The First Hundred Days for Health Care

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ike my predictions about what a Republican win in the 2016 election would mean for U.S. health policy,1 my expectations about the ease and speed of passing an Affordable Care Act (ACA) replacement bill during President Donald Trump’s first 100 days in office have not exactly come to fruition. But given the Republican focus over the past 7 years on “repealing and replacing” the ACA and Trump’s promise to make health care reform an early focus of his administration (at one point, he suggested having Congress meet even before his inauguration), Congress’s attention to the issue has not been surprising — even if it’s not directly in line with Trump’s dominant campaign theme of “making America great again.” Indeed, it’s been argued that the economy and jobs would have been a politically easier first target than health care — an argument that was made retrospectively for the Obama administration as well.

After an initial hiccup, the House of Representatives passed H.R. 1628, the American Health Care Act (AHCA), on May 4 by a vote of 217 to 213. Twenty Republicans and all Democrats voted against the bill. The legislation’s major provisions include advanceable, refundable tax credits for purchasing health insurance coverage that are based on age (rather than income); increased limits on health spending accounts for high-deductible health plans; a 30% insurance surcharge for people who don’t maintain continuous coverage; elimination, after 2020, of the ACA’s enhanced federal funding rate for states’ coverage of new Medicaid enrollees; conversion of Medicaid into a per capita block-grant program; and establishment of a $100 billion “Patient and State Stability Fund.” The tax credits would range from $2,000 to $4,000, depending on age, and would start to phase out at an annual income of $75,000 for individuals and $150,000 for families.

Representative Tom MacArthur (R-NJ), coleader of the moderate Tuesday Group, helped craft amendments designed to increase support by the conservative wing of the party. These amendments allow states to opt out of some ACA protections — permitting them, for example, to change the minimum essential benefit package, to change plans to charge enrollees more according to their age and health status, and to eliminate the 30% surcharge for people who don’t maintain continuous coverage, as long as the state sets up a high-risk pool for such individuals. Amendments proposed by Representative Fred Upton (R-MI) provided an additional $8 billion over 5 years to help cover the insurance costs of people with preexisting conditions.

The original AHCA legislation was predicted to increase the number of uninsured by 14 million in
hold 241 seats to the Democrats' net spending. On achieving a similar reduction in publicans appear to be less focused GOP have promised. Senate Re-

The tax reform that Trump and the least in part to finance some of tax for high-income individuals) and reduce Medicaid funding, at least in part to finance some of the expansion population. It is unclear whether the states will continue the expansion as federal support declines at least to 90%, as it is set to do under current law.

The Department of Health and Human Services (HHS) has indicated that it intends to make expanded use of Medicaid waivers and the waiver process that was part of the ACA but was interpreted very narrowly by the Obama administration. At least in the near term, much of the policy innovation and change is likely to be driven by the states — harking back to the notion that states are the laboratories for change. A possible state strategy that has intrigued me is allowing people now covered in the exchanges to use their subsidy funds to buy into Medicaid; that way, people who earn too much money to qualify
for Medicaid coverage could benefit from the delivery-system relationships and broad coverage created for Medicaid.

The Center for Medicare and Medicaid Innovation is expected to continue piloting changes in reimbursement for Medicare, but probably not at the same frenetic pace seen during the past few years — and without mandating participation, given HHS Secretary Tom Price’s objections to mandatory demonstrations.

Most of health care delivery will not be affected by changes made to the ACA. Whether these steps collectively can help provide more of a sense of stability than has characterized the markets for individual insurance of late remains to be seen.

Disclosure forms provided by the author are available at NEJM.org.

From Project HOPE, Bethesda, MD.

This article was published on May 31, 2017, at NEJM.org.


DOI: 10.1056/NEJMp1614965
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