

# THE 2016 ELECTION AND YOUR HEALTHCARE SYSTEM:

## What's at Stake?

Regardless of the 2016 general election outcome, a new administration will have to respond to pressing policy issues that will shape continued transformation of the U.S. healthcare system. What are the issues and where do presidential candidates Hillary Clinton and Donald Trump come down? Manatt takes a look.



### Marketplace/Individual Market

The Marketplaces have played a key role, along with Medicaid expansion, in extending coverage to 20 million people, but they are not fully stable and could benefit from new strategies to increase enrollment, foster competition and limit premium increases.

**CLINTON:** Supports public option, fixing the "family glitch," and other expanded consumer protections in the individual and small group markets.

**TRUMP:** Wants to roll back regulation in the individual market and eliminate Marketplaces; interested in maintaining a tax credit in the individual market to make coverage affordable.

#### TAKE AWAY

If a Trump administration were able to repeal but not replace the Marketplace tax credits, nearly 10 million could lose coverage and the individual insurance market could become even more dysfunctional than the one we had before the Affordable Care Act was enacted.



### Other Market Reforms

The ACA has had broad impacts across Medicare, Medicaid and commercial insurance, spawning delivery system reforms and other changes, many of which have bipartisan support.

**CLINTON:** Supports the expansion of ACA initiatives.

**TRUMP:** Supports repeal of individual and employer mandates and other ACA reforms.

#### TAKE AWAY

If the Republicans sweep, the political environment will be unpredictable. Trump's personal priorities are unclear, and congressional leaders will need to balance the promise to repeal the Affordable Care Act with minimizing politically toxic coverage disruptions.



### Drug Costs and Other Drug Policies

Rapidly rising drug costs are a significant concern for private and public payers and consumers.

**CLINTON:** Supports increased regulation of the pharmaceutical industry.

**TRUMP:** Republicans generally aim to loosen restrictions, but Trump's comments on the subject have been inconsistent.

#### TAKE AWAY

Drug pricing and transparency will be major issues at the state and federal levels, with action likely.



### Affordability

Rising deductibles, coinsurance and premiums have led to concerns about consumer affordability across health coverage types.

**CLINTON:** Supports increased tax credits and other measures to reduce cost sharing.

**TRUMP:** Seeks to increase the role of health savings accounts.

#### TAKE AWAY

Clinton will focus on extending tax relief to people who face deductibles they cannot afford. Trump is more likely to increase deductibles and/or encourage skinnier benefits in order to reduce premiums.



### Reproductive Health

Reproductive health was an intensely controversial issue before the Affordable Care Act and has continued to be controversial under the ACA.

**CLINTON:** Supports increased federal protections on abortion access and reproductive services.

**TRUMP:** Seeks significant additional restrictions on abortion.

#### TAKE AWAY

Women's access to reproductive services is on the line in this election; access could substantially improve under Clinton or radically contract under Trump.



### Medicare and Payment Reform Initiatives

The Center for Medicare & Medicaid Innovation is a key mechanism the next administration can use to identify and implement innovative payment and delivery system reforms.

**CLINTON:** Supports a continued leadership role for government in payment reform and is open to expanding Medicare to younger ages.

**TRUMP:** Supports payment reform, but favors a repeal of key ACA provisions in deference to the private sector.

#### TAKE AWAY

Both sides support a shift away from fee-for-service and toward value-based payment models.



### Medicaid

Will the 19 remaining states decide to expand Medicaid?

**CLINTON:** Strongly supports expansion and will work with remaining states, including seeking the authority to allow new expansions to receive three years of 100% funding.

**TRUMP:** Supports global payments to states based on per capita allotment, with state option for full block grant.

#### TAKE AWAY

The election will likely determine not only whether the remaining 19 states choose to expand Medicaid, but also what that expansion will look like.



### Employer Responsibility and Coverage

The effect of the employer responsibility provision on part-time workers and the reporting burden for employers remains a key issue for members of both parties.

**CLINTON:** Both Clinton and Republicans support repeal of the "Cadillac Tax," although repealing it is not in the Democratic platform.

**TRUMP:** Republicans are open to capping employer-sponsored insurance exclusion and moving toward tax parity for individual and employer-sponsored coverage.

#### TAKE AWAY

Employer coverage will remain stable, though renewed inflation may jump-start efforts to cap tax deductibility and/or accelerate employer migration to defined contribution models coupled with private exchanges.