

Healthcare and the Trump effect

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On November 8, 2016, Donald Trump was elected the 45th president of the United States. This presidential campaign was unprecedented, polarizing, and highlighted deep divisions within our country. As I write, a day after the election, it is clear the result has surprised the nation, especially considering the overwhelming miscalculations and failed predictions by major media outlets and pollsters. The presidential win was accompanied by retention of majorities of the Republican Party in both the House of Representatives and the Senate. Regardless of your political affiliation, most all would agree that we face a fundamental political shift that will force the country address key questions about the future of healthcare. JAAPA will explore some of these challenges and examine key questions affecting healthcare in the year ahead. Let me begin the conversation with this question: What will be the fate of the Affordable Care Act (ACA) and any downstream effect on US healthcare?

What will happen to the ACA at this point is, at best, speculation. I am confident Trump will make leadership changes to the key federal agencies that are involved in managing and administering the healthcare plan, such as the Department of Health and Human Services (HHS), the Treasury, and the Department of Labor. Trump and numerous congressional Republicans were vocal during the campaign season about repealing key provisions of the ACA, which they have typically referred to as Obamacare. In fact, Trump said this about the ACA during a speech in Pennsylvania about a week before the election, "I will ask Congress to convene a special session so we can repeal and replace... Obamacare has to be replaced, and we will do it. And we will do it very, very quickly. It is a catastrophe." Repeal and replace Obamacare is also a part of Trump's 100-day action plan.¹ But what does repeal and replace actually look like?

REPEAL AND REPLACE

Repealing the ACA in its entirety would be a herculean task; however, key provisions of the plan could more easily



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be targeted for repeal. A targeted approach could occur very quickly after Trump takes office, based on leveraging the Republican congressional majority, highly publicized concerns over ACA-related insurance premium increases, and departures of several large insurers' plans from ACA state exchanges in 2017. If repeal and replace is his priority, I hope he will soon make a compelling argument and demonstrate more substantively how a replacement model will benefit Americans. A full repeal also would be complicated by hundreds of ACA provisions that affect Medicare, the tremendous efforts and investments already made by healthcare systems to transform into value-based care delivery entities aligned with ACA goals, and public perception about the societal benefit created by the ACA in reducing the number of uninsured Americans.

Piecing together remarks Trump made during the campaign, his primary emphasis has been praise for health savings accounts (HSAs) paired with criticism of controversial aspects of the ACA. Trump's discussion of healthcare during the election season focused on seven key points:

- completely repeal the ACA
- modify existing law that inhibits the sale of health insurance across state lines
- allow individuals to fully deduct health insurance premium payments from their tax returns under the current tax system
- allow individuals to use HSAs, which are tax-free and allowed to accumulate
- require price transparency from all healthcare providers, especially physicians and healthcare organizations like clinics and hospitals
- block-grant Medicaid to the states
- remove barriers to entry into free markets for drug providers that offer safe, reliable and cheaper products, including access to drugs imported from foreign countries.²

Trump's stated plans do not provide details about the processes for bridging from the ACA to a new health insurance system, do not elaborate on the role of the individual mandate, or adequately address plans for a safety net for the country's most vulnerable patient populations.

MERGING REPUBLICAN PLANS

As Trump seeks to craft a new path for healthcare delivery in the United States, he will need to reconcile the varying views in his party and the nation at large. The two most visible plans are those proposed by House Speaker Paul

Ryan (R-Wis.) and former Republican presidential candidate and retired neurosurgeon Ben Carson, MD. In a press conference after the election, Ryan offered positive praise for Trump, in stark contrast to tense rhetoric during the campaign. If this solidarity is genuine, then it is reasonable to anticipate Ryan will attempt to influence Trump's policies on healthcare to be more consistent with guidance within Ryan's "A Better Way," which offers ideas and policy guidance across six major areas of American life, including healthcare. In this proposal, these five principles shape a new vision for healthcare:

- repeal the ACA
- provide all Americans with more choices, lower costs, and greater flexibility
- protect our nation's most vulnerable
- spur innovation in healthcare
- protect and preserve Medicare.

Like Trump's key points, this plan emphasizes the importance of HSAs, seeks to reduce Medicaid spending, and repeal the ACA. Elements of Ryan's plan include the need to protect vulnerable populations, sustain Medicare, foster quality reporting, and enrich systems that financially reward value over volume.³

The press has speculated that Carson may serve as a key advisor to Trump on healthcare policy. Carson has a long history of successful collaborative practice with PAs; however, during the primaries, he became immersed in controversy following his comments on numerous issues, including immigration, gun violence, and the LGBT community. If Carson does assume a more prominent role in the new administration, here are a few key similarities and differences between his and President-elect Trump's positions. Although Trump lauds HSAs, Carson has supported health empowerment accounts, an HSA permutation that can receive contributions at any time during a person's life, be shared across family members, and be passed on after death. His model functionally makes each family its own insurance company, but would necessitate families acquire catastrophic insurance. The notion of eliminating the healthcare insurance market from routine, transactional health encounters is a fascinating one; on the other hand, it forces one to consider how such a plan would encourage preventive care and early intervention for illness, especially for patients who might struggle to afford preventive care. Carson also has advocated for removing insurance companies from the responsibility of catastrophic healthcare coverage, potentially making it a government responsibility. His plan is more scant on how a safety net would be established to ensure access to care for individuals or families who are unable to fund their health empowerment accounts. A universal catastrophic coverage system without a robust preventive health network also could defer use and healthcare costs to late in the disease process, proving costly and unsustainable. Carson also suggested that HSAs could replace Medicare, unless seniors chose to opt in when Medicare-eligible.

