

## Presidential Health Care Platforms and Implications

Presidential candidates detail a number of policy changes they would make if elected. These quintessential “campaign promises” tend to be high-level, avoiding specificity to limit potential attacks during the campaign, while also providing flexibility to plausibly be implemented if elected.

While this approach may be frustratingly vague, it is still instructive to look at the health care proposals offered by each candidate, and try to predict what it may mean for hospitals if they are actually enacted. However, despite what each candidate claims he/she will do as President, it is important to remember one critical detail: Congress makes laws. That said, depending on the makeup of Congress, Presidential priorities can certainly be quite influential.

### Hillary Clinton Health Positions

<https://www.hillaryclinton.com/issues/health-care/>

With a track record dating back to when she was the First Lady, Clinton has a clear interest in health policy and will likely be deeply involved if she is elected. Clinton’s overarching goal is to provide universal, affordable health care. In order to accomplish this, she proposes the following:

- **Embrace and improve the Affordable Care Act** - Secretary Clinton is taking a firm position in favor of the Affordable Care Act (ACA) and hopes to build upon the current foundation. Clinton outlines several specific proposals:
  - Provide a **“public option.”** Although details are few, “public option” often refers to a government-run health care plan that would likely be offered alongside private plans.
  - Allow individuals over 55 years old to **“buy in” to Medicare.** This would allow those not yet eligible for Medicare to pay a premium to join Medicare at an earlier date.
  - Provide incentives (TBD) to states that have not expanded **Medicaid** and launch a campaign to enroll people who are eligible but not yet enrolled.
  - Allow families to purchase insurance on the exchanges regardless of **immigration status.**
  - Address “unreasonable” **premium increases** by giving the Secretary of Health and Human Services the authority to more closely manage premium rate increases.
  - Seek solutions to reduce out-of-pocket costs from copays and deductibles.
  
- **Crack down on increasing prices for prescription drugs.** Clinton offers a number of proposals intended to slow the growth of prescription drug costs including:
  - Stop tax breaks for **direct-to-consumer advertising.**
  - Create an **oversight group** of Federal agency representatives to work with other stakeholders to protect consumers from unjustified, outlier price increases on long-available treatments. In the event of an unjustified price increase, this group would have **enhanced enforcement tools**, including direct purchases of alternative treatments, new financial penalties, and emergency importation.
  - Demand that drug companies that receive federal support invest a “sufficient amount” of their revenue in **research and development.**
  - Increase generics on the market by clearing out the FDA’s generic drug approval backlog and lowering the biologic **exclusivity** period from 12 to 7 years.
  - Cap what insurers can charge consumers in **out-of-pocket costs** for prescription drugs.
  - Prohibit **“pay for delay”** arrangements whereby brand pharmaceutical manufacturers pay generic companies to not bring generic alternatives to market.
  - Permit Americans to **import** drugs from certain foreign nations where prices are lower.
  - Require drug manufacturers to provide drug **rebates** to low-income Medicare beneficiaries that are on par with the rebates provided in the Medicaid program.

- Allow Medicare to **negotiate** drug prices on behalf of beneficiaries.
- **Increase access to care for patients.** Clinton's campaign positions include several proposals to improve health care access for patients, specifically those in rural and other underserved areas.
  - Make more health care providers eligible for **telehealth** reimbursement.
  - Double the funding for primary-care services at **community health centers**. Substantial funding increases for the **National Health Service Corps**.
  - Support for access to **reproductive** health care, including preventive care, affordable contraception, and safe and legal abortion.
- **Promoting incentives for small business to offer insurance.** Clinton calls for expanding the ACA's tax credits for small businesses that employ up to 50.
- **Public health.** Clinton has laid out several public health challenges she would like to address including Alzheimer's disease, autism, mental health and substance abuse, public health infrastructure and environmental health.

### Hospital Impact

Clinton's health care approach will likely closely follow President Obama's. Preserving and building on the ACA would provide some continuity and efforts to improve the insurance markets may expand the number of patients with meaningful private insurance coverage. At the same time, expanding the number of patients in a Medicare-like "public option" may increase regulation while potentially reducing reimbursements.

