



HEDGEYE  POTOMAC RESEARCH

ELECTION 2016: PLATFORMS & PLANKS

CLINTON V TRUMP HEALTH POLICY | SEPTEMBER 13, 2016

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**ANSWERED AT THE END OF THE CALL*



THE CONTEXT



THE REALITIES OF POST-ACA WORLD

1

GREATER COVERAGE AND ACCESS

- Uninsured rate below 10 percent
- Coverage up to 26 and guaranteed issue
- Employer Sponsored Insurance remains unchanged

2

HIGHER COST

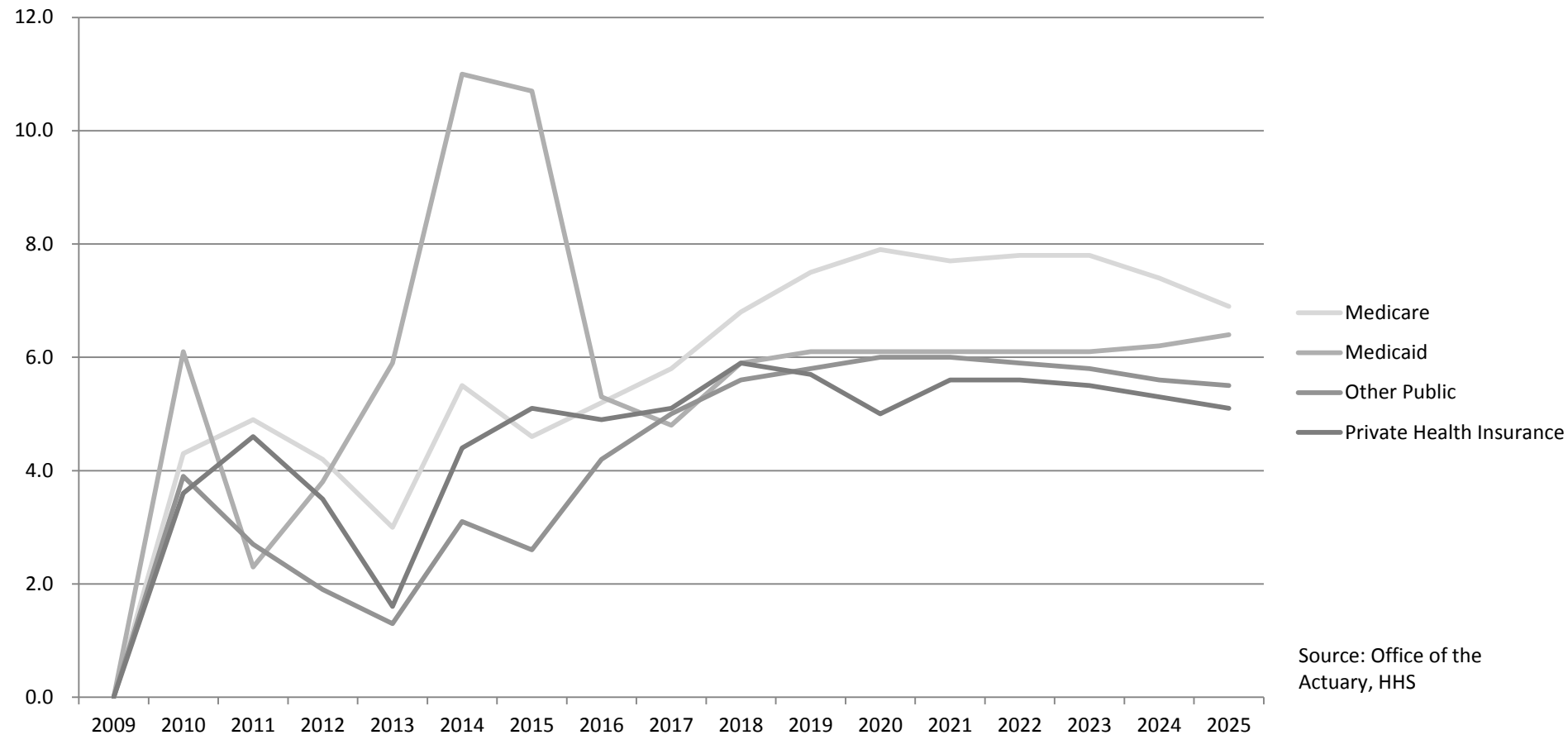
- 40 percent of privately insured in high deductible plan – with and without HSA
- Higher premiums
- Fewer plans to choose from

3

FAILURE OF MANY COST CONTAINMENT FEATURES

- ACOs, Medical Homes and other Managed Care fads
- Replaced by use of purchasing power to influence behavior - CMMI

NHE CONTINUES TO GROW





CLINTON V TRUMP



COVERAGE, COSTS & FUTURE OF ACA

➤ Clinton

- Expand coverage
- Expand access
- Expand and enforce coverage mandates

➤ Trump

- Enhance competition
- Expand preferential tax treatment
- Require greater transparency

PHARMACEUTICALS

➤ Clinton

- Increase competition
- Expand research
- Deploy federal government purchasing power and mandates

➤ Trump

- Increase competition
- Use federal government purchasing power
- Reform FDA?

