



CENTER FOR HEALTH POLICY | RESEARCH  
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# Health Policy: Where It's Been, and Where It's Going (?)

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# Overview

- BRIEF History of Major US Health Policy Efforts
- Where We Are Today
- Which Form of Heaven or Hell are We Most Likely to Reach?



# Early Health Policy Developments

- First health policies in US?
  - Virginia (1639), Mass (1649), NJ and NY (1665) regulated physician FEES
  - 1760 NYC banned unlicensed medical practice
  - By 1830, all but PA, NC, and VA had licensing boards
  - Diploma vs. license
- In UK, Chadwick, Snow, and Shattuck established importance of clean water in 1840s
- AMA formed in 1847
- Louisiana created first state Board of Health in 1855
- Flexner Report 1910
- Johns Hopkins formed first US School of Public Health 1916

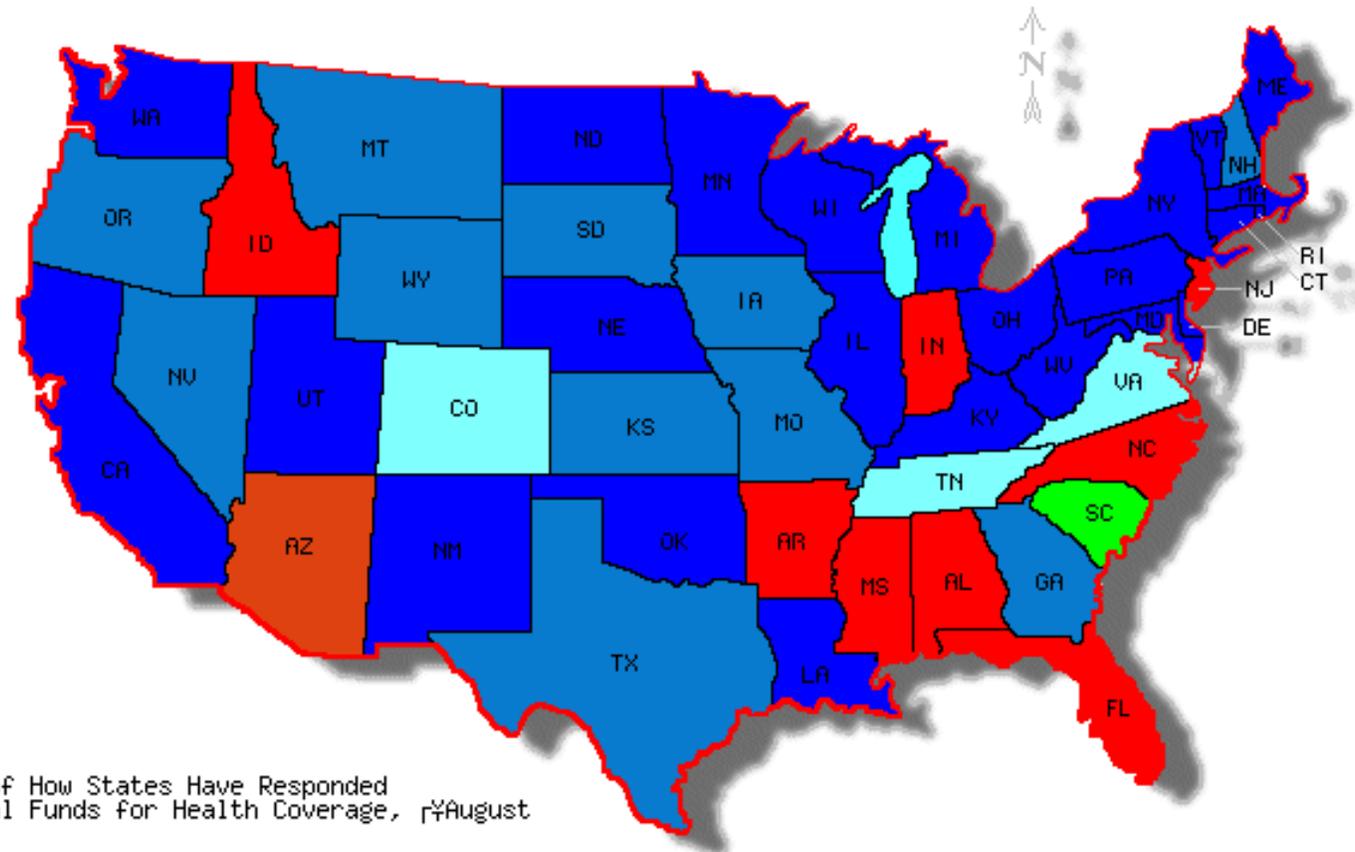
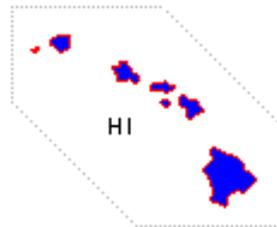
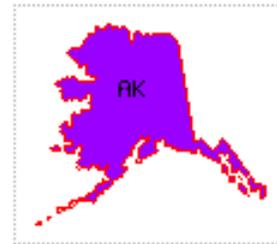