Many of her proposals are consumer-focused reforms seeking to reduce out-of-pocket costs. It is possible that Clinton's approach could decrease deductibles for patients and theoretically lead to a reduction in uncompensated care costs. Clinton's proposals to reduce drug costs for consumers could lead to greater patient adherence and fewer readmissions if medications are more affordable. At the same time, drug makers may try to recoup any losses through added costs in other parts of the supply chain which could increase hospital expenses.

Perhaps most importantly, by embracing the ACA and the move towards value-based care, HHS is likely to continue their fast and furious approach to bundled payment programs. This could lead to ongoing uncertainty from hospitals in how these programs will be implemented but, ultimately, it is fairly certain that in a Clinton Administration a significant amount of Medicare reimbursements will be linked to quality measures.

### Donald Trump Health Positions

<https://www.donaldjtrump.com/positions/healthcare-reform>

Donald Trump may not have been engaged in health care policy for long, but he, too, has proposed several specific health care proposals. His platform includes a repeal of the ACA, although details of a replacement plan are still few. However, similar to Secretary Clinton, Mr. Trump's goal is to increase access to quality, affordable health care.

- **Repeal the ACA.** Trump's campaign says that they would "have a series of reforms...that follow **free market principles** and that will restore economic freedom and certainty to everyone in this country." He specifically singles out the repeal of the individual mandate saying, "No person should be required to buy insurance...."

- **Transition Medicaid to a block grant system.** The Trump campaign proposes to change the Medicaid program to a **block grant system**, whereby states would receive a lump sum and be permitted to determine how best to use that funding to provide care to low-income individuals. Trump’s Medicaid proposal also includes an interest in ensuring that “no one slips through the cracks simply because they cannot afford insurance” and promises to work with states to ensure that those who want health care can access it.
- **Change insurance rules and promote HSAs to provide incentives and flexibility for consumers.** Trump proposes a number of changes to provide flexibility for insurers with the goal of lowering costs of insurance plans. Specifically, Trump proposes:
  - Allow the purchase of health insurance **across state lines** with the goal of increasing competition and lowering prices.
  - Allow all consumers to **fully deduct the cost of health insurance premiums** from their taxes.
  - Promote **health savings accounts (HSAs)** by allowing tax-free contributions, as consistent with current law, although it is believed that Trump’s proposal would permit a higher contribution amount.
  - Allow HSAs to become part of an estate and passed on tax-free as **inheritance**.
- **Promote health care price transparency.** This typically means that pricing information is more readily available to consumers so that they can make more informed decisions on where to receive their health care services.
- **Address prescription drug price increases.** The Trump campaign notably diverges from traditional Republican positioning by aligning with Secretary Clinton on the ability of **consumers to import safe and dependable drugs**.
- **Mental health care reform and improvements.** Trump signals support for reforms currently under consideration in Congress that would address individuals and their families who need support and/or treatment for mental illness.

## Hospital Impact

Repealing the ACA could have a significant impact, most notably by increasing the number of uninsured and thus more uncompensated care. However, it is difficult to imagine a full repeal without a concurrent effort to replace the system – which changes the likelihood and extent of any benefit or damage to hospitals across the country.

In terms of a Medicaid block grant system, the proposal could have dramatic implications for the program. For hospitals, some argue that such an effort could have the potential to reduce funding in Medicaid – which already reimburses below cost in many cases. At the same time, flexibility of a block grant may allow states and hospitals to participate in novel efforts to change care delivery.

The Trump campaign’s promotion of health care price transparency “from...health care organizations like clinics and hospitals”, is notable. Hospitals would likely be required to examine pricing strategies for both self-pay and insured patients. Increased focus on the “charge-master” and the true costs of health care are likely to emerge.

Trump’s focus on drug pricing could in theory provide the same benefits as Clinton’s in terms of improving patient affordability and adherence to needed prescriptions.