

# President Trump, health insurance and the future: Where do we go from here?

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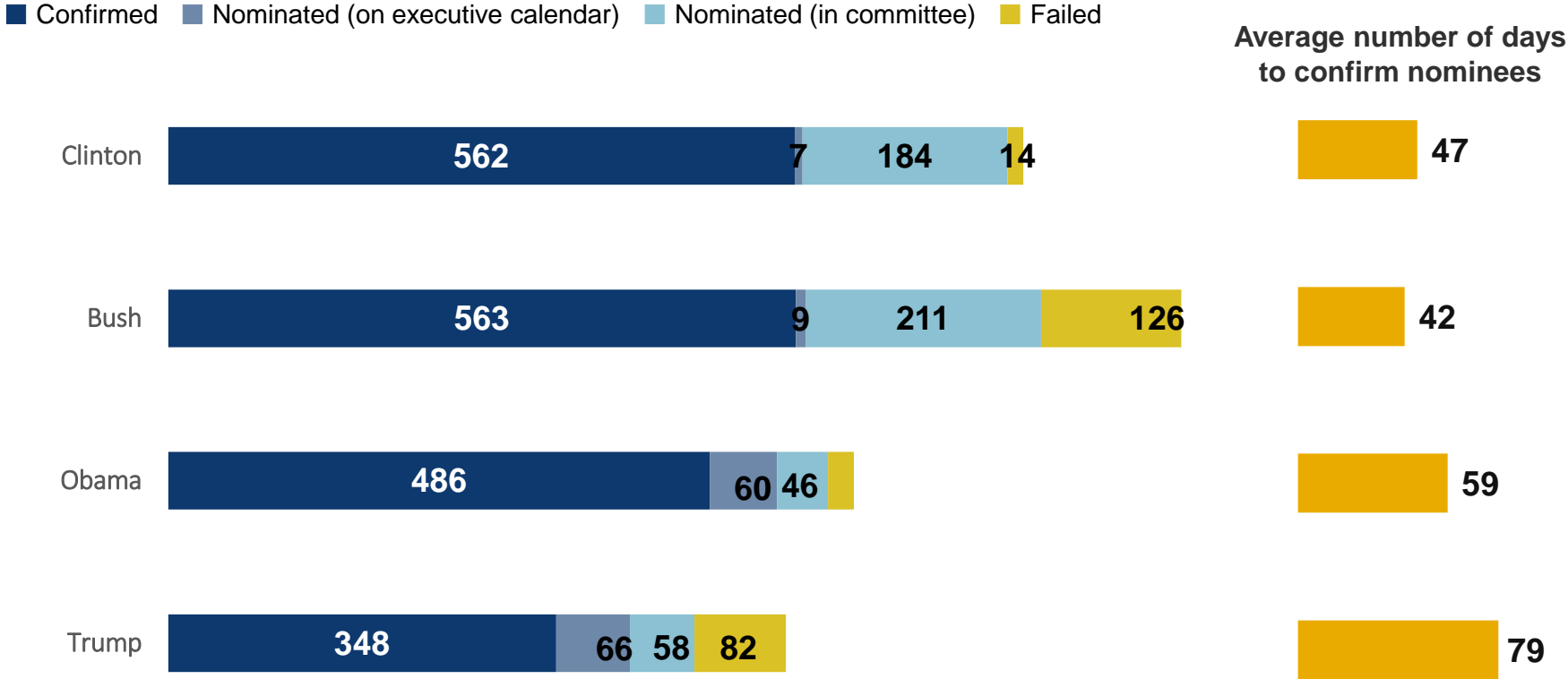


# Roadmap

- President Trump's progress
- The current state of health care & the ACA
- Countdown to November

# Confirmations have been challenging

Number of administration officials nominated and confirmed by March 7 of each president's second year in office

