

# There Goes The Neighborhood

A review of federal health coverage  
regulatory actions affecting 2024 and 2025

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# Caveats and Limitations

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# The Set List

All I Wanna Do	<ul style="list-style-type: none"><li>▪ An Overview of Health Coverage Markets and Regulatory Authorities</li></ul>
Real Gone	<ul style="list-style-type: none"><li>▪ Free is the right price? A look at the individual market</li><li>▪ The employer coverage conversation</li></ul>
Every Day is a Winding Road	<ul style="list-style-type: none"><li>▪ Medicare Policy Focus</li><li>▪ How is the IRA faring so far?</li></ul>
Soak Up The Sun	<ul style="list-style-type: none"><li>▪ Medicaid unwinding status check</li><li>▪ Medicaid Policy Focuses</li></ul>
My Favorite Mistake	<ul style="list-style-type: none"><li>▪ This is not a health care election, except for that part where it is...</li><li>▪ If you don't like healthcare in America, just wait a year?</li></ul>

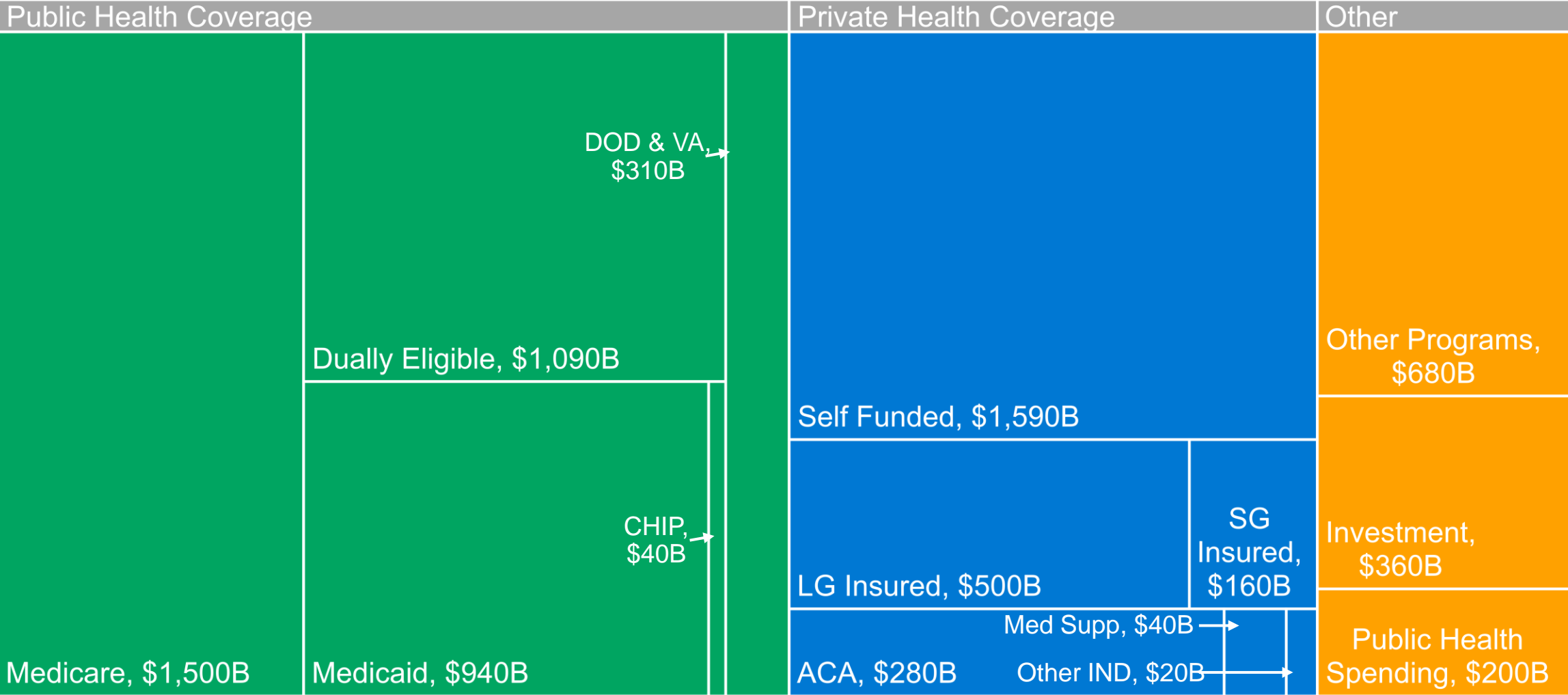
# Health Markets

## A Spending Overview

all i wanna do  
is have some fun

# A look at Projected Health Spending in America in 2032

## 2032 National Health Expenditures Accounts – By Payor



2022 National Health Expenditure Accounts, Projected 2023-2032 National Health Expenditures, <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/projected>  
Author's analysis