# More Recent Policy History

- Bismarck → TR → FDR → Truman
  - Republican Congress blocked Universal Coverage, but passed Hill-Burton (1946)
- McCarron-Ferguson (1945)
- LBJ and Great Society (Medicare, OAA, Medicaid, War on Poverty)

## When States Created Their Medicaid Programs

- - 1966
- - 1967
- - 1968
- - 1969
- - 1970
- - 1972
- - 1982



### NOTES:

From KFF: A Historical Review of How States Have Responded to the Availability of Federal Funds for Health Coverage, August 2012



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- Nixon and HMO Act, ERISA
- Reagan (TEFRA + DRGs); Bush I (RBRVS + Medicaid Expansion)
- Clinton (HIPAA, SCHIP, BBA)
- W (Medicare Drugs, FQHC Support)



# Common Themes in US Health Policy Before the ACA

- Bi-Partisan
- Expand Access and Equity but Mindful of Cost
- States in charge of licensure, quality\* + solvency
- Federal purpose financed with \$ (strings)

- ▶ At End, was not Bi-Partisan
- ▶ Why? Tale of Two Narratives
  - ▶ Ds started where Rs were in 1993-4 (Chafee-Dole-Durenberger)
  - ▶ BUT by Fall of 2009, R's were no longer there, had moved to Right
  - ▶ Rs wanted smaller scope, Ds insisted on covering ALL
- ▶ Many had too much to gain from “failure” of bi-partisanship

WHAT WAS DIFFERENT ABOUT  
OBAMACARE?

