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 grandfathered 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)
• 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.