



The View from the Potomac

NDHA MEMBERS MEETING

OCTOBER 8, 2018

2018: The Year in Review

- ▶ The State of the ACA's Individual Markets
- ▶ Taxes, Budget, Appropriations
- ▶ 340B
- ▶ Opioids



The ACA Individual Markets

Trump Strategy: Weaken coverage administratively

- ▶ Ended **CSRs**
- ▶ Expanded access to **association health plans**
- ▶ Expanded availability of **short-term, limited duration health plans**
 - ▶ Consumers now able to renew for up to three years
 - ▶ States still regulate – and ban – these plans
- ▶ For second year reduced funding for **navigator** program/outreach to help enroll individuals
- ▶ New exemptions to individual mandate

Texas lawsuit against ACA

Taxes, Budget, Appropriations

Bipartisan Budget Act of 2018 (Feb) & Omnibus Appropriations Act (March) raised spending caps – funded government through 10/1/18
HHS appropriations funded health care in FY 2019 (Sept)

Lots of health care activity early in the year

- ▶ CHIP funded 10 years
- ▶ Rural ambulance, home health payment add-ons extended five years
- ▶ NHSC, community health centers, Teaching Health Center GME programs extended for two years
- ▶ Medicaid DSH payment cuts scheduled to begin in FY 2018 delayed two years
- ▶ Tax exemption for private-activity bonds preserved



Wait...there's more...

- ▶ Significant boost in funding for rural health programs at HHS
- ▶ Funding to fight opioid abuse, including rural grants, funds for workforce development programs that address opioid abuse
- ▶ Funds to improve the nation's broadband infrastructure, including rural

- ▶ Enforcement of rules governing supervision of outpatient therapeutic services **suspended** for CY 2017 – 2019
- ▶ Audits of length-of-stay in CAHs low priority

Opioids Crisis: SUPPORT For Patients and Communities Act

- ▶ Would expand and create prevention, treatment and recovery programs.
- ▶ Authorizes grants to rural hospitals and communities
- ▶ Allows for 5 years federal Medicaid payments for substance use disorder treatment in IMD
- ▶ Did not address 42 CFR Part confidentiality rules for SUDs patients
- ▶ Bipartisan, bicameral bill passed House Sept 27 – Senate Oct 3



340B Drug Pricing Program

- ▶ House Energy & Commerce Committee
 - ▶ Series of oversight hearings and reports on status of program
 - ▶ July proposals to change the program including bills to restrict participation, impose onerous reporting rules, impose user fees
- ▶ Senate HELP Committee
 - ▶ Three oversight hearings
- ▶ Key Questions: How much savings – how is it spent
- ▶ Litigation
- ▶ AHA Pledge



Calendar for the Rest of the Year



House recessed September 28 until after election

Senate expected to recess in mid-October or later

Lame duck session after election

Continuing resolution funds government until Dec 7

Unfinished Business: Site Neutral/OPPS

- ▶ Proposed CY 2019 OPPS Rule
 - ▶ Reduce payment for clinic visits in grandfathered PBDs
 - ▶ Reduce payment for expanding certain services
 - ▶ \$12 million payment reduction in 2019
- ▶ Our Advocacy
 - ▶ Comments – deadline September 24
 - ▶ “Dear Colleagues” opposing rule
 - ▶ Possible litigation, legislation
- ▶ Final Rule November 1





Election 2018: Down to the Wire

Blue Wave in 2018?

- ▶ Historical patterns – first mid-term a referendum on President
 - ▶ 35 of 38 first-term presidents lost seats in the House; 19 of 26 lost seats in Senate
- ▶ President's job approval
- ▶ Voter Intensity
- ▶ Generic Ballot – Dems need margin of 7
- ▶ Swing groups: younger voters, college-educated suburban voters

