Obamacare, the Trump Administration and Future of Health Reform

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Health Reform: The Movie
NOT. THIS. TIME.
“On day one of the Trump Administration, we will ask Congress to immediately deliver a full repeal of Obamacare.”

– Healthcare Reform page, donaldjtrump.com
DON'T WORRY
BE HAPPY

- $3.3 trillion
- $10,348 per capita
- 17.9% of GDP

Source: CMS/Office of Actuary estimates
HEALTH CARE SPENDING

Health Care Spending per Capita, 2000–2016
Adjusted for Differences in Cost of Living

Dollars ($US)

2016 data:
- US ($9,892)
- SWIZ ($7,919)
- NOR ($6,647)
- GER ($5,551)
- SWE ($5,488)
- NETH ($5,385)
- AUS ($4,708)
- CAN ($4,644)
- FRA ($4,600)
- UK ($4,192)
- NZ ($3,590)

Current expenditures on health per capita, adjusted for current US$ purchasing power parities (PPPs). Based on System of Health Accounts methodology, with some differences between country methodologies (Data for Australia uses narrower definition for long-term care spending than other countries).

Source: OECD Health Data 2017.
Spending Slowdown

In 2010, after the ACA’s enactment, CMS forecast that total national health care spending in the US during 2014-2019 would be $23.7 trillion.

In 2015, CMS forecast that national health spending during 2014-2019 would be $21 trillion.

Source: Holahan and McMorrow, 2016
Medicare Slowdown

In 2009, the CBO estimated that Medicare spending in 2014 would be $706 billion.

Medicare’s actual spending in 2014 was $580 billion.

Source: Chapin White et al., 2014
U.S. health care spending per capita has risen at historically low rates recently, but is expected to pick up.

Average annual growth rate for health spending in the 1970s, 80s, & 90s

- Actual 2016: 3.5%
- Projected 2026: 5.2%
Figure 1

Average Annual Premiums for Single and Family Coverage, 1999-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Single Coverage</th>
<th>Family Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$2,196</td>
<td>$5,791</td>
</tr>
<tr>
<td>2000</td>
<td>$2,471*</td>
<td>$6,438*</td>
</tr>
<tr>
<td>2001</td>
<td>$2,689*</td>
<td>$7,061*</td>
</tr>
<tr>
<td>2002</td>
<td>$3,083*</td>
<td>$8,003*</td>
</tr>
<tr>
<td>2003</td>
<td>$3,383*</td>
<td>$9,068*</td>
</tr>
<tr>
<td>2004</td>
<td>$3,695*</td>
<td>$9,950*</td>
</tr>
<tr>
<td>2005</td>
<td>$4,074*</td>
<td>$10,880*</td>
</tr>
<tr>
<td>2006</td>
<td>$4,242*</td>
<td>$11,480*</td>
</tr>
<tr>
<td>2007</td>
<td>$4,479*</td>
<td>$12,106*</td>
</tr>
<tr>
<td>2008</td>
<td>$4,704*</td>
<td>$12,680*</td>
</tr>
<tr>
<td>2009</td>
<td>$4,824</td>
<td>$13,375*</td>
</tr>
<tr>
<td>2010</td>
<td>$5,049*</td>
<td>$13,770*</td>
</tr>
<tr>
<td>2011</td>
<td>$5,429*</td>
<td>$15,073*</td>
</tr>
<tr>
<td>2012</td>
<td>$5,615*</td>
<td>$15,745*</td>
</tr>
<tr>
<td>2013</td>
<td>$5,884*</td>
<td>$16,351*</td>
</tr>
<tr>
<td>2014</td>
<td>$6,025</td>
<td>$16,834*</td>
</tr>
<tr>
<td>2015</td>
<td>$6,251*</td>
<td>$17,545*</td>
</tr>
<tr>
<td>2016</td>
<td>$6,435</td>
<td>$18,142*</td>
</tr>
<tr>
<td>2017</td>
<td>$6,690*</td>
<td>$18,764*</td>
</tr>
</tbody>
</table>

* Estimate is statistically different from estimate for the previous year shown (p < .05).

