June 21 fast approaching for exchange plans
  - Provide market stability (or assign blame?)
  - Seek "repairs" to ACA and move to tax reform
- Link health reform with tax/infrastructure for FY 2018 to obtain bipartisan support

What’s Next for Congress?

- AHCA failure means –
  - Future of health care/100 Day agenda in question
  - Power concentrated in the poles – Freedom Caucus and Democrats
  - Funding fights continue to paralyze major priorities (e.g., tax reform, border security)
  - FY 2018 budget resolution
  - Debt ceiling must be addressed by mid-summer

2017 Health Care Priorities

- **Trump Administration**
  - Repeal and Replace the Affordable Care Act
  - Address rising drug prices
  - Respond to growing opioid epidemic
  - Reduce spending in federal agencies (e.g., NIH, AHRQ)

- **Congress**
  - Repeal and Replace the Affordable Care Act
  - Address expiring health legislation (e.g., CHIP, FDA user fees, THC GME, MACRA extenders)
Congressional Health Agenda – Proactive Version

- ACA-related modifications
  - How to stabilize the insurance marketplace?
  - Outlook for ACA cost sharing subsidies
  - Role/authority of HHS Secretary Price
- Legislation to address rising drug prices
- Chronic care legislation

CHRONIC Act

- Bipartisan legislation from Senate Finance Committee
  - Hatch, Wyden, Isakson, Warner led effort
- Working group goal to identify bipartisan solutions that streamline care coordination services, improve disease management and reduce Medicare costs
- Targeting opportunities within the following programs:
  - Independence at Home
  - Medicare Advantage
  - Accountable Care Organization

Congressional Health Agenda – Reactive Version

Address Expiring Programs by September 30
- Children's Health Insurance Program (CHIP)
- FDA User Fees (PDUFA, GDUFA, MDUFA)
- MACRA Extenders
- Other Health Policy legislation included?
CHIP

- CHIP last authorized under MACRA in 2015
- Timing of action in question – states already making decisions
- Extending CHIP funding for another two years = $7 billion
- CHIP has traditionally had bipartisan support
  - Duration of funding reauthorization, pay-fors, and stringency of eligibility parameters will be key issues
  - Medicaid reform could become a component, depending on AHCA outlook

FDA User Fees

- PDUFA gets reviewed and renewed every five years
  - Under the program, the pharmaceutical industry and the FDA negotiate an agreement which sets annual user fees to fund certain initiatives
- “Must-pass” status makes it a magnet for other changes to drug policy - typically includes medical device and generic drugs
- Work completed by committees prior to the Easter recess

Medicare Extenders

- Several expiring Medicare provisions are also under consideration.
  - If maintained for another two years, the approximate cost will be around $6 billion.
- Among the larger items –
  - Therapy cap exceptions process ($1.9 billion; expires 12/31/17)
  - Host of other provisions (funding for CHCs, NHSC, Medicaid DSH, SNP programs) expiring 9/30/2017
- Package anticipated to be at least $10 billion
Miscellaneous Items

- **PRICE TRANSPARENCY**: Trump supports greater price transparency from all health providers, especially for medical exams and procedures performed at doctors’ offices, clinics, and hospitals.
- **VBP**: Ways and Means Committee continues to be interested in accelerating the shift towards paying for value over volume in all of Medicare, including post-acute care.
- **GME**: Medicare IME Pool Act would fundamentally change Medicare IME payments by decoupling IME from hospital discharges and creating a new formula that redistributes IME funding across hospitals in a "lump-sum, bi-monthly basis."

Implications for Proposed ACA Repeal Agenda

- To date, ACA has expanded coverage to nearly 24 million people
- New patients and new demand for services especially under Medicaid
- Proposals to shift Medicaid to block grant/per-capita cap model have potential to reduce funding and increased uninsured – “doing more with less”

Impact on Coverage under ACA Repeal
2017 Health Care Priorities - AAFP

- Improving the Primary Care Workforce
- Preserving access to coverage
- Reauthorizing Teaching Health Center GME program
- Addressing the national opioid epidemic
- Engaging Trump Administration on MACRA implementation
- Influencing Medicare Physician Fee Schedule and other payment regulations

Key Takeaways

- Health policy agenda for 2017 – more reactionary due to AHCA overhang
- Trump Administration likely to develop more health policy than Congress – via CMS regulations
- 2017 important year for educating members on key priorities
- Continued uncertainty around key headline issues like drug pricing and entitlement reforms such as Medicaid