



If At First You Don't Succeed... What's Next in the Fight Over Health Reform?

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Have we seen the last of repeal and replace?



Where are we now?

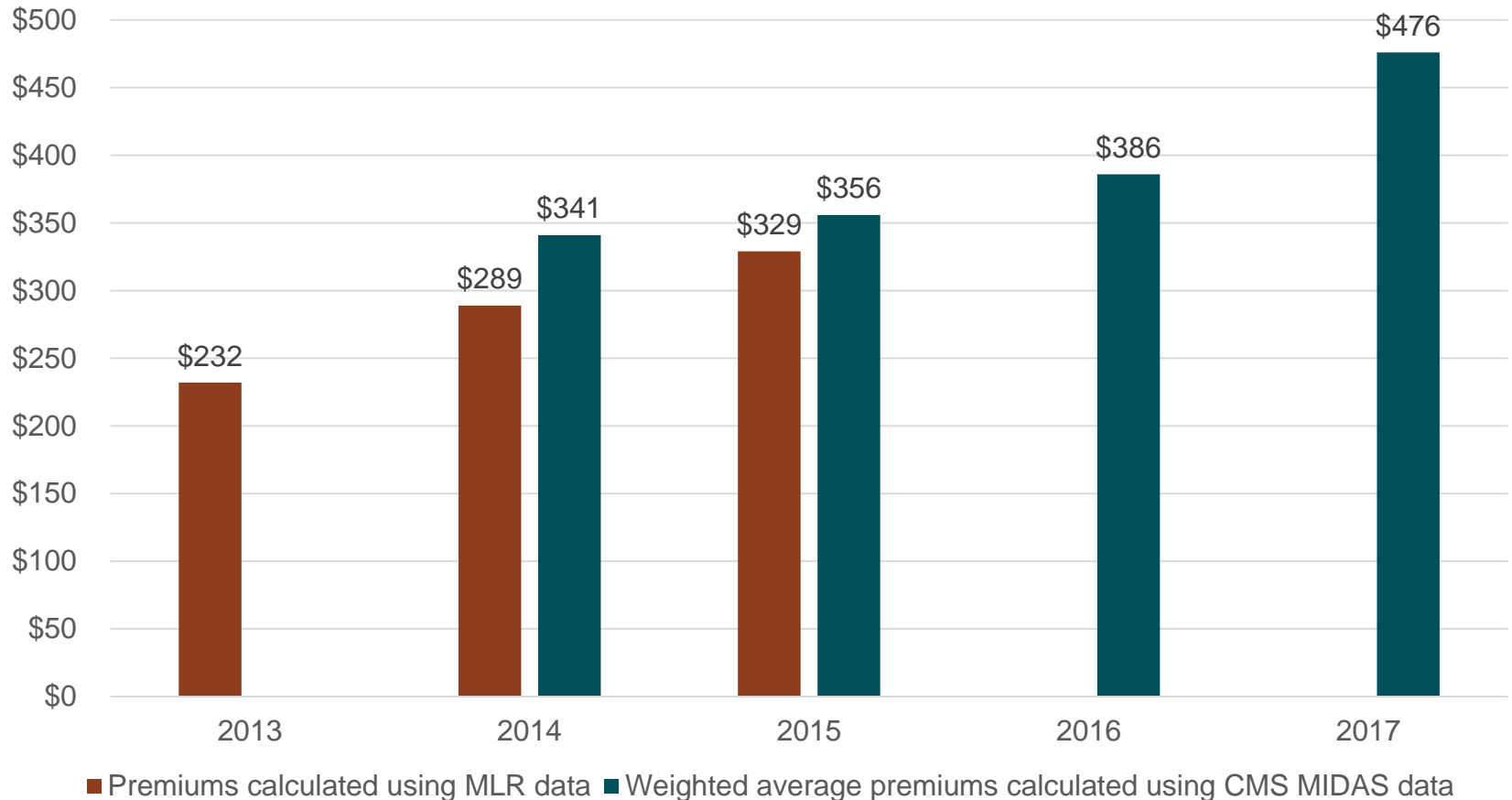
- Tax reform bill included zeroing out of individual mandate penalty starting in 2019, and will likely impact the stability of ACA exchange and individual health insurance markets
- Continued discussion by both parties about need to pass market stabilization legislation (“Alexander-Murray”)
- Republicans may take one more run at repeal and replace in 2018, using the “Graham-Cassidy” proposal as the chassis
- Trump Administration to continue administrative efforts to limit the effectiveness of the law
- Likely to see state innovation be the highlight of health reform activity in 2018
 - Institution of work requirements in Medicaid
 - Efforts to expand access to high-deductible plans and health savings accounts

Why Conservatives Continue to Oppose the ACA

- One-size-fits-all, federally dictated regulations governing health plans
 - › Essential Health Benefits
 - › Guaranteed Issue
 - › Modified Community Rating
- Huge expansion of entitlement spending (Medicaid expansion and tax credits)
- Significant and multiple tax increases to finance the legislation
- Mandates for coverage

