

# Getting up to Speed on Health Policy & Election 2016:

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# Stall Velocity vs. Escape Velocity

# The Fundamental Choice

SNAFU vs. FUBAR?

# Predicting the Correlation of Forces

- Politics
- Economy
- Regulation
- Legal threats
- Second most powerful force in universe

# Altered States of Political Reality Republicans

- R's can't party like it's 2010/2014
- Reduced fiscal pressures
- Crying wolf too often on economy
- Health industry buy-in/reliance
- Takeaway harder than resistance
- Replace?
  - Policy theory vs. short-term politics

# Two Separate Tracks

- TrumpWorld:
  - Health policy is lower-tier issue
  - Limited debate during primaries & general election
- Hill R's
  - Energy-efficient recycling?
  - Reduced political bang
  - Failure of policy elites to persuade

# Trump on Health

## Borrowed & lipsynched R&R

- Interstate health insurance
- Medicaid block grants
- More individual insurance/tax deductibility
- Expanded HSA

## Health policy apostasy

- Drug pricing, reimportation
- Hands off seniors' entitlements

## Likely deference to Congress

## Could Hill R's Fill Gaps?

- (1) Only if maintain majorities (& control them)
- (2) Actually agree on deeper agenda R&R
- (3) House R Task Force, A Better Way?
- (4) Build on reconciliation route
- (5) Redirect ACA failures into fixes
- (6) Look ahead, rather than backward



## Initial Steps Toward Meaningful Replace

- Get beyond budgetary frame
- Offer states discretion with accountability
- Address pre-ex w/ HIPAA extension & substantial HRP subsidies
- Promise different route to better health outcomes & higher-value choices
- Deregulate choices, retarget subsidies
- Transition toward more equivalent tax treatment for all insurance purchasers

## Longer-Term Steps Toward Meaningful Reform

- Pull trigger on level-field Medicare premium support
- Serve *fewer* Medicaid beneficiaries *more effectively*
- Restore rule of law to regulation
- Focus expanded transparency on competing concepts of “value”
- Engage outcome-based delivery system reform

# Beyond Consolidating ACA Gains Democrats

- Making virtues out of owning status quo
- Redefining comparative baselines
- Converting and connecting holdouts
- Rounding up next round of scapegoats
- Limiting bad news
- Taking off the training wheels
- Implementing and scaling up

## Daring Not to Be Cautious?

- The “Full Monty” for single-payer?
- Public option teases
- Changing bases of ACA “opposition”
- Regulate, when you can’t legislate
- Unloading the full toolkit

## Clinton I/III or Obama III?

- Filling in the gaps with \$\$\$\$
- Partners, subsidiaries, or adversaries
- Highlighting more vulnerabilities, discrimination
- Balancing political control w/ private-sector blame

# Limiting Factors

- Fixes beyond administrative means
- Providers' margins
- Taxing the wealthy
- Saying "no" transparently
- Integration = consolidation = market power

## Changing the Subject(s)

- High drug prices
- Provider monopolies
- Social determinants

## Plenty of Opportunities Ahead

### ACA cover stories falling short

- Ceiling on exchange enrollment gains
- Limits on individual mandate effects
- Health spending growth pressure moves to private insurance
- Failures of co ops, SHOP HeX, small biz tax credits
- Emergency care still overloaded
- Pushback on Cadillac tax, IPAB
- ACOs produce meager “savings”



# Plenty of Opportunities Ahead

## Limits to Medicaid expansion

- Access to physicians, continued ER use
- Evidence of improved health outcomes?
- Subsidizing able-bodied under-65 better than more vulnerable and less healthy
- Beneficiaries place low value on it

## Plenty of Opportunities Ahead

### Political and economic sticker shocks ahead

- End of 2Rs in 2017
- Phaseout of grandmothered plans
- Consolidation produces greater market power, as well as potential systemness coordination
- Can't outrun Medicare's demographic imbalances
- Later-stage implementation snafus
- Potentially much tighter regulatory burdens

# Less-Appreciated Achievements & Failures of ACA

# Fundamental Limits to Growth

- Can't subsidize everyone & shift costs to everyone else
- Can't and won't coerce enough
- Centralized knowledge is limited
- Health policy remains too insular
- Trying to pool different known risks and varying preferences
- Businesses don't run at losses for long

## Longer-Term Steps Toward Meaningful Reform Both Parties

- Rebalance mix of health investments more toward improving social determinants, economic mobility, family stabilization, early childhood development & educational opportunity
- Address health care consolidation primarily through expanded entry
- Trust patients and providers more, and third- party “experts” less

# Why “Any” Presidential Election Still Matters

- Personnel
- Administration & regulation
- Budgets
- Veto

## Conclusion

### Modest achievements thus far

- When subsidize greatly
- Deep recession plus slow growth
- Signal leaner federal subsidies ahead

### Forecast

- New rounds of chronic conditions
- Broader politicization of health care
- Who's in charge?

What's a bipartisan compromise?

# November 1993

- Health care is a good that costs money; The more you have of the latter, the more you can get of the former.
- So get a job and keep it until you find a better one
- Save your money
- Pick parents with good genes
- Get married
- Stay monogamous
- Stay in school, it teaches you to handle boredom & defer gratification
- Knock off the substance abuse
- Eat plenty of fruits & vegetables
- Lose some weight, get more exercise
- Live in safer neighborhoods, or run faster (see above)
- Don't stay out in the sun too long (exercise indoors)



# November 1993

- Take longer car rides; most accidents happen close to home
- Get a pet; put it on your lap
- Improve your medical literacy
- Sign a living will & a medical power of attorney
- Don't try life alone at home, on your own
- Last time I checked, everyone still dies in the end
- So take a free market approach, & call me in the morning.
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