MEDICARE & MEDICAID

➤ Clinton

- Encourage expansion of Medicaid

➤ Trump

- Restructure Medicaid
- Repeal IPAB
- Limit access to undocumented immigrants



CLINTON



COVERAGE, COSTS & FUTURE OF ACA

1

EXPAND COVERAGE

- Allow Medicare “buy-in” at 55
- Make “public option” possible
- Allow undocumented immigrants access to public exchanges
- Fix “family glitch” to let families access coverage when ESI too expensive

2

EXPAND ACCESS

- Expand use of telehealth services especially with mental health
- Foster integration between physical and mental health services
- Block or modify premium increases
- Eliminate Medicaid prohibition on same day billing for mental health and primary care

3

EXPAND & ENFORCE COVERAGE MANDATES

- Enforce parity for mental and physical health coverage through audits/enforcement
- Limit OOP w/ no deductible for 3 sick visits/yr; refundable tax credits for OOP over 5% inc
- No out of network “surprise” bills for ER services

Source: Candidates’ websites

PHARMACEUTICALS

1

INCREASE COMPETITION

- Fully fund FDA Office of Generic Drugs to reduce backlog of applications
- Lower biologic exclusivity from 12 to 7 years and require expedited review for bio-similars
- Prohibit pay for delay
- Permit importation of drugs

2

EXPAND RESEARCH

- Increased funding of Alzheimer's and HIV research
- Encourage private sector cost-effectiveness research
- Expand use of HIV prevention protocols

3

ENFORCE COVERAGE MANDATES

- Limit cost sharing to \$250/mo for drugs that treat chronic conditions
- Require Medicaid level rebates for low income Medicare enrollees
- Require Medicare to negotiate drug prices

Source: Candidates' websites

MEDICARE & MEDICAID

1

ENCOURAGE MEDICAID EXPANSION

Source: Candidates' websites



TRUMP



TRUMP POLICY POSITIONS

1

COVERAGE, COSTS AND THE FUTURE OF THE ACA

- Enhance competition
- Expand preferential tax treatment
- Require greater price transparency

2

PHARMACEUTICALS

- Increase competition
- Use federal government purchasing power?
- Reform FDA?

3

MEDICARE & MEDICAID

- Restructure Medicaid
- Repeal IPAB
- Limit access to undocumented immigrants

Source: Candidates' websites

COVERAGE, COSTS & FUTURE OF ACA

1

ENHANCE COMPETITION

- Permit sale of insurance across state lines

2

EXPAND PREFERENTIAL TAX TREATMENT

- Expand use of HSAs
- Permit deductions of individual health insurance premiums

3

REQUIRE GREATER TRANSPARENCY

- Mandate reporting of prices for services from providers

Source: Candidates' websites

PHARMACEUTICALS

1

ENHANCE COMPETITION

Permit importation of drugs

2

USE FEDERAL PURCHASING POWER?

Require Medicare to negotiate drug prices?

3

REFORM FDA?

Source: Candidates' websites

MEDICARE & MEDICAID

1

RESTRUCTURE MEDICIAD

- Create block grant program
- Create incentives to limit fraud, waste & abuse

2

REPEAL IPAB

3

LIMIT ACCESS

- Bar undocumented immigrants from accessing government funded health programs

Source: Candidates' websites



HOUSE REPUBLICANS



HOUSE REPUBLICAN POSITIONS

1

COVERAGE, COSTS AND THE FUTURE OF THE ACA

- Enhance competition
- Change tax treatment
- Adopt Insurance market reforms

2

PHARMACEUTICALS

- Enhance funding for research
- Modernize information sharing
- Modernize FDA approval process

3

MEDICARE & MEDICAID

- Restructure Medicaid
- Revise Medicare Advantage plans
- Restructure Medicare

Source: House Speaker's website

COVERAGE, COSTS & FUTURE OF ACA

1

ENHANCE COMPETITION

- Allow sale of insurance across state lines
- Allow individuals and business to create purchasing pools

2

CHANGE PREFERENTIAL TAX TREATMENT

- Expand use of HSAs
- Create refundable tax credit to purchase insurance in any market
- Cap open-ended deduction for ESI

3

ADOPT INSURANCE MARKET REFORMS

- Retain popular ACA features (parents' insurance until 26 and guaranteed issue)
- Change age band from 1:3 to 1:5
- Reform medical liability laws

Source: House Speaker's website

PHARMACEUTICALS

1

ENHANCE FUNDING FOR RESEARCH

- Fund NIH at robust but discretionary levels

2

MODERNIZE INFORMATION SHARING

- Require all data sharing for all publicly funded research

3

MODERNIZE FDA APPROVAL PROCESS

- Streamline clinical trials
- Require data exchange

Source: House Speaker's website

MEDICARE & MEDICAID

1

RESTRUCTURE MEDICAID

- Create per capita funding system of Medicaid and allow states to design own program
- Block grant program for states opting out of per capita arrangement

2

REVISE MEDICARE ADVANTAGE PLANS

- Repeal benchmark caps in Medicare Advantage Plans
- Limit coding adjustments to Medicare Advantage Plans
- Implement value-based benefit design for MA Plans

3

RESTRUCTURE MEDICARE

- Combine Medicare Parts A & B
- Create Medicare Compare so consumers can evaluate MA plans versus fee-for-services
- Convert Medicare into a premium support program with plans available on a Medicare exchange by 2024

Source: House Speaker's website



PROGNOSTICATIONS



CLINTON VICTORY STILL LIKELY

1

ENTHUSIASM GAP PERSISTS

- Clearing the field has a downside
- Messaging out of step in many ways

2

CLINTON MAY NOT SO MUCH WIN AS TRUMP LOSES

- Gaffe filled candidacy improving but...
- Polls tightening – especially among likely voters

3

CLINTON WINS ON TECHNICALS

- Campaign and whole Clinton land operation is well oiled machine
- Money is no object
- Electoral college

A TRUMP VICTORY

1

DEFAULT TO SPEAKER'S AGENDA

- A Better Way is a fully developed policy effort that can fill the void

2

FOCUS MORE ON TRADE, GEO-POLITICS

- Not that interested in the details of domestic policy

3

FLEXIBILITY REFLECTS ABSENCE OF IDEOLOGY

- Able to talk about issues differently

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