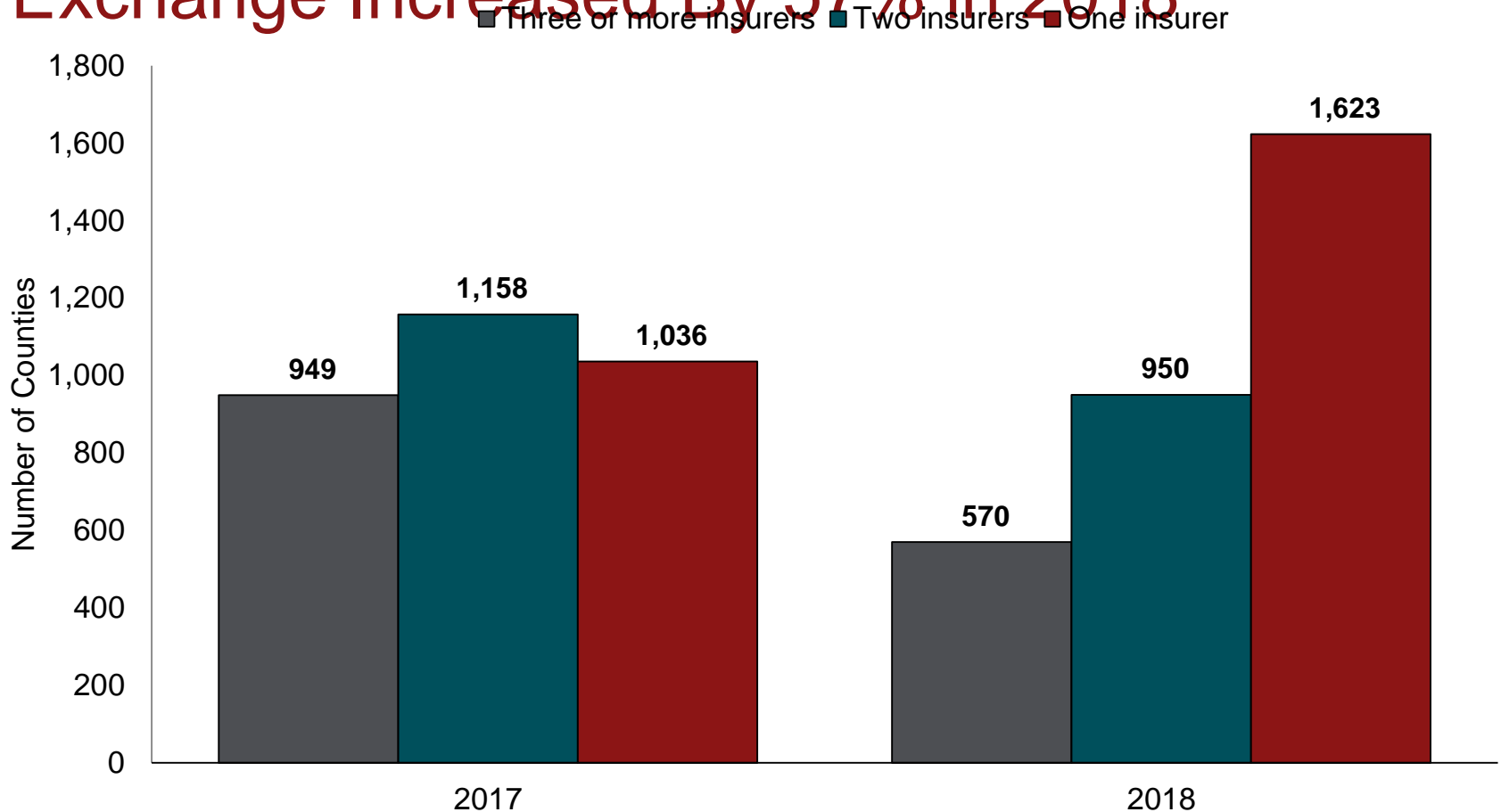
Conservative Focus on Unsubsidized Premium Increases on the Individual Market

Average Monthly Premiums in the Individual Market



Source: U.S. Department of Health and Human Services, ASPE Office of Health Policy, “ASPE Data Point: Individual Market Premium Changes, 2013– 2017,” May 23, 2017. Note that individual market calculations are based on Medical Loss Ratio (MLR) data from 2013 to 2015. These data represent the entire individual market, including all plans (on-and off exchange, ACA and non-ACA compliant). Healthcare.gov calculations based on enrollee plan selections during the annual Open Enrollment Periods from 2014 to 2017.

