

Trump Administration and the 115th Congress

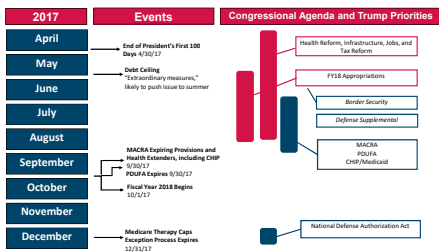
Jennifer Higgins
Partner, Chamber Hill Strategies
&
Robert Hall, JD
AAFP



Presentation Overview

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

Timeline for 2017 Activity



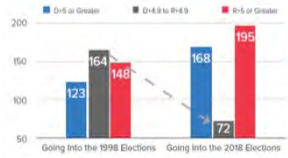
Trump Governing Style is Evolving

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

4

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



5

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

6

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

7

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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

8

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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)

9

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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

10

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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

11

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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?

12

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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

AMERICAN ACADEMY OF FAMILY PHYSICIANS

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

AMERICAN ACADEMY OF FAMILY PHYSICIANS

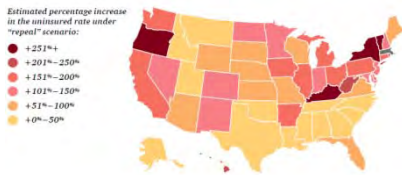
Miscellaneous Items

- **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



Source: PwC Health Research Institute and Strategy& analysis of the Annual Social and Economic Supplement to the Current Population Survey and Congressional Budget Office publications.

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