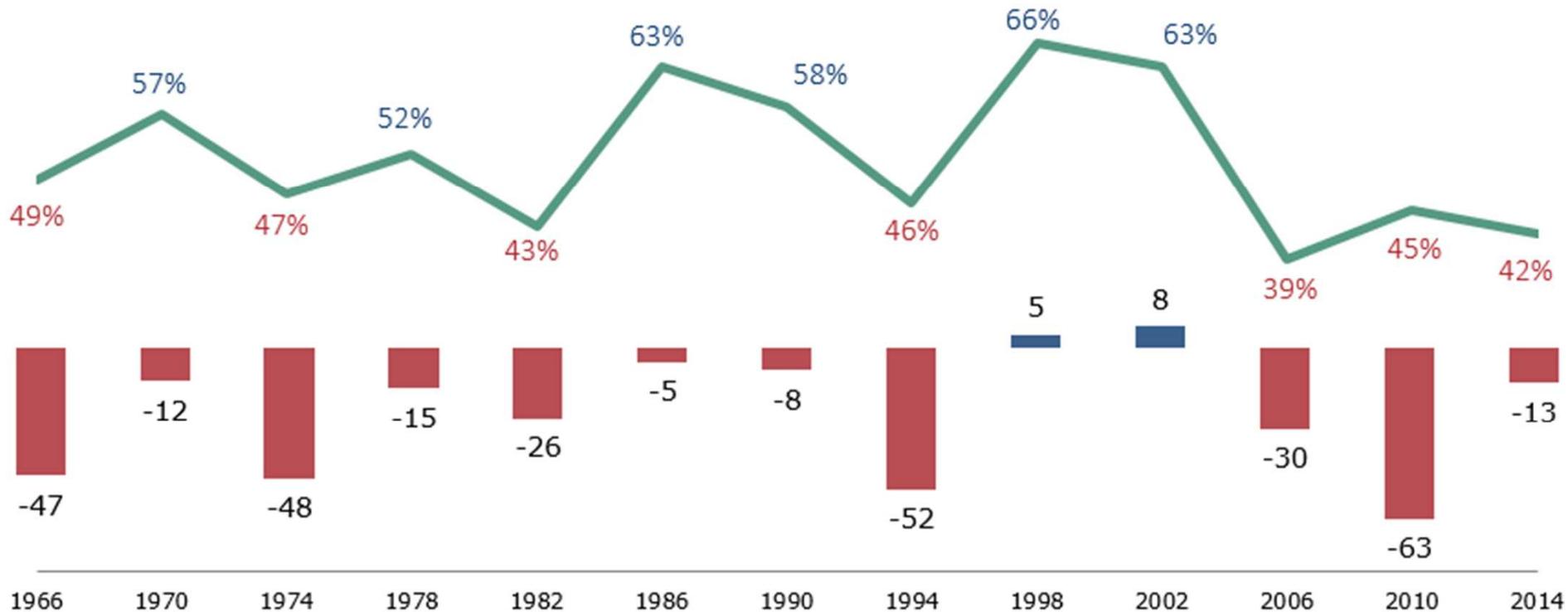


President's Approval Ratings

Presidents with a sub-50% approval rating lose an average of 40 seats in the midterms

Presidential job approval vs. midterm results since 1966

Job Approval	Average Change
Over 60%	+3 Seats
50%-60%	-12 Seats
Under 50%	-40 Seats



Commentary...

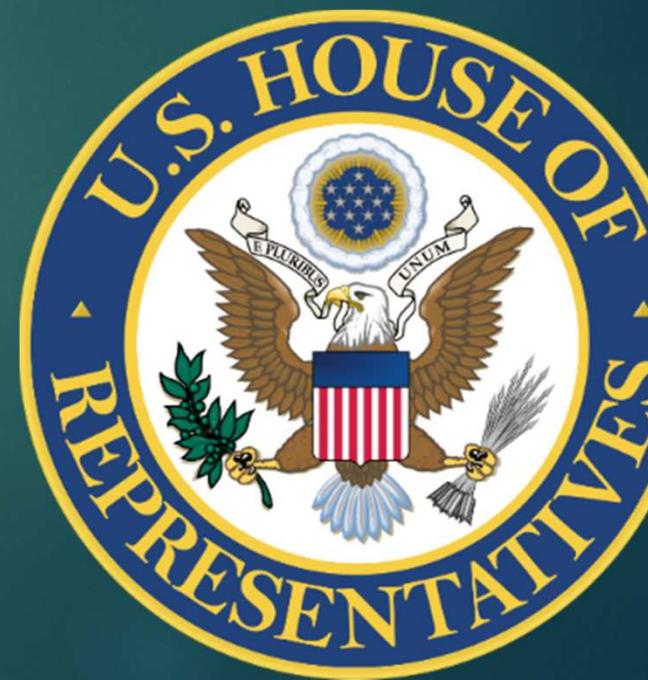
“The GOP’s endangered incumbents this fall – most of whom represent suburban districts where Mr. Trump has turned off voters – must find supporters who will vote for them even though they disapprove of the president.” – Wall Street Journal (9/4/18)

“If you look at our battlefield, 55 districts, the president is underwater in every one of those...across America” – Ben Ray Lujan, Chair, DCCC

“People think the economy is doing well, but that’s not what they’re voting on – they’re voting on the chaos of the guy in the White House” – Glen Bolger, Republican pollster

The Race for the House

- ▶ Control of the House fought in suburban areas that voted for Obama in 2012 and Trump in 2016
- ▶ Democrats need 23 seats – roughly 60 in play
 - ▶ 24 seats held by GOP that went for Clinton
- ▶ Cook Political Report Projections (9/26)
 - ▶ Solid seats: D = 182; R = 147
 - ▶ Likely/lean: D= 10; R = 51
 - ▶ **Toss-up: D=3; R = 42**
- ▶ Trend (this week):
 - ▶ House: Democrats gaining momentum



Battle for the Senate...

- ▶ Fight for control in “red” states with Democratic incumbents
- ▶ Current margin: 51 – 49 Republican
 - ▶ Seats up in 2018: 26 Democrat vs 9 Republican
 - ▶ 10 of 26 Democratic seats in states that went for Trump in 2016
 - ▶ Five went for Trump by 19 points or more:
 - ▶ **North Dakota**, IN, WV, MO, MT
 - ▶ Possible Dem pickups: Arizona, Nevada, Tennessee
- ▶ *“Arizona, Nevada, Tennessee, Montana, North Dakota, Missouri, Indiana, West Virginia and Florida...All of them too close to call, and everyone of them like a knife fight in an alley.”* – Majority Leader Mitch McConnell



How the Election Affects Health Care

- ▶ If GOP holds House and Senate
 - ▶ Repeal and replace in 2019
 - ▶ Effort to restrict 340B
 - ▶ Major deficit reduction initiative – proposals for major changes in Medicare and Medicaid
- ▶ If Democrats regain control of the House and/or Senate
 - ▶ Repeal and replace unlikely
 - ▶ Efforts to restore Trump ACA cuts, expand coverage
 - ▶ Deficit reduction effort
 - ▶ Debate about Medicare-for-all



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