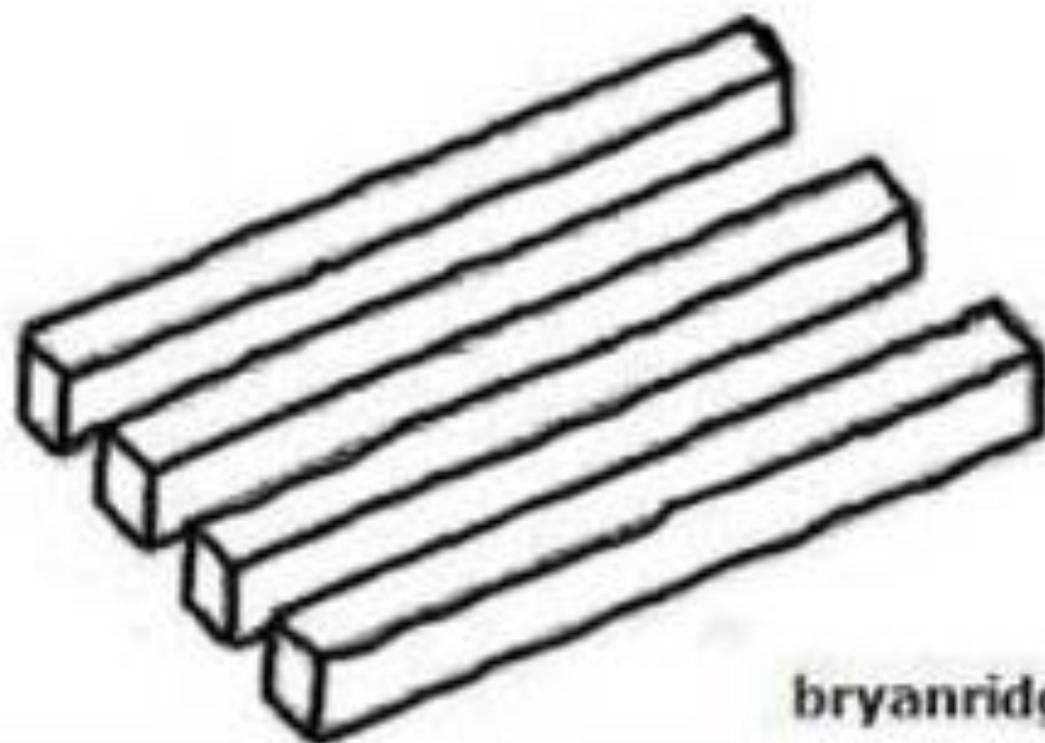


# Effects of ACA

- Coverage
- Cost
- Quality
- Health
- Politics
- Future



Four



No  
Three



**I CAN'T WIN ARGUMENTS**

**THE REASON I'M RIGHT IS TOO COMPLEX TO  
EXPLAIN WITHIN THE ATTENTION SPAN OF MY OPPONENT**

If you can't write your idea on the back of my  
calling card, you don't have a clear idea.

(David Belasco)





# Philosophy of ACA vs. NOT ACA

- ALL vs. Some
- Rules vs. Liberty
- Population health vs. individual patient's health
- Compensating for disadvantages vs. reducing tax burden



# What We All Agree Upon Now

- Health Care and Health Insurance Cost Too Much
- ACA is a “*disaster*” (Except for the parts people like)
- “Fixing” the ACA is complicated
  - 20m+ gained coverage, most like/need it; ACA more popular than ever
  - Most of coverage gains in Medicaid
  - Many insurers pulled or threatened to pull out of marketplaces
  - 3-4m hurt by benefit mandates and risk pooling\*
- Social Determinants of Health *really* Matter
- Governing is harder than campaigning