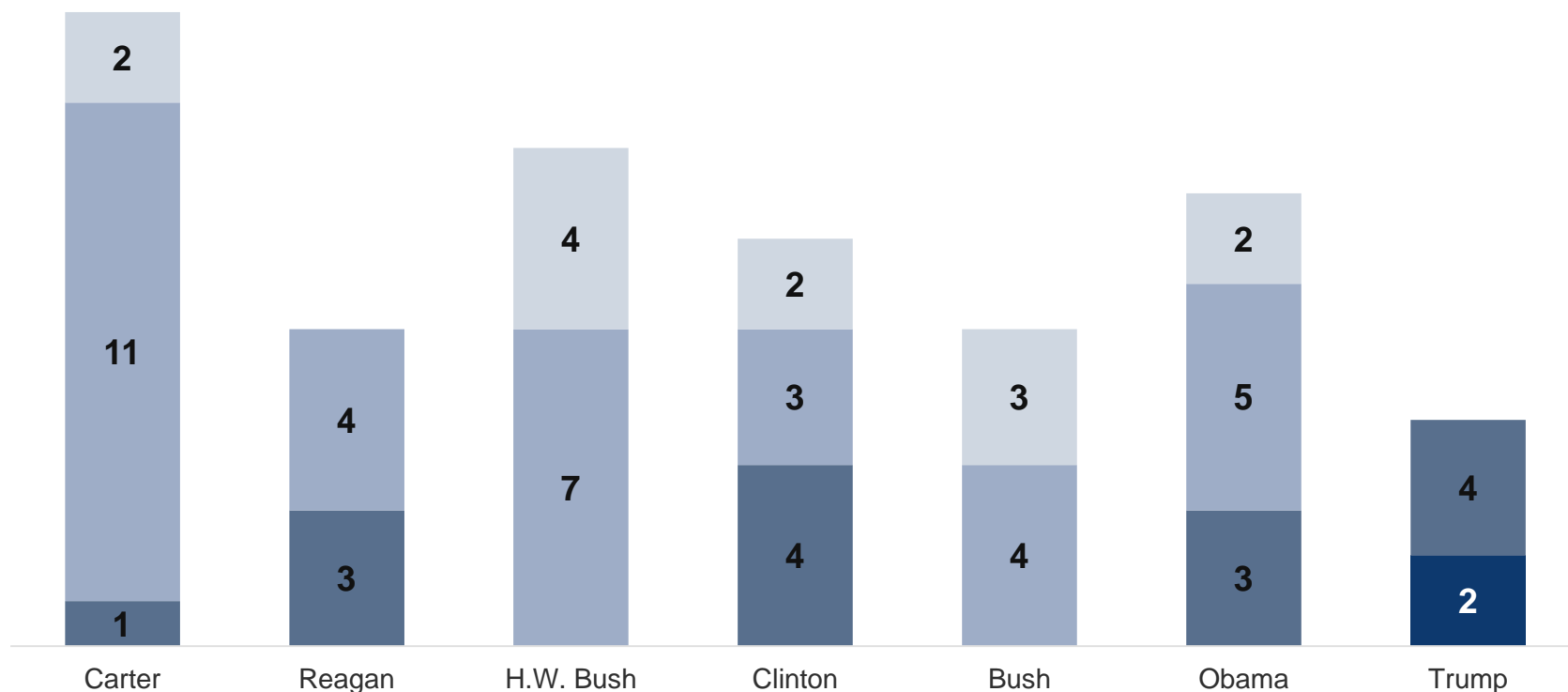


Sources: National Journal Research, Partnership for Public Service/Washington Post