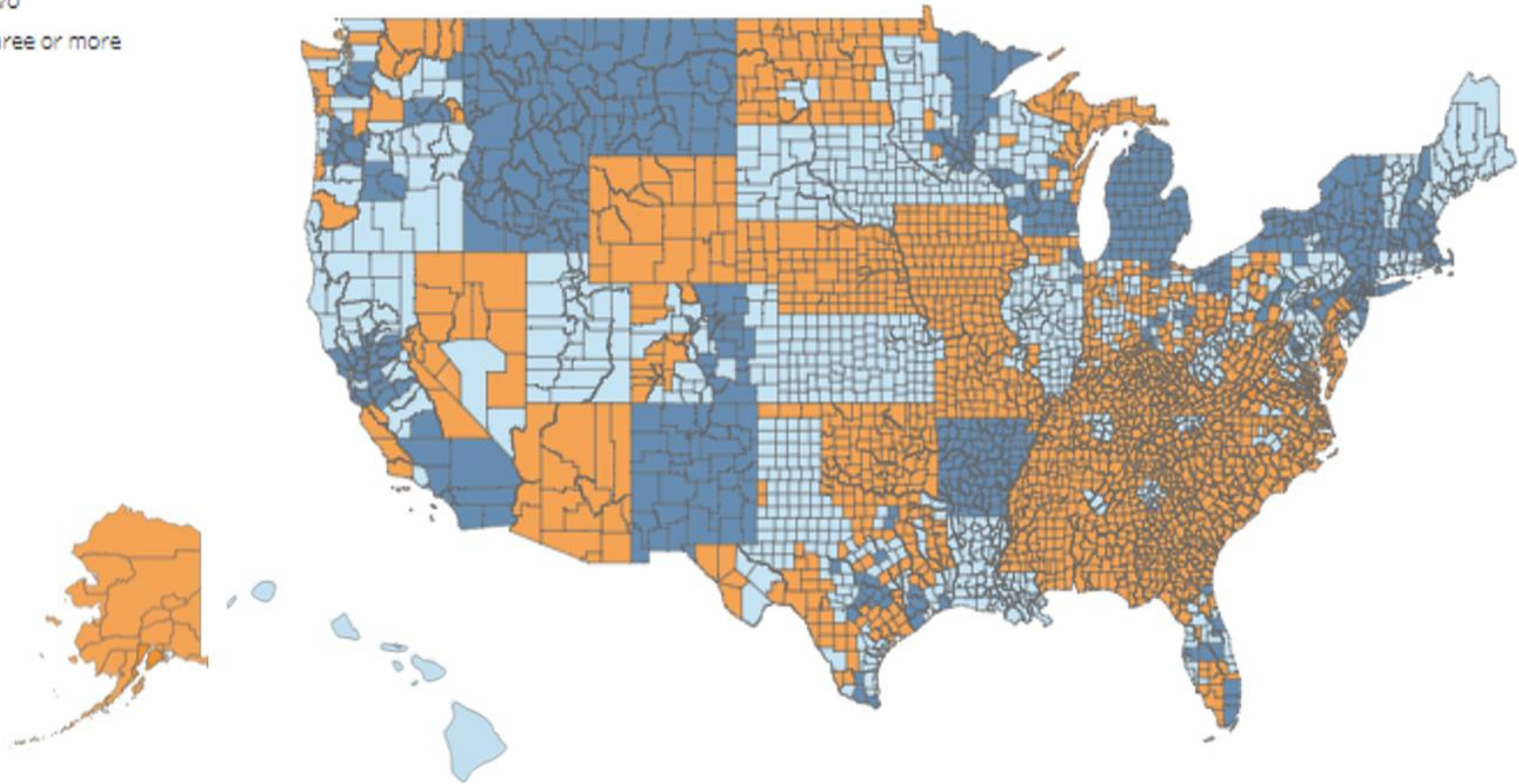
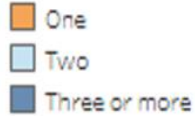
% of Counties With Only One Insurer on Obamacare Exchange Increased By 57% in 2018



Source: Kaiser Family Foundation analysis of data from the 2018 QHP Landscape file released by healthcare.gov on October 25, 2017.
Note: For states that do not use healthcare.gov in 2018, insurer participation is estimated based on information gathered from state rate filings. Enrollment is based on 2017 plan selections.

Most U.S. Counties Have Just One or Two Insurers on Their Obamacare Marketplaces

Number of Insurers



Source: Kaiser Family Foundation analysis of data from the 2018 QHP Landscape file released by healthcare.gov on October 25, 2017.

Note: For states that do not use healthcare.gov in 2018, insurer participation is estimated based on information gathered from state rate filings. Enrollment is based on 2017 plan selections.

What Happened to Repeal and Replace in 2017?

- GOP internal disagreements on health care policy
- Coalition for repeal did not equal the coalition for replace
- Failure to use “regular order” and the difficulty of using the budget reconciliation process for health care legislation
- Democrats were unified
- Jimmy Kimmel

Trump Administration Has Wide Administrative Latitude

- Why? The ACA grants significant authority and latitude to the administration. “The Secretary Shall...”
- Administration has already stopped paying cost-sharing subsidies, and a federal court has upheld this decision.
- Possible actions include:
 - › Make it harder to “game the system” by tightening certain insurance regulations.
 - › End or minimize enrollment efforts in Obamacare marketplaces.
 - › Reduce or limit scope of essential health benefits, including coverage for contraceptives under preventive services requirement.
 - › Give states freedom and flexibility to formulate their own health plans.