TARGETING KEY ACA PROVISIONS FOR REPEAL

In a blog post for *Health Affairs*, Timothy Jost described how the new president and Congress could use the budget reconciliation process to target numerous ACA provisions for repeal rather than fully eliminating the ACA. A simple majority could pass budget reconciliation bills that are not subject to filibuster. This process would not be immediate, however, as Congress would first have to adopt a budget resolution and then instruct congressional committees to meet reconciliation targets before adopting the actual budget reconciliation.⁴ This approach was attempted in 2015, with budget reconciliation legislation making its way through both houses of Congress; however, President Obama vetoed that legislation. This approach may be revisited with a new administration. Certain popular aspects of the ACA could be protected, such as the elimination of preexisting condition exclusions, annual and lifetime dollar limit caps, age and health status underwriting restrictions, and actuarial value requirements. It will be fascinating to see what actions healthcare insurers will now pursue with regard to pricing premiums and participation in state exchanges.

I have spent most of my life in the two Carolinas, states that have rigorously advocated for increased states' rights and more functional independence from the federal government. In keeping with this mindset, a lesser-known element of the ACA that may be worth maintaining is the state innovation waiver through Section 1332. This waiver lets states pursue innovative strategies for providing their populations with access to high-quality, affordable health insurance while retaining the basic protections of the ACA.⁵ The state innovation waivers are available beginning January 1 and are approved for 5 years, with an option for renewal. Under the Obama Administration, HHS produced guidance that makes fulfilling statutory requirements incredibly difficult for states. As an alternative to a full repeal, the Trump Administration could soften current HHS guidance and make it easier for states to attain a Section 1332 waiver and functionally opt out of the ACA. Waivers create substantial burdens in terms of time and money; therefore, I am skeptical most state leaders would view this path as desirable or politically feasible. However, waivers could be a more immediate option to let states develop innovative delivery models within the existing budgetary framework. In keeping with innovative care delivery models, the federal government is set to begin implementation of the Medicare Access and CHIP Reauthorization Act (MACRA) in January; the future of MACRA under the new president is not known.

THE FATE OF MEDICAID

Trump proposed to block-grant Medicaid to the states. Beyond directing greater flexibility and grassroots-led control over spending to individual states, he argued that changing the model from an entitlement program to a block grant will further encourage states to seek out and

eliminate fraud, waste, and abuse. Critics of this approach suggest millions of low-income Americans on Medicaid could lose their health coverage. These critics reference proposed spending cuts to Medicaid and potential repeal of the ACA, because the ACA delivered federal funding to states to expand Medicaid eligibility beginning in 2014. The most recent Medicaid enrollment data reveal that about 60 million Americans have Medicaid, and about half are children.⁶ Thirty-one states and the District of Columbia accepted federal funding and expanded eligibility, which increased Medicaid enrollment by 15.7 million. The future direction of Medicaid may largely depend on what changes occur, what kind of plan replaces the ACA, and how the plan addresses safety-net concerns posed by critics of an HSA-based approach.

If Trump does honor his campaign pledge to completely repeal the ACA, then what will the replacement plan look like? What opportunities or threats will arise for the PA profession? The ACA has brought numerous benefits to patients and families, and shifting healthcare from fee-for-service to value-based care is a worthy aspiration. Additionally, the ACA has provided benefits to PAs as one of the three professions specifically called out in the law. At the same time, the ACA has a number of well described criticisms, such as the previously described increases in plan premiums that are burdensome for some Americans who do not qualify for premium tax credits. Many large healthcare systems and accountable care organizations also are feeling the pain of lower reimbursements and investment costs related to the ACA. These market pressures for healthcare employers to control labor costs have been favorable to PA recruitment and employment. These same market pressures also have fostered massive consolidations, reducing the country's overall quantity of employers and raising issues about the corporate practice of medicine.

Healthcare, once again, faces uncertainty. We face more questions than answers. I do know this: the PA profession is built on the principles of collaboration and innovation. If healthcare is going to be reshaped once again, then let us come together as a profession to rally around the

opportunity to be an integral part of it. Inclusion in the ACA has significantly highlighted, at the national level, the importance of PAs. The profession was designed to deliver high-quality, compassionate, and cost-effective care to patients and families. That brand of care is a good investment, and PAs need to strongly advocate for visible inclusion in whatever model is crafted. That US healthcare needs a fundamental change is common sense. Porter and Lee said, "At its core is maximizing value for patients; that is, achieving the best outcomes at the lowest cost." They also acknowledged that America must move away from a supply-driven healthcare system, organized around what healthcare providers do, and reshape care around what patients need.⁷ To assume our role among the architects of a new model for US healthcare, we will need to quickly turn away from the distracting, insular arguments currently dominating the PA conversation and focus on what really matters: how to improve the health and lives of our patients and communities. We know the questions; let us provide some answers. **JAAPA**

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