# More Cabinet changes than in past Administrations

Number of Presidential Cabinet changes, by year

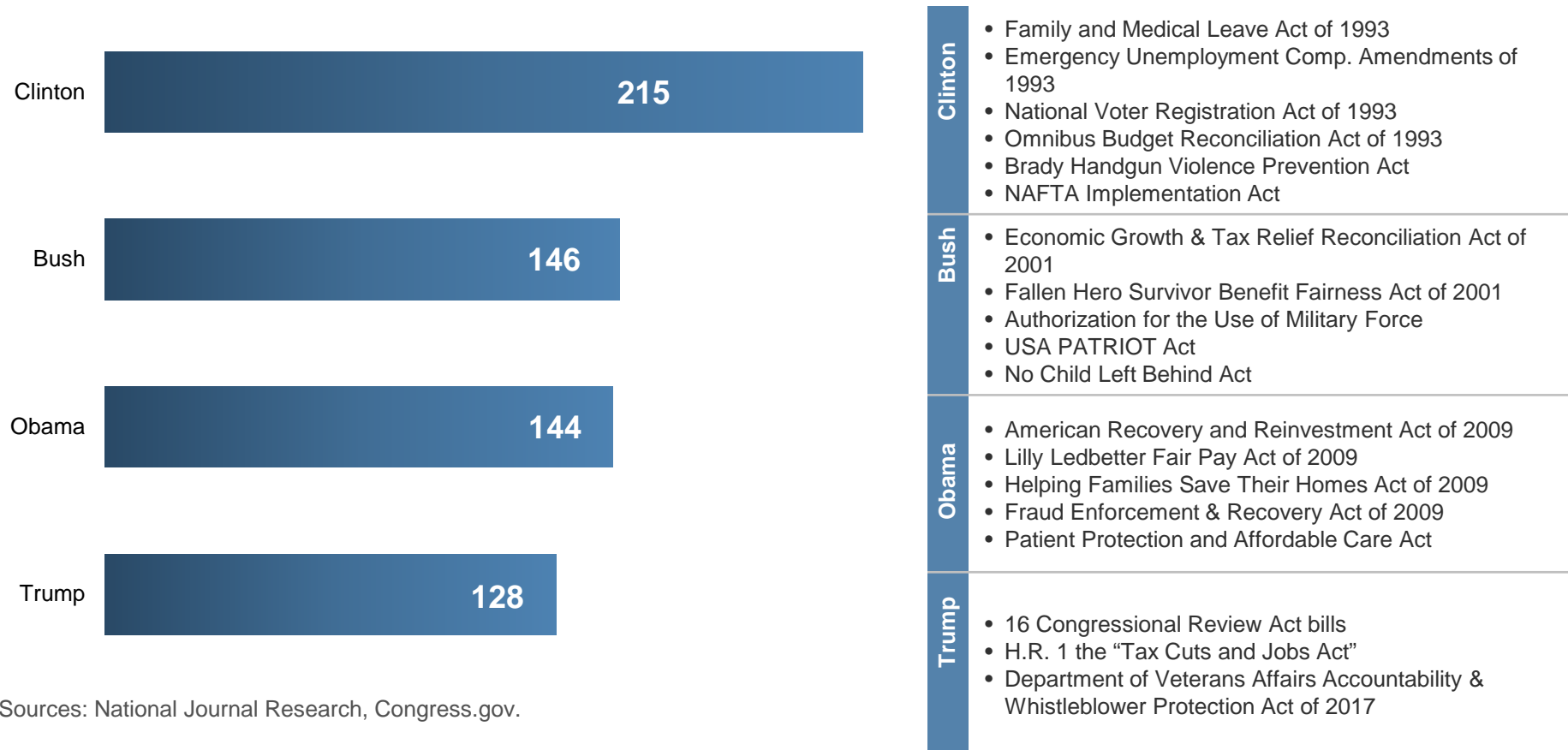
■ Year 1 ■ Year 2 ■ Year 3 ■ Year 4



Sources: Andrea Jones-Rooy, "Tillerson's Departure Adds to Trump's Historic Levels of Cabinet Instability," FiveThirtyEight,