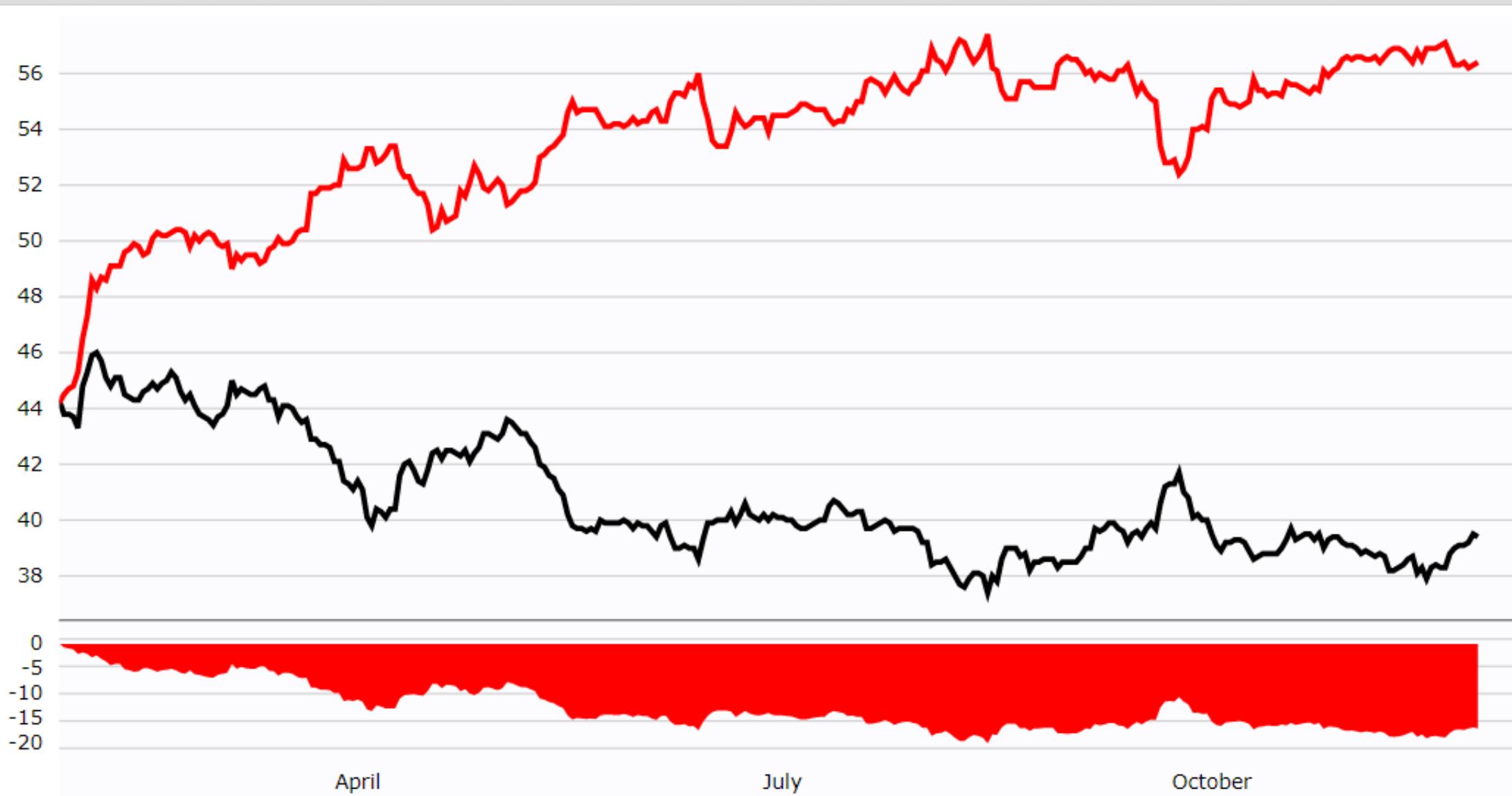


HE FOUND THAT HIS ARMS AND LEGS WERE TIGHTLY FASTENED TO THE GROUND.



