



Perspective

What Would a Republican Win Mean for Health Policy?

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Although it's not unreasonable to ask how a Republican victory in the 2016 presidential election would affect health policy, it's important to remember how policy becomes law.

Presidents can propose policies — but preferably not in the form of legislative language, as President Bill Clinton did in 1993, when he sent a 1342-page proposal to Congress. Even though Democrats were in control of both the House of Representatives and the Senate, Clinton's Health Security Act never came up for a vote — largely because of opposition to the policies it contained, but also because resistance was exacerbated by the way the executive branch had dealt with Congress. Only Congress can pass legislation enacting domestic policy, although as President Barack Obama has shown, substantial change can also be enacted through executive action. Of course, such changes can be undone in the same manner.

So understanding what a party

“win” would mean requires not only understanding what a presidential candidate has proposed and what his or her party has included in its platform, but also guessing the outcome of the congressional elections and what the combined outcome of all national races means for health policy.

As a candidate, Donald Trump has supported several policy changes commonly proposed by Republicans. These include repealing the Affordable Care Act (ACA), though with little indication of what would replace it; expanding the availability of health savings accounts (HSAs, nontaxable money that can be used to cover medical expenses not covered by insurance and that can be rolled over from one year to the next, unlike flexible spending accounts); permitting insurance to

be sold across state lines; turning Medicaid into a block-grant program; protecting people from large increases in insurance premiums or exclusions because of preexisting conditions, as long as they maintain continuous coverage; and allowing people without employer-sponsored insurance to deduct their premiums from their taxes. Unlike other Republicans, Trump has also proposed allowing drug importation and permitting Medicare to negotiate drug prices (though he hasn't provided any details about what that would mean).

The Republican platform committee adopted policies that reflect some of the positions advocated by House Speaker Paul Ryan (R-WI) and the House Republicans, which are more expansive in some ways than Trump's proposals. The platform's wording more clearly recognizes the limits of presidential power, stating that the president should use “legitimate waiver authority . . . to halt [the advance of the ACA

but] then, with unanimous support of Congressional Republicans, [should] sign its repeal” — a distinction that congressional Republicans have not always made.¹ Ending the tax discrimination against non–employer-sponsored insurance, block-granting Medicaid, allowing the purchase of insurance across state lines, capping through tort reform the noneconomic damages for malpractice, and expanding the availability of HSAs are also included in the platform.

In the House, Ryan discussed alternative visions of health care reform both before and after the passage of the ACA, and he promised as speaker to release a House Republican health care plan. This plan was released in June, a month before the Republican convention.²

Though not as specific as legislative language would be, the proposal provides much more detail than had previously been available about what a Republican replacement for the ACA would include. It also tackles some politically thorny issues, proposing gradually raising the Medicare-eligibility age to 67 and converting Medicare to a premium-support program that would include traditional Medicare as well as private-plan alternatives.

Some of the ideas in Ryan’s plan are traditional Republican proposals, such as selling insurance across state lines and expanding the use of HSAs. Existing ACA premium subsidies would be replaced by a refundable tax credit available to people not covered by Medicare, Medicaid, or employer-sponsored insurance. The credit would be financed by limiting the currently unlimited tax exclusion for employer-spon-

sored insurance — a more progressive answer to the “Cadillac tax,” a flat 40% excise tax on plans costing more than a specified threshold, because the tax imposed above the threshold level would be based on the individual’s tax rate and would thus be higher for higher-income employees.

Exclusions for preexisting conditions and higher-than-normal premiums would be prohibited for individuals who maintained continuous coverage. Premium prices would be allowed to vary by age, with the price for the oldest family member permitted to be five times that for the youngest (which is estimated to be closer to the actuarially calculated variation in health care costs) rather than the currently allowed 3-to-1 ratio, whereby younger enrollees implicitly subsidize the care of the just-pre-Medicare population. Medicaid would become a per-person block grant to states, and states would have more power, including the ability to require able-bodied adult recipients to work.

Senate Republicans have not collectively released a comparable proposal, but individual Republican senators such as Orrin Hatch (UT) and Richard Burr (NC) and former Senator Tom Coburn (OK) have been involved with proposals to reform Medicare or enact an ACA alternative.

Predicting election outcomes is always risky, and this year’s outcome seems more unpredictable than usual. Voter anger and dissatisfaction with political parties and traditional candidates has made political polling challenging. It is hard to forget the unexpected Brexit vote, which contradicted the results of polls

conducted right before the vote, which had suggested that a majority of the population wanted Britain to stay in the European Union.

The easiest call in the 2016 U.S. elections is that split government seems highly likely. The House will probably remain in Republican control, according to most polls. The control of the Senate is likely to switch to the Democrats, if for no other reason than that 24 Republican seats but only 10 Democratic seats are up for election. Whenever there’s such an imbalance (reflecting a lopsided election 6 years earlier), change in control becomes likely; a similar imbalance will occur again in 2018, when more Democratic than Republican seats are up for election. Political analysts such as Charlie Cook expect a relatively close split between parties, which means that the Senate will be subject to filibusters.

Democratic nominee Hillary Clinton is currently ahead in the polls, both nationally and in the “swing states,” and so appears to be the more likely winner — but polls have been wrong this cycle, and complacency is always a concern for frontrunners.³

So what will split government mean for health policy? Any changes will have to be reached with bipartisan support — because Republicans and Democrats are each likely to control one house of Congress and there’s unlikely to be a supermajority in the Senate.

Republicans may be willing to provide support for strategies to help stabilize the ACA insurance exchanges — such as continued use of risk corridors (which limit the amounts that insurers can gain or lose through risk sharing)

after 2016, perhaps with some increased funding from existing appropriations in exchange for increased flexibility using innovation waivers (1332 waivers), such as allowing budget neutrality to be measured over 3 years rather than 1 and allowing states to pool savings from Medicaid with those from exchanges. Agreement that states that have not previously expanded Medicaid should be given 100% federal funding for Medicaid for 3 years after 2016 might be attractive to both Republicans and Democrats. The

government could also smooth transitions between Medicaid and exchange coverage by letting people use their Medicaid subsidies to buy insurance in the exchanges and their exchange subsidies to buy Medicaid coverage.

Ultimately, the biggest question is whether, if Republicans lose the presidency, the Senate, or both, they will be willing to work to “fix” the ACA, rather than focusing all their messaging and energy on repealing it.

Disclosure forms provided by the author are available at NEJM.org.

From Project HOPE, Bethesda, MD.

This article was published on September 14, 2016, at NEJM.org.

1. Committee on Arrangements for the 2016 Republican National Convention. Republican platform: 2016. 2016 ([https://prod-static-ngop-pbl.s3.amazonaws.com/media/documents/DRAFT_12_FINAL\[1\]-ben_1468872234.pdf](https://prod-static-ngop-pbl.s3.amazonaws.com/media/documents/DRAFT_12_FINAL[1]-ben_1468872234.pdf)).
2. A better way: our vision for a confident America. Health Care. June 22, 2016 (http://abetterway.speaker.gov/_assets/pdf/ABetterWay-HealthCare-PolicyPaper.pdf).
3. RealClear Politics. Election 2016 presidential polls (http://www.realclearpolitics.com/epolls/latest_polls/president/).

DOI: 10.1056/NEJMp1610716

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