Got TRUMPed! What to Expect Now?

A thoughtful look into a very murky crystal ball

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DISCLOSURES

My disclosures are listed on the AAOS Website.

I have no conflicts relevant to this presentation
Got TRUMPed!
What to Expect Now?

New administration
Dr. Tom Price as HHS Secretary
Value-based Care:
The bigger picture
Orthopaedics in the Trump Era

• “Insurance for All” ???
• Look for Executive
  Actions to start on
  Monday
New Administration

ACA:
- Modifications vs. Complete repeal?
- No comprehensive alternative
- Repeal without alternative huge impact for insurance companies

Budget Reconciliation
- Attaching to budget reconciliation allows passage with only simple majority
- Anticipate unprecedented 2 reconciliations in 2017

Cannot be repealed by reconciliation:
- dependents on parents’ plans until age 26
- preexisting condition protection
- Medicare reforms

Get Trumped: the ACA

CBO on impact of ACA repeal:
- Uninsured increase by 18M year 1, up to 32M by year 2026
- Nongroup insurance premiums up 20-25% year one, double by year 2026

Urban Institute estimate of ACA repeal impact:
- Spending decreasing $145.8 billion in 2019 and $1.7 trillion lower between 2019 and 2028.
- In 2019, 29.8M newly uninsured people would seek an additional $88 billion in uncompensated care.
- From 2019-2028, the uninsured would seek an additional $1.1 trillion in uncompensated care
- Federal funding for uncompensated care would increase no more than $3.3 billion (through the Medicaid DSH program) in 2019 and by $25 billion from 2019-2018. This funding would constitute less than four percent of the increase in uncompensated care sought by the newly uninsured.

Get Trumped: Medicaid

- Block grants part of Trump’s Health platform
- Provides funds to state without federal oversight (or overhead), allowing states to administer
- Sets spending limit, forces leaner Medicaid benefits

Get Trumped: Medicare

MACRA
- strong bipartisan support
- written by Republicans
Regulatory
- Secretary of HHS, CMS
director
- Speed of regulatory change
Bipartisan support for value-based care
- APMs
- Move from FFS
- Any change would be slow
Core components of MACRA not likely to change soon

MACRA?

MedPAC (Medicare Payment Advisory Commission)
1/13/2017:
- Executive director for MedPAC: “The reality of MIPS right now, is it’s dead in the water.”
- MedPAC technical staff:
  ◦ “The burden of reporting these measures may outweigh their value to the Medicare program.”
  ◦ “[Long term] most clinicians are unlikely to receive positive updates and those that do will be small”
- Ultimately, the commission did not reach consensus on what changes it might recommend to improve the MIPS program but did identify that there is a clear need to fix it

http://www.medpagetoday.com/publichealthpolicy/medicare/62541
Get Trumped ... Medicare beyond MACRA?

- Loss of support for CMMI, IPAB, AHRQ
- Shift from complete entitlement to premium support
- Expanding Medicare Advantage may be an easier battle to fight

Got TRUMPed!
What to Expect Now?
New Administration

Orthopaedic Surgeon
Tom Price

Tom Price as HHS Secretary

- Impacts CMS
- “The Secretary shall…”
- MACRA is law, but implementation is all about the regulatory
- Track record of supporting issues important to Orthopaedic Surgeons
- Concerns about mandatory programs such as CJR, SHFFT

Merritt-Hawkins
Survey of Physicians:

- 23rd Secretary, but only 3rd Physician
- 46% generally positive about Price
- 42% generally negative
- 12% neutral
Price: Where does he stand?

- Supports patient-doctor relationship
- Against regulation
- "Empowering Patients First" Act was his option for replacing ACA
- AMA supports
- Not a supporter of ACA
- Concerns around reproductive rights
- LGBT
- 5000 AMA members signed petition against Price

Price as HHS Secretary:

- Last Wed → grilled by Senate Health Committee
- Next Tue → Senate Finance Committee, vote on confirmation

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Value-based Care:
The bigger picture
Value based

Shared Risk

Continuum of Medicare Risk Models

In January 2015, the Department of Health and Human Services announced new goals for value-based payments and APMs in Medicare

Medicare Fee-for-Service

GOAL 1: Medicare payments are tied to quality and value through alternative payment models, and 50% by the end of 2018

GOAL 2: Medicare payments are tied to quality and value through alternative payment models, and 90% by the end of 2018
Controllable Variables in Patient Outcome in Orthopedic Surgery

Commercial payers
- HCPLAN (Health Care Payment Learning and Action Network)
- Likely push to quality-based commercial payment
- Opportunities for shared risk?

(S)he who owns the bundle...
... takes the risk & reward
Bundles are not just CMS

Bundles: the Bigger Picture
Orthopaedics in the Trump Era?

Trump Era - Government
- **ACA:**
  - Repeal easier than replace
  - Limits on Budget Reconciliation
  - Still some time to roll out changes
- **MACRA:**
  - Legislation with bipartisan authorship, support
  - More difficult to change
  - Regulatory/enforcement may look different under Price
  - Potential for mandatory programs (e.g., CJR, SHFFT) to be modified/eliminated

Trump Era – Beyond the Government
- **Quality** (& reporting it) becoming the norm for all payers
- **Shared Risk** will expand
- Recognize the value you bring to your pts & health care systems:
  - **ALIGNMENT** with hospitals, payers
  - Recognize YOU control majority of the costs
- Understand **bundling/episode payment**
- Expand your opportunities for **bundling** or **shared risk models**:
  - Other payers
  - Self-funded employers
  - Work Comp
Jan 12th Trump Press Conference

- Affordable Care Act (ACA) repeal and replace essentially simultaneously: "on the same day or the same week."
- Repeal-and-replace legislation would be filed soon after "our secretary is approved," presumably referring to Rep. Tom Price, MD (R-Ga), Trump's choice to head the Department of Health and Human Services.

Congress Seeking Control

"The broad powers vested in CMMI, and the agency's interpretation of that authority, have the potential to further degrade Congress's lawmaker's authority by shifting decision-making away from elected officials into the hands of unelected bureaucrats."

Representative Tom Price (R-GA)
Chairman of the House Budget Committee