RCP POLL AVERAGE  
President Trump Job Approval

39.4 Approve  
56.4 Disapprove +17.0

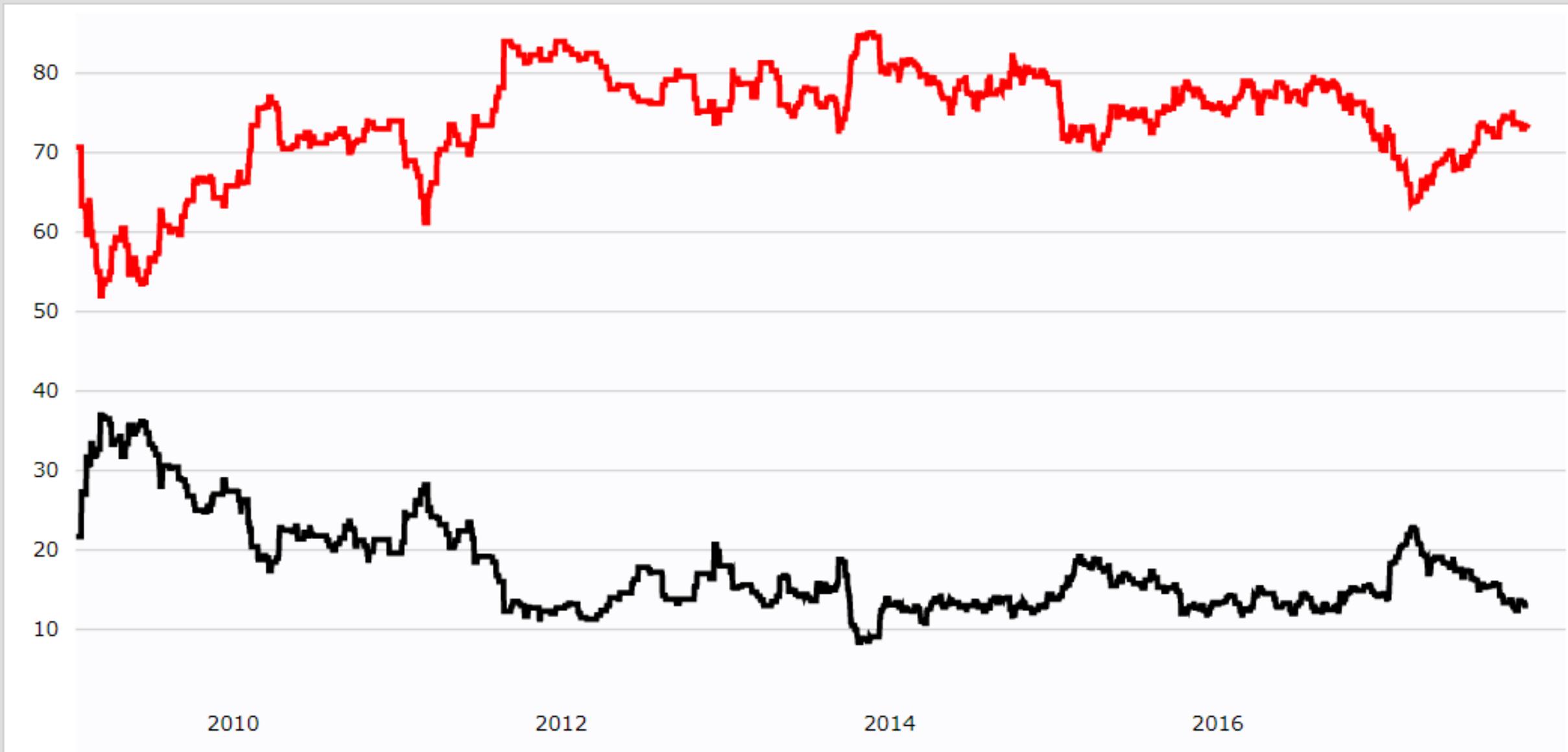




RCP POLL AVERAGE  
Congressional Job Approval

13.0 Approve 73.6 Disapprove

+60.6





# Why Replace/Repair/Renew discussion has taken so long

- Even with goals agreed upon, health reform policy is HARD
- Different goals within Republican elected officials
  - Build the BEST, a beautiful system, cheaper and better for all
  - Get government out of health care, reduce taxes
  - Reverse new entitlements (Medicaid + Marketplaces)
  - Provide freedom, not guarantees
  - Set Medicare and Medicaid on fixed-growth rate futures
  - Inject freedoms but preserve coverage to avoid risk of political backlash (note: requires keeping tax money + Medicare cuts)



# Creating Uncertainty and Sabotage

- EO to “create” Association Health Plans
- Notice of ending Cost Sharing Reduction Payments
- Cuts in outreach and enrollment funding for federal marketplaces
- Denial of OK and modification of MN waivers
- Bi-partisan efforts at stabilization underway
  - Problem Solvers in the House
  - HELP Committee in the Senate, Finance members
  - Governors Kasich (R-OH) and Hickenlooper (D-CO)