# Legislation is moving through Congress

## Legislation passed through 425<sup>th</sup> day in office



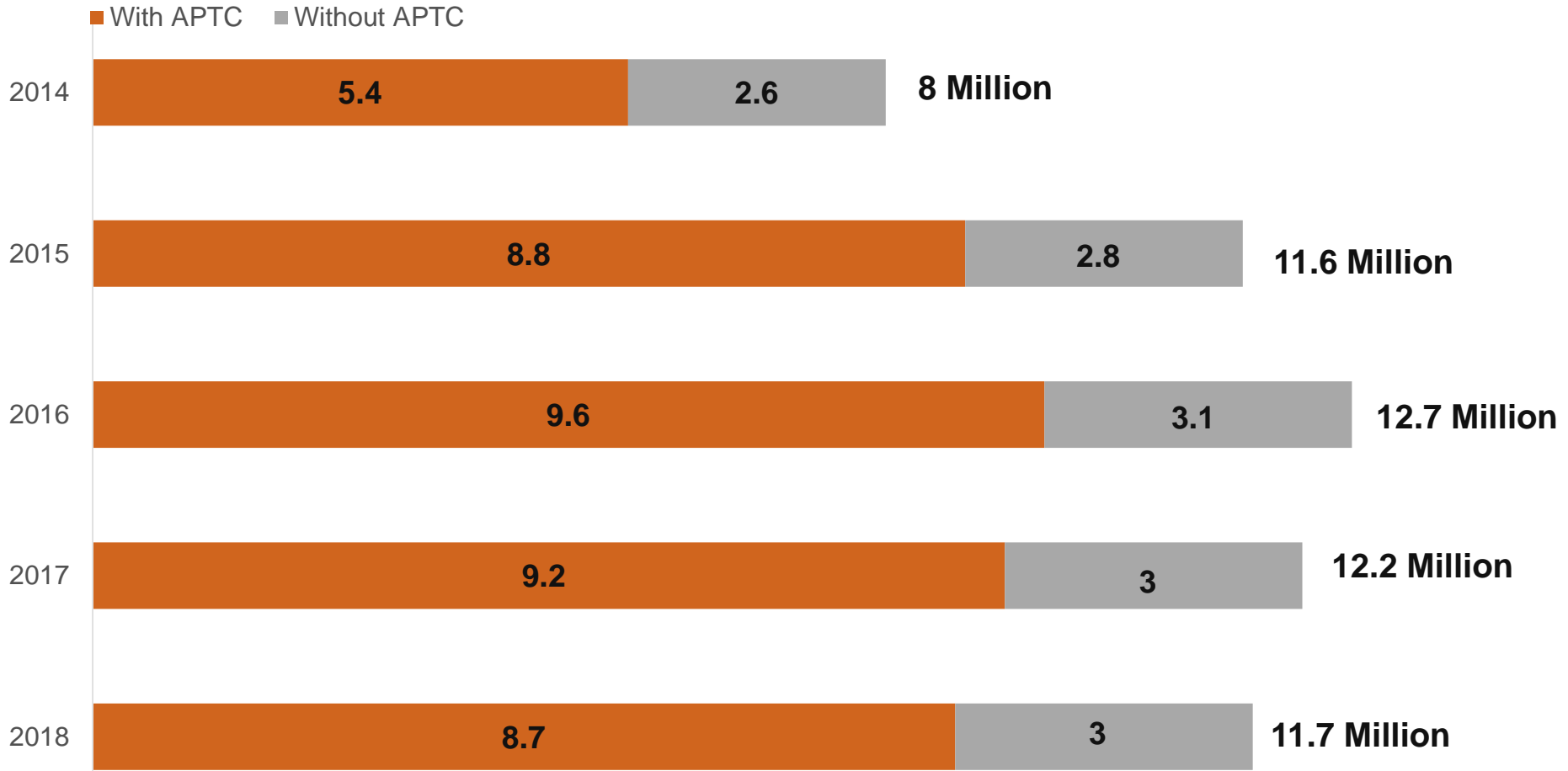
Sources: National Journal Research, Congress.gov.



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