Can Obamacare Survive the Trump Administration?

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Cancer Outcomes Research Program Seminar
UNC-Chapel Hill
November 28, 2017
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
TARGET PRACTICE
Obamacare as Myth

“Obamacare is a complete and total disaster…it’s imploding as we sit”

Donald Trump, January 11, 2017
October 2013: Obamacare Goes Online, Sort Of
Your coverage doesn't meet the minimum standards.

But you said if I like my umbrella I can keep it!
## ACA Marketplace Open Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 (2013-14)</td>
<td>8 million</td>
</tr>
<tr>
<td>Year 2 (2014-15)</td>
<td>11.7 million</td>
</tr>
<tr>
<td>Year 3 (2015-16)</td>
<td>12.7 million</td>
</tr>
<tr>
<td>Year 4 (2016-17)</td>
<td>12.2 million</td>
</tr>
</tbody>
</table>

Source: CMS, 2017

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

Percent of the Federal Poverty Level (FPL)

Source: Avalere analysis, May 2016.

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.
## 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*
Average General Annual Deductible for Covered Workers Enrolled in Single Coverage, 2006-2016

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

NOTES: 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.

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

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
Total Monthly Medicaid and CHIP Enrollment

July-September 2013  56.8 million
March 2017  74.6 million

Source: KFF, CMS 2017
Two Visions of Health Care Reform

**ACA (Obamacare)**
- Health Insurance Exchanges
- Insurance Regulation
- Subsidized Coverage (premiums and cost sharing)
- Tax Credits Vary by Income & Geographic Costs
- Individual Mandate
- Employer Mandate
- Restrict Age Rating
- Tax Increases & Medicare Savings
- Medicaid Expansion

**AHCA (GOP House Plan)**
- Health Insurance Exchanges
- Selective/Partially Deregulate (states)
- Reduce Premium Subsidies, Eliminate Cost-sharing Subsidies
- Tax Credits Vary by Age, not Geography or Income
- Continuous Coverage Provision
- Repeal Employer Mandate
- Increase Age Rating
- Repeal Taxes & Maintain Medicare Savings
- Reverse Medicaid Expansion, Adopt Per Capita Caps/Block Grants
Table 4 - ILLUSTRATIVE EXAMPLE OF SUBSIDIES FOR NONGROUP HEALTH INSURANCE UNDER CURRENT LAW AND THE AHCA, 2026

<table>
<thead>
<tr>
<th>Premium(^d)</th>
<th>Premium Tax Credit(^b)</th>
<th>Net Premium Paid</th>
<th>Actuarial Value of Plan After Cost-Sharing Subsidies (Percent)(^c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>87</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>65</strong></td>
</tr>
<tr>
<td>Single Individual With Annual Income of $26,500 (175 percent of FPL)(^d)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Law</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 years old</td>
<td>5,100</td>
<td>3,400</td>
<td>1,700</td>
</tr>
<tr>
<td>40 years old</td>
<td>6,500</td>
<td>4,800</td>
<td>1,700</td>
</tr>
<tr>
<td>64 years old</td>
<td>15,300</td>
<td>13,600</td>
<td>1,700</td>
</tr>
<tr>
<td>AHCA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 years old</td>
<td>3,900</td>
<td>2,450</td>
<td>1,450</td>
</tr>
<tr>
<td>40 years old</td>
<td>6,050</td>
<td>3,650</td>
<td>2,400</td>
</tr>
<tr>
<td>64 years old</td>
<td>19,500</td>
<td>4,900</td>
<td>14,600</td>
</tr>
<tr>
<td>Single Individual With Annual Income of $68,200 (450 percent of FPL)(^d)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Law</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 years old</td>
<td>5,100</td>
<td>0</td>
<td>5,100</td>
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<tr>
<td>40 years old</td>
<td>6,500</td>
<td>0</td>
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<td>14,600</td>
</tr>
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Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

All dollar figures have been rounded to the nearest $50; AHCA = American Health Care Act; FPL = federal poverty level.

Evidence of political insanity and policy malpractice
CBO Forecast of GOP Health Bill Effects, 2017-26

House AHCA

- $834 billion reduction in federal Medicaid spending
- $119 billion reduction in federal deficit
- $664 billion reduction in taxes
- $276 billion reduction in insurance subsidies
- $117 billion new funds for states/insurers
- 23 million increase in uninsured population (including 14 million from Medicaid)

Source: CBO, 2017
Figure 1

Medicaid’s Role for Selected Populations
Percent with Medicaid Coverage

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonelderly Below 100% FPL</td>
<td>54%</td>
</tr>
<tr>
<td>Nonelderly Between 100% and 199% FPL</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Families</strong></td>
<td></td>
</tr>
<tr>
<td>All Children</td>
<td>39%</td>
</tr>
<tr>
<td>Children Below 100% FPL</td>
<td>76%</td>
</tr>
<tr>
<td>Adults Below 100% FPL</td>
<td>40%</td>
</tr>
<tr>
<td>Births (Pregnant Women)</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Elderly and People with Disabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Medicare Beneficiaries</td>
<td>20%</td>
</tr>
<tr>
<td>Individuals with Disabilities</td>
<td>35%</td>
</tr>
<tr>
<td>Nonelderly Adults with HIV in Regular Care</td>
<td>41%</td>
</tr>
<tr>
<td>Nursing Home Residents</td>
<td>64%</td>
</tr>
</tbody>
</table>

NOTE: FPL-- Federal Poverty Level. The FPL was $20,160 for a family of three in 2016.
Growing Majority of the Public Holds an Unfavorable View of the ACA Replacement Plan

As you may know, Congress is currently discussing a health care plan that would repeal and replace the Affordable Care Act. Given what you know about this proposed new health care plan, do you have a generally favorable or generally unfavorable opinion of it?

- Favorable
- Unfavorable

May 2017: Favorable 31%, Unfavorable 55%
June 2017: Favorable 30%, Unfavorable 55%
July 2017: Favorable 28%, Unfavorable 61%

NOTE: Don’t know/Refused responses not shown.
SOURCE: Kaiser Family Foundation Health Tracking Polls
Figure 1

Views of ACA Have Become Increasingly Favorable in Past Year

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?

Mitch McConnell’s Nightmare
Top 7 Killers of Health Reform, 1945-2009

- Congressional fragmentation
- Limited presidential power
- Intra-party divisions and partisan divides
- Stakeholder opposition
- Status quo inertia
- Faltering public opinion
- Failure to translate consensus that a problem exists into agreement on a solution
What Can Republicans Do about Obamacare Now?

- Cooperation
- Federalism
- Implosion/explosion
- Revive repeal (with or without replace)
Trump Administration Actions on ACA: A Self-fulfilling Prophecy?

- 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%
- Threatening to end cost-sharing reduction payments to insurers
- Pushing for end to individual mandate penalty
I HAVE SEEN THE FUTURE
GO BACK!