# 2017 Calendar Crowded

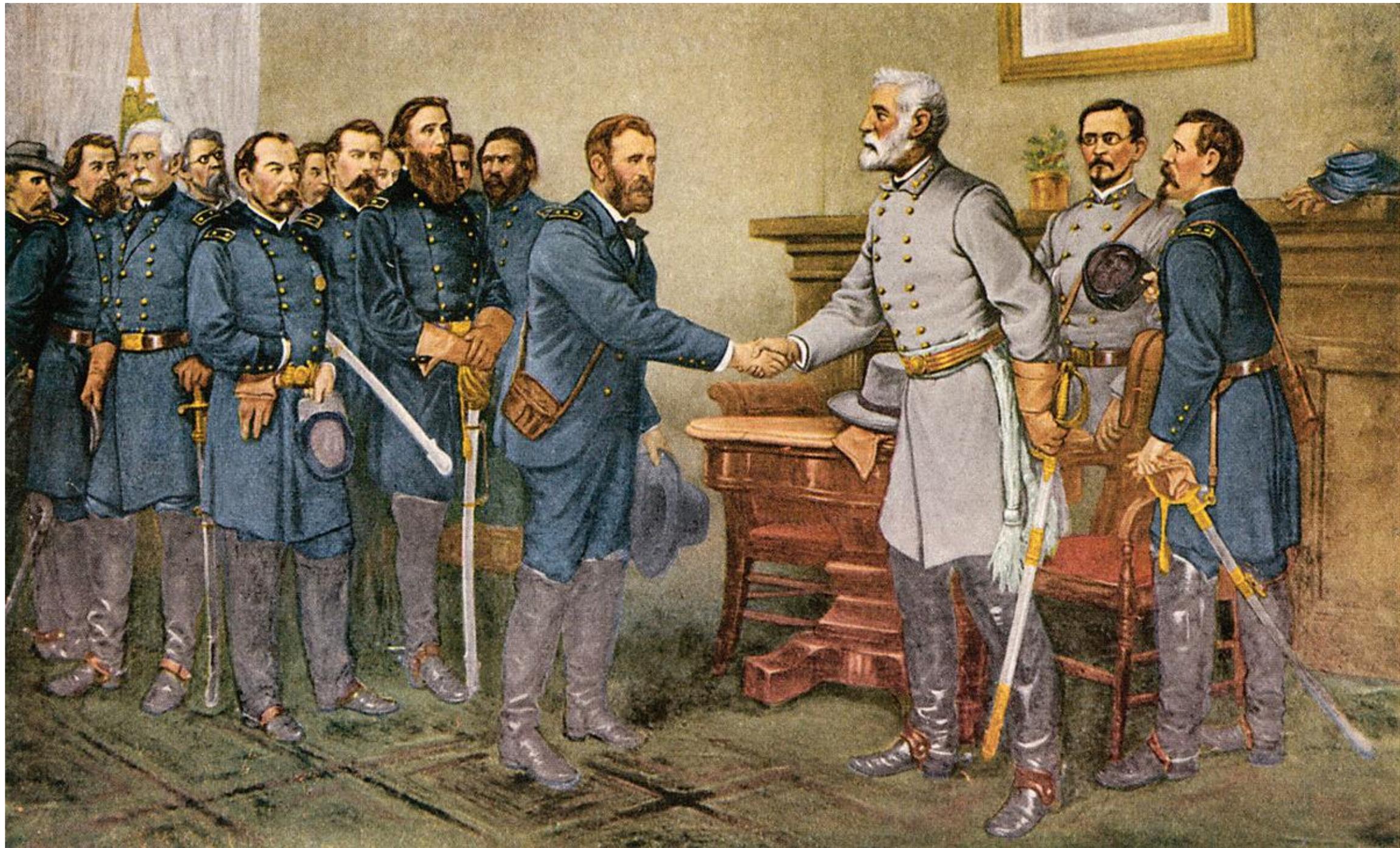
- Budget deal from Sept. Expires Dec. 8
- Tax Cut
  - Roughly \$1-1.5T budget hole would be created
  - Senate version includes individual mandate repeal (which saves \$320B)
- SCHIP reauthorization
  - Sens. Hatch and Wyden (Finance) have agreed on contours of 5 year deal, with enhanced match for two years, phased out by 2021
  - House E&C CHIP proposed language mirrored Senate Finance as of 10/3
- ACA “fix” deal from Senate HELP Committee, Schumer would like to tie SCHIP to “fix” legislation
- Clock is ticking in states with SCHIP funding deadlines looming (AZ, CA, CT, HI, ID, MS, NV, OR, PA and UT say they’ll be out of funds before 12/31/17)
- FQHC HRSA funding for 2018 and beyond also expired on 9/30/17
- DACA, Iran Sanctions also were “turfed” to Congress



# Where Are We Headed?

- SCHIP will be re-authorized
- Tax reform/cut debate will intensify pressure to reduce federal health care spending
- States are going to get more health policy discretion, maybe/probably with less federal money
- We're going to decide what kind of country we are, or want to be









