Not Preparing for Boomer Retirement

• Elderly double – 50% increase in percentage
• Tax scam sets us backward
  • Explodes Debt by $2T – $2.5T if extended
  • Tax cuts focused on higher income Americans
• Implications for state budgets - Medicaid
• CBO says demographics explain 2.4 percentage points of the increase in expected spending between 2018 (20.6%) and 2028 (23.6%)
• We need to keep our policy promises
Universal Coverage

• Agreement in Democratic caucus on the importance of universal coverage

• Improving ACA is the most cost effective path to universal coverage
  • ACA has slowed growth, improved quality
  • Rankers introduced H.R. 5155, Undo Sabotage and Expand Affordability of Health Insurance Act of 2018

• Single payer
  • Cost
  • Creates winners and losers
  • Stakeholders are against
  • Monies are needed for other priorities
  • Implementation challenges
Slow Spending Growth

Real Per Enrollee Spending Growth, by Payer, 2000-2016

Average annual percent growth

Note: Inflation adjustments use the GDP deflator. Medicare growth rate for 2005-2010 excludes 2006 to avoid distortions from the creation of Medicare Part D.
GOP Sabotage of ACA + Medicaid

- Early signs of large ACA market premium increases
  - Individual mandate repeal
  - Cuts to outreach/marketing/enrollment help
  - Stopped cost sharing reduction payments
  - Short-term/limited duration plans
  - Association health plans
  - Shortened open enrollment
  - Estimated 2019 premium increases of 13-30%
- Abortion politics derailed ACA market stability legislation
- Medicaid
  - Work requirements
    - KY, AR, IN, NH
    - AZ, KS, ME, UT, and WI have applied
  - “Public charge”
States Can Act to Protect Market

- Restore individual mandate
- Improve affordability
  - Obtain 1332 waiver for reinsurance
  - Reduce deductibles and/or premiums
- Limit substandard plans
  - Require that plans provide adequate consumer protections
- Safeguard health benefits
  - Maintain EHBs, protect contraceptive services coverage
- Get people covered
  - Deploy enrollment best practices
Opioid Epidemic is Top Priority

- 42,200 of 63,600 drug overdose deaths from opioids in 2016
- Life expectancy fell 2 years in a row
- Overdose death rate rose 21% in 2016 (19.8 per 100,000)
- 2016 highest overdose rates: West Virginia, Ohio, New Hampshire, DC, & Pennsylvania
- Overdose deaths from synthetic opioids doubled between 2015 and 2016
- Bipartisan Budget Act of 2018 allocates $3B/year for two years
  - How to effectively invest?
- Committees of jurisdiction marking up (mainly) bipartisan bills for floor action in June
2018 Bipartisan Budget Act & Omni

Defense increase ($81B 2018, $86B 2019)

Non-defense increase ($63B 2018, $68B 2019):
- Opioids and Mental Health - $3B/y
- Veterans - $2B/y
- Infrastructure – $10B/y
- Significant increases for NIH ($3B increase) and CDC ($1.2B increase)

Health Extenders
- 10 years CHIP
- IPAB Repeal – Pharma offsets
- 5 years Maternal, Infant, and Early Childhood Home Visiting
- Community Health Centers, Teaching health centers, national health service corps
- Families First
- CHRONIC Act, Special Diabetes Program
- Medicaid DSH delays, Medicare rural extenders, Part B Improvements
Drug Pricing

Trump Proposals
• More questions than answers
• Rhetoric around CREATEES and pay-for-delay
• No actions to date

Democrats: A Better Deal
• Stop outrageous prescription drug price increases
• Negotiate lower prescription drug prices for Medicare
• Require drug manufacturers to publicly release hard data and information justifying any significant price increase

• Democratic Steering and Policy Hearing
Improving Medicare and Medicaid

• Medicare has many difficulties
  • No out of pocket limit – 90% of elderly have supplemental coverage
  • No cost controls – does set prices
  • No essential health benefits

1. Out of Pocket Limit
2. Vision, dental and hearing benefit improvements
3. Insuring COLA increases in Social Security are not consumed by Medicare premium increases
4. Improving benefits for frail and low-income elderly
5. Transferring some Medicaid long term care costs to Medicare
6. Slowing health care cost growth
7. Need to build case for revenues to make Medicare and Social Security solvent and finance long term care
Pallone: Long-Term Care Services and Supports Act

- Establishes a standard cash benefit within Medicare, beginning after a two-year waiting period that functions as a deductible.
- The self-directed benefit could be used towards all long-term services and supports, including nursing facility care, adult daycare programs, home health aide services, personal care services, transportation, and assistance provided by a family caregiver.
- Includes incentives for people to seek care at home.
- Can be used towards family caregivers and respite care.
Conclusions

• Tax cuts cannot survive given country’s demographics
• Need to prepare for retirement of Baby Boom generation
• Many wins this year despite partisan climate
• ACA and Medicaid under assault
• Need to improve and strengthen ACA – can happen at state level
• Opioids at top of agenda
• Time to move focus to long-term care, improve Medicare program, extend solvency of Social Security and Medicare