Figure 15
Average General Annual Health Plan Deductibles for Single Coverage, 2006-2017

- Average Deductible Among Covered Workers Who Face a Deductible for Single Coverage
- Average Deductible for Single Coverage Among All Covered Workers

* Estimate is statistically different from estimate for the previous year shown (p < .05).

NOTE: Average general annual deductible is among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

In CBO’s extended baseline, federal debt held by the public rises . . .

Doesn’t include $1.5 trillion tax cut

. . . because growth in total spending outpaces growth in total revenues, resulting in larger budget deficits.
Re-peel.

This'll be tricky!
“Obamacare is a complete and total disaster…it’s imploding as we sit”

Donald Trump, January 11, 2017
Obamacare’s Rocky Start
ACA Marketplace Open Enrollment

Year 1 (2013-14) 8 million
Year 2 (2014-15) 11.7 million
Year 3 (2015-16) 12.7 million
Year 4 (2016-17) 12.2 million

Source: CMS, 2017
# ACA Premiums for Silver Plans 2017 in Charlotte, NC*

<table>
<thead>
<tr>
<th>Age</th>
<th>Income</th>
<th>Premium</th>
<th>Deductible</th>
<th>Out pocket max</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>$20,000</td>
<td>$84</td>
<td>$800</td>
<td>$2350</td>
</tr>
<tr>
<td>30</td>
<td>$30,000</td>
<td>$208</td>
<td>$3500</td>
<td>$7150</td>
</tr>
<tr>
<td>30</td>
<td>$40,000</td>
<td>$325</td>
<td>$3500</td>
<td>$7150</td>
</tr>
<tr>
<td>30</td>
<td>$50,000</td>
<td>$548</td>
<td>$3500</td>
<td>$7150</td>
</tr>
</tbody>
</table>

*Premiums are monthly amount and reflect available tax credits/subsidies

PERCENT OF POTENTIAL EXCHANGE POPULATION MAKING MARKETPLACE PLAN SELECTIONS IN 2016, BY INCOME

1 Number of potential eligible exchange enrollees determined using 2013 American Community Survey data on the Uninsured and Non-group populations prior to implementation of the health insurance exchanges. Analysis includes the 38 states relying on healthcare.gov in 2016.

Source: Avalere analysis, May 2016.
Marketplace (in)Stability

$1 BILLION in Obamacare losses expected
*In 2015 and 2016 / Source: UnitedHealth Group

UnitedHealthcare has conceded in ACA’s marketplaces.
But did it really have to?
Current Status of State Medicaid Expansion Decisions

NOTES: Current status for each state is based on KFF tracking and analysis of state executive activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. ME adopted the Medicaid expansion through a ballot initiative in November 2017; the ballot measure requires submission of a state plan amendment within 90 days and implementation of expansion within 180 days of the measure’s effective date. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.
ACA as Reality: Select Benefits

• Outlaws insurer discrimination on the basis of health status
• Prohibits insurers from imposing annual and lifetime benefit limits
• Bans gender rating
• Allows young adults to stay on parents’ coverage
• Expands coverage of preventive services and Medicare prescription drugs
Uninsured Rate Among the Nonelderly Population, 1972-2016

Share of population uninsured:

Note: 2016 data is for Q1 – Q3 only.

Source: CDC/NCHS, National Health Interview Survey, reported in
http://www.cdc.gov/nchs/health_policy/trends_HC_1968_2011.htm#table01 and
2017 ACA Marketplace Enrollment Data

• 12.2 million persons had selected plans as of 1/31/2017

• 83% of those persons are receiving advance premium tax credits (average credit is $383/month, reducing premium costs by 73%)

• 58% of those persons are receiving cost-sharing reductions

Source: KFF 2017; HHS/CMS, 2017
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Monthly Medicaid and CHIP Enrollment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July-September 2013</td>
<td>56.8</td>
<td>million</td>
</tr>
<tr>
<td>December 2017</td>
<td>74.4</td>
<td>million</td>
</tr>
</tbody>
</table>

*Source: KFF, CMS 2017*
Figure 1

Medicaid’s Role for Selected Populations

Percent with Medicaid Coverage

**Families**
- All Children: 39%
- Children Below 100% FPL: 76%
- Adults Below 100% FPL: 40%
- Births (Pregnant Women): 49%

**Elderly and People with Disabilities**
- Medicare Beneficiaries: 20%
- Individuals with Disabilities: 35%
- Nonelderly Adults with HIV in Regular Care: 41%
- Nursing Home Residents: 64%

**NOTE:** FPL-- Federal Poverty Level. The FPL was $20,160 for a family of three in 2016.

**SOURCES:** Kaiser Commission on Medicaid and the Uninsured (KCMU) analysis of 2016 CPS/ASEC Supplement; Birth data - Kaiser Family Foundation Medicaid Budget Survey, 2016 (median rate shown); Medicare data - Medicare Payment Advisory Commission, *Data Book: Beneficiaries Dually Eligible for Medicare and Medicaid* (January 2016); 2011 data; Disabilities - KCMU Analysis of 2015 NHIS data; Nonelderly with HIV - 2009 CDC MMP; Nursing Home Residents - 2012 OSCAR data.
As you may know, a health reform bill was signed into law in 2010, known commonly as the Affordable Care Act or Obamacare. Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?

SOURCE: Kaiser Family Foundation Health Tracking Polls
A Narrow Majority
Trump Administration & GOP Congressional Actions on the ACA
If At First You Don’t Succeed at Repeal, Try Again

- Shortened open enrollment period for ACA marketplaces (from 12 weeks to 6 weeks)
- Cut advertising budget for enrollment by 90% & cut funds to groups that help people navigate insurance options and sign-up for coverage by 57%
- Ended cost-sharing reduction payments to insurers
- Expand use of short-term and association health plans
- Approve Medicaid waivers/work requirements
- Eliminated individual mandate penalty
- Eliminated Independent Payment Advisory Board (IPAB)
“Obamacare is finished. It’s dead. It’s gone. You shouldn’t even mention it. It’s gone. There is no such thing as Obamacare any more.”

President Donald Trump, October 15, 2017
What Have Been the Impacts of These Actions and What’s Next?

- Individual mandate penalty
- State response/initiatives (New Jersey, Iowa, Idaho)
- Insurer participation in Marketplaces
- Premiums and “Silver loading” (2019?)
- ACA Marketplace stability/enrollment
- Medicaid contraction and/or expansion
Most Know ACA is Still in Effect While About One-Third of the Public Are Aware Individual Mandate Has Been Repealed

As you may know, the Affordable Care Act required nearly all Americans to have health insurance, or else pay a fine. As far as you know, has Congress passed a law repealing this requirement, or not?

To the best of your knowledge, is the Affordable Care Act still in effect, or has it been repealed and is no longer in effect?

NOTE: Questions asked of separate half-samples.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted January 16-21, 2018)
The Costs of Ending Cost-sharing Reductions: Making the ACA More Affordable?

“CBO and JCT estimate that, on net, adopting this policy would increase the federal deficit by a total of $194 billion over the 2017–2026 period”    Source: CBO, 2017

2017 Average monthly premium before tax credits:  $476
2018 Average monthly premium before tax credits:  $621

2017 Average monthly premium for persons with tax credits:  $106
2018 Average monthly premium for persons with tax credits:  $89

Source: CMS 2017, 2018
Did reductions in Federal outreach for the 2018 ACA Marketplace open enrollment make a difference?

% CHANGE IN MARKETPLACE SIGNUPS, 2017-2018

State Marketplaces: -0.1%
Federal Marketplace: -5.3%

SOURCE: Kaiser Family Foundation analysis of data from CMS
A Sign of Things to Come?

“Between the fourth quarter of 2016 and the fourth quarter of 2017, the uninsured rate increased by 1.3 percentage points…overall, one fifth (20.6%) of the coverage gains between 2013 and 2016 were reversed by the end of 2017.”

Source: Sommers, Clark, and Epstein, 2018
Come gather 'round people
Wherever you roam
And admit that the waters
Around you have grown
And accept it that soon
You'll be drenched to the bone.
If your time to you
Is worth savin'
Then you better start swimmin'
Or you'll sink like a stone
For the times they are a-changin'.

Bob Dylan, 1964