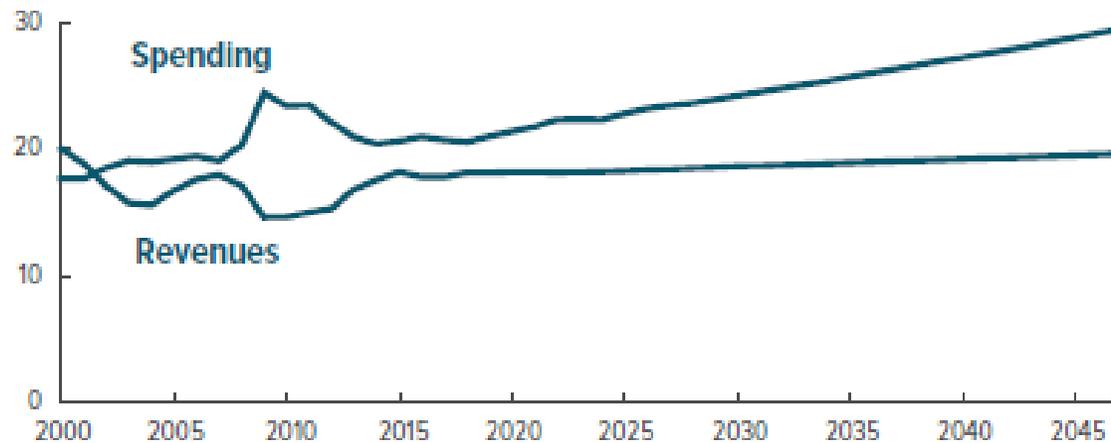
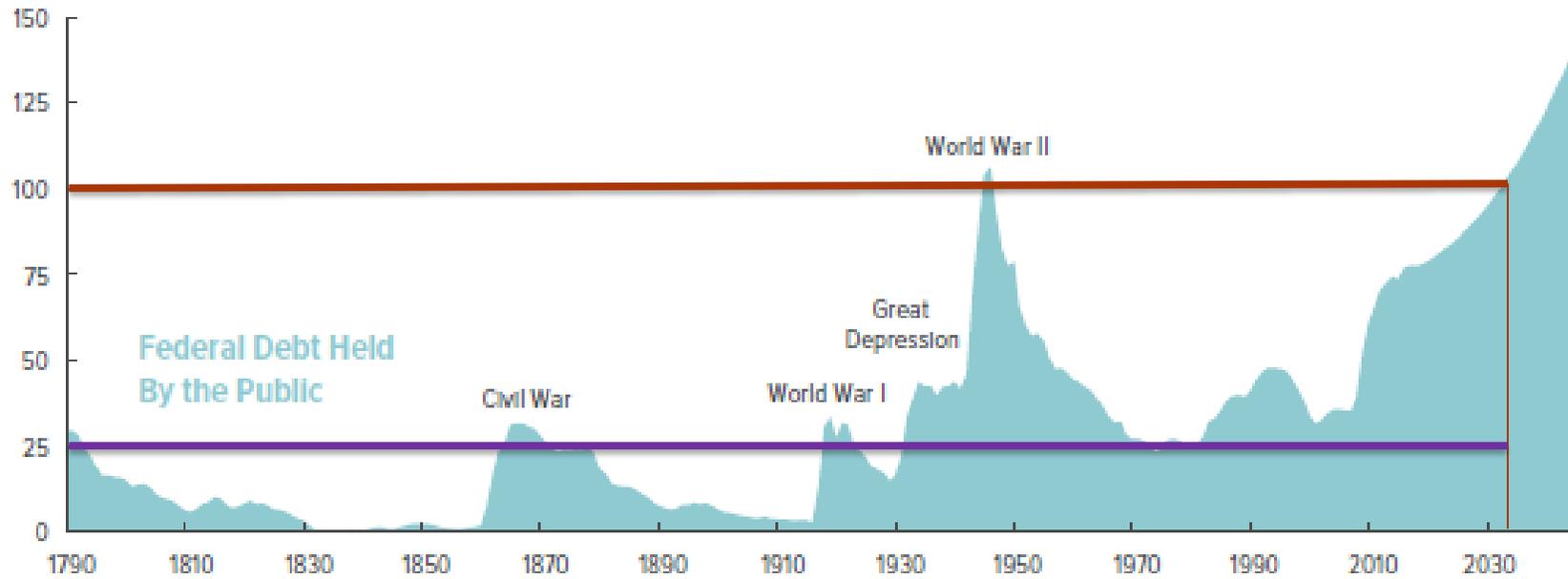




# Some Final Facts to Ponder

- Family premium / median family income = 24%
- Family premium / annual minimum wage = 115%
- We spend \$260B each year subsidizing those with employer sponsored coverage (tax expenditures)
- Federal Debt held by public / GDP = 77%
- US taxes 8% of GDP LESS than OECD Average

Percentage of GDP



Under current law, spending growth—driven by outlays for Social Security, the major health care programs, and net interest—is projected to outpace revenue growth.

SOURCE: CBO, 2017 LT Budget Outlook

# Tax-to-GDP ratio compared to the OECD

The United States ranked 31st out of 35 OECD countries in terms of the tax-to-GDP ratio in 2015.\* In 2015, the United States had a tax-to-GDP ratio of 26.4% compared with the OECD average of 34.3%. In 2014, the United States was ranked 32nd out of the 35 OECD countries in terms of the tax-to-GDP ratio.

