National and Texas Trends and Developments for Health Plans and Providers

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Agenda

- **Introductions**
- **Overview of ACA Reform**
- **Status of Exchange Markets**
- **Value-Based Care Update**
- **Provider/ Payer Collaborations**
- **Consumerism**
- **Q&A**

A New Day and New Environment

Repeal Plus, Rescue and Replace

- Congress moving immediately on "Repeal Plus" – needs only 50 votes. Growing call to slow down and get it right

- Trump Administration will use executive authority to take immediate actions

- "Replace" will take longer and may require 60 votes and bipartisanship

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Risk of Coverage Disruption Varies by Type of Coverage

Non-group Market

- ❖ Total non-group enrollment (2015): 21.8M
- ❖ Total Marketplace enrollment (March 2016): 11.1M
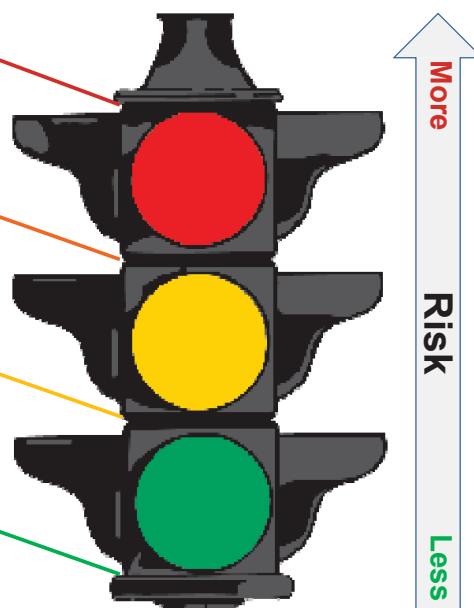- ❖ Immediate repeal of mandate/tax credits could be very disruptive in the near-term

Medicaid

- ❖ Total enrollment (March 2016): 74.1M
  - o Expansion population: 14.6M
- ❖ Medicaid expansion population most at-risk;
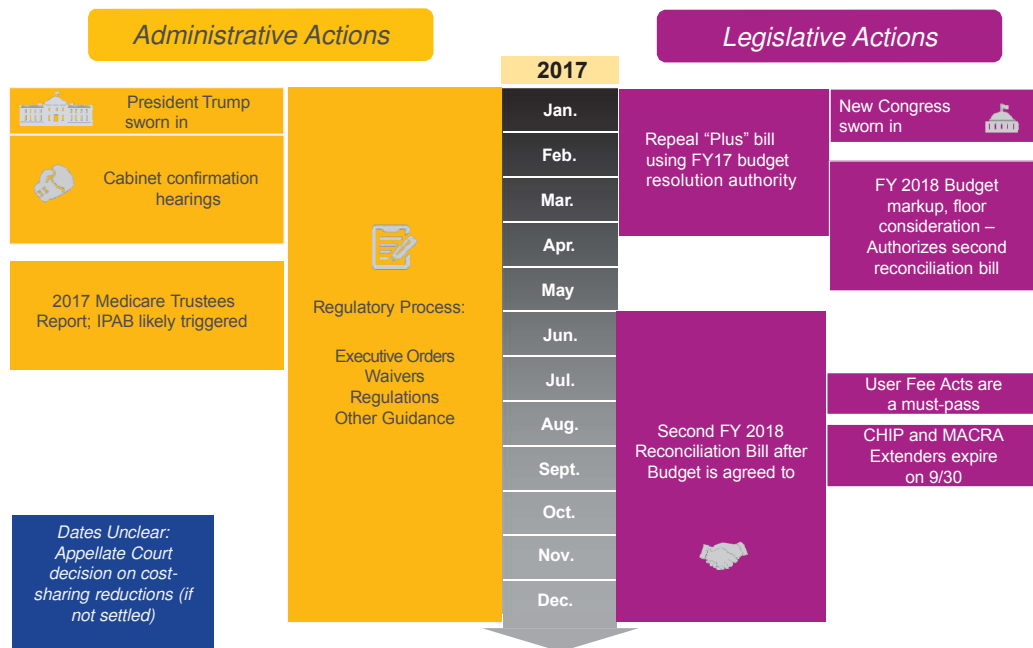- ❖ Restructuring of financing to per capita cap on the table

Medicare

- ❖ Total enrollment (September 2016): 57.1M
  - o Medicare Advantage: 18.9M
- ❖ Changes likely to be targeted (IPAB, CMMI); Speaker pushing premium support/Senate not enthusiastic

Employer-Sponsored Insurance/Coverage

- ❖ Total enrollment (2015): 156.0M
- ❖ Likely to remain stable though Republicans propose to cap employee tax exclusion

More

Risk

Less

Legislative & Administrative Key Dates Timeline

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Administrative Actions | **2017** | **Legislative Actions**

President Trump sworn in	Jan.	New Congress sworn in
Cabinet confirmation hearings	Feb.	
	Mar.	FY 2018 Budget markup, floor consideration – Authorizes second reconciliation bill
2017 Medicare Trustees Report; IPAB likely triggered	Apr.	
	May	
Regulatory Process:	Jun.	
Executive Orders	Jul.	User Fee Acts are a must-pass
Waivers	Aug.	CHIP and MACRA Extenders expire on 9/30
Regulations	Sept.	
Other Guidance	Oct.	
	Nov.	
Dates Unclear: Appellate Court decision on cost-sharing reductions (if not settled)	Dec.	

Repeal "Plus" bill using FY17 budget resolution authority

Second FY 2018 Reconciliation Bill after Budget is agreed to

Individual Market: Potential Mix of Repeal/Rollback Strategies

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With repeal and replace mostly decoupled, a key issue will be the extent to which the repeal effort alters the terms and dynamics of the replacement debate

On the Menu for Congressional Repeal

❖ **Tax credits:** repeal may be delayed to avoid gap

❖ **Individual mandate:** immediate repeal likely – impact uncertain

❖ **Employer mandate:** immediate repeal likely, has fiscal impact, but market impact would be minimal

❖ **All ACA taxes:** will constrain funding available for "replace" bill if repealed immediately

❖ **Insurance reforms:** not in reconciliation – requires 60 votes

Potential Administrative Actions

❖ **Insurance reforms:** rollbacks possible in some areas
  - ○ **Benefits:** could be rolled back, statute only lists 10 categories
  - ○ **Rating:** admin flexibility is limited, 3:1 age band and other requirements in statute
  - ○ **Preexisting conditions:** can only be changed

❖ **Interstate sales of insurance:** could pressure states by regulation

Other Administrative Actions

❖ **Market destabilization**
  - ○ Shut off cost sharing reductions (CSRs)
  - ○ Expand mandate exemptions
  - ○ Reduce consumer assistance

❖ **Market stabilization during transition**
  - ○ Pay insurers for risk corridors/reinsurance
  - ○ Stricter enrollment rules

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