# National and Texas Trends and Developments for Health Plans and Providers

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April 6, 2017

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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

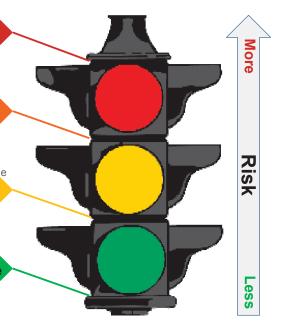
- Total enrollment (March 2016): 74.1M
  - o Expansion population: 14.6M
- Medicaid expansion population most at-risk;
   Restructuring of financing to per capita cap on the table

#### 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

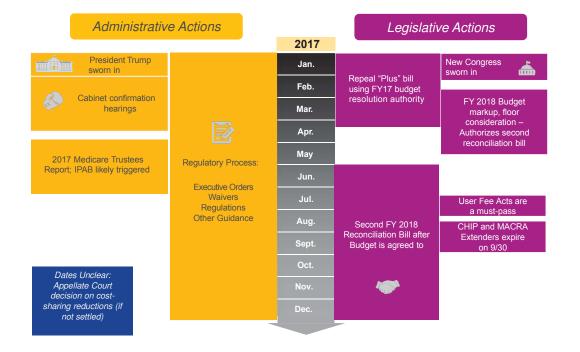
#### Employer-Sponsored Insurance/Coverage

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





## **Legislative & Administrative Key Dates Timeline**





# Individual Market: Potential Mix of Repeal/Rollback Strategies

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
  - o Stricter enrollment rules





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First appeared as part of the conference materials for the  $29^{\text{th}}$  Annual Health Law Conference session "National and Texas Trends and Developments for Health Plans and Providers"