# Regulation of Health Spending

CCIIO / EBSA / IRS

## Private Health Coverage \$2.59T

### Employer Sponsored Coverage \$2.25T

Self Funded Employer Coverage
Large Group Insurance
Small Group Insurance
<b>Direct Purchase Coverage \$340B</b>
ACA Individual Market Insurance
Medicare Supplemental Insurance
Other Individual Market Products

## Public Health Coverage \$3.88T

### HHS Regulated Coverage \$3.57T

Medicare
Medicaid
Dual Eligibles (Medicare & Medicaid)
CHIP
IHS

### Other Federal Coverage \$310B

TRICARE / DOD
VA

## Other Health Spending \$1.24T

Federal Public Health Spending	
Other Health Programs	
Health Care Investments	
CMS / HHS	
CCIIO	IRS & EBSA
State DOI	State DOH
Other Federal Agencies	

# Private Health Coverage

everybody's looking for a  
way to get real gone

# American Made: Free Is The Right Price

## Trends in Marketplace Coverage

### Why did ACA signups exceed 21.5 million in 2024? Blame it on the ARPAhol

- Historically low net premiums for subsidized individuals
- Enhanced awareness
- Medicaid unwinding

### Key Regulatory Actions

- Targeting “choice overload”
- Moving (slowly) on agent / broker misbehavior
- Loosening the EHB standard
- Mental Health Care Access



# The Broader Commercial Market

With a cool trillion dollars, you'd think there would be a broader conversation

**Drugs represent 12% of costs but about 88% of the action for private coverage.**

## Pharmacy Benefit Manager Scrutiny

- The end of spread pricing?
- Can transparency alone reduce costs?

## The Manufacturer Copay Coupon Games

- Shifting financial responsibility
- The end (of payer coupon value capture) is in sight

# Medicare

i've never been there but the  
brochure sure looks nice

# Medicare Policy Spotlight

Balancing choice and ease of use continues to dominate the conversation

## Coverage for dual eligibles

Moving from dual demos to fully integrated plans

Reducing choice overload

## Agent / Broker Compensation

Ensure brokers act in enrollee’s best interest

## Clawing back Medicare Advantage’s Advantages?

Increased focus on perceived plan overpayment

Heightened scrutiny for supplemental benefits

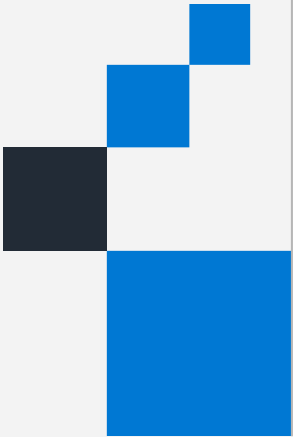
## Mental Health Care Access

Expanding network adequacy to cover outpatient mental health care

# Growing Pains

Inflation? Check. Reductions? Check. Acts? Check. Put it all together and whaddya get?

The Inflation Reduction Act of 2022 made significant changes to Medicare that will reverberate through 2025 and 2026, at least in Part D



## Who Pays?

Enrollees  
Plans  
Pharma  
Government

## Premium Stabilization

6% Cap until 2030

## It's The Prices, Stupid

Inflation Rebates in Part B and Part D

Drug Price Negotiation

## Part D's Crash Course

Driving the Direct Subsidy from near \$0 to nearly \$150?

# Medicaid

it's not having what you want,  
it's wanting what you've got



# Medicaid Redetermination

The continuous coverage requirement ended March 31, 2023. Where do we stand now?

As of June 14, 2024, roughly  
24% of Medicaid enrollees  
have lost coverage due to  
redeterminations



## A lot of road ahead

22% of enrollees yet  
to be evaluated

Will likely continue  
into 2025 in some  
states

## How has it gone?

70% of terminations  
are procedural

At least some appear  
to be re-enrolling

**The big question:  
Where are people  
going?**

Data here is sparse

# The Policy Focus in Medicaid

Medicaid continues to evolve as regulators and legislators seek to strike the balance between usable and affordable coverage for the nation’s neediest populations

## Nursing Homes

A campaign promise .. Delivered?  
  
Industry pushing back against staffing standards

## Directed State Payments

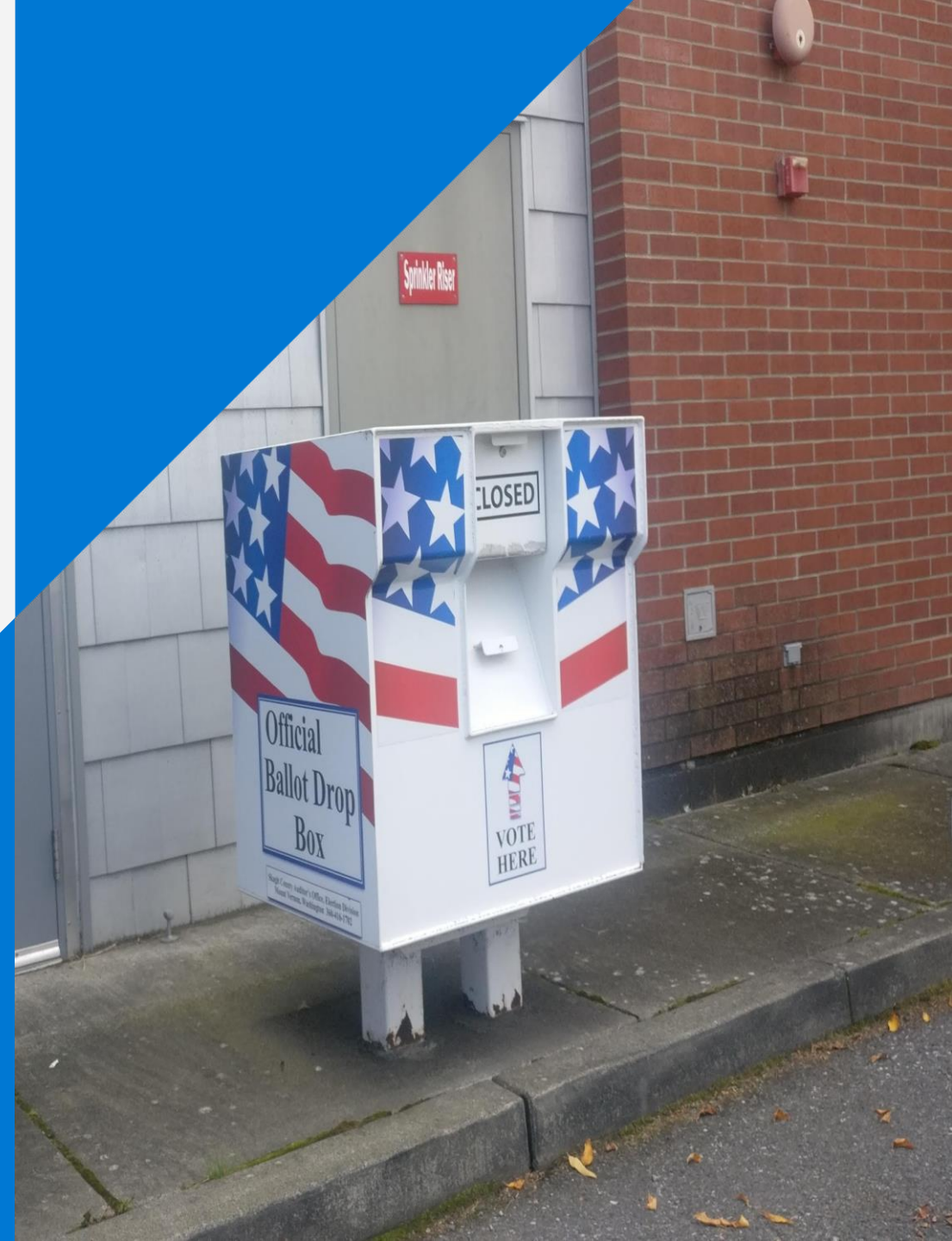
Popular tool alongside managed care  
  
Concerns about abuse  
  
Controls continue to tighten

## Access to Care and Coverage

Expanding the role of advisory committees  
  
Enhancing payment rate transparency  
  
Focus of services in HCBS

# Looking forward

the perfect ending to the bad day I was just beginning ...





# Is it a healthcare election or isn't it?

I mean, it's not. Except that it is?

## Two Parties

## One Election

## No Chance Of Avoiding The Ads

## Republicans' Priorities

Enhancing consumer choice

Increasing state flexibilities

Decreasing regulator influence

Let the market create options

## Democrat's Priorities

Expanding Medicaid

Enhancing ACA subsidies

Increasing coverage access

Simplifying use of coverage

# Topics shaping health policy discussions in Congress in 2024 and beyond

Can they even agree to disagree?

**“Politics is the art of the possible.”**

- Otto von Bismarck

## **Pharmacy Benefit managers**

Coming soon to a federal funding bill near you?

## **Physician Pay and other Medicare Items**

It turns out MACRA did not solve all the problems.

## **Enhanced ARP Subsidies**

Typically politicians struggle to claw back a benefit once given. Is this the exception?

## **PAYGO sequestration**

Allowing this to take effect would be...unprecedented? I do not think that word means what they think it means.

# What would you like to know?



if it makes you happy, it can't  
be that bad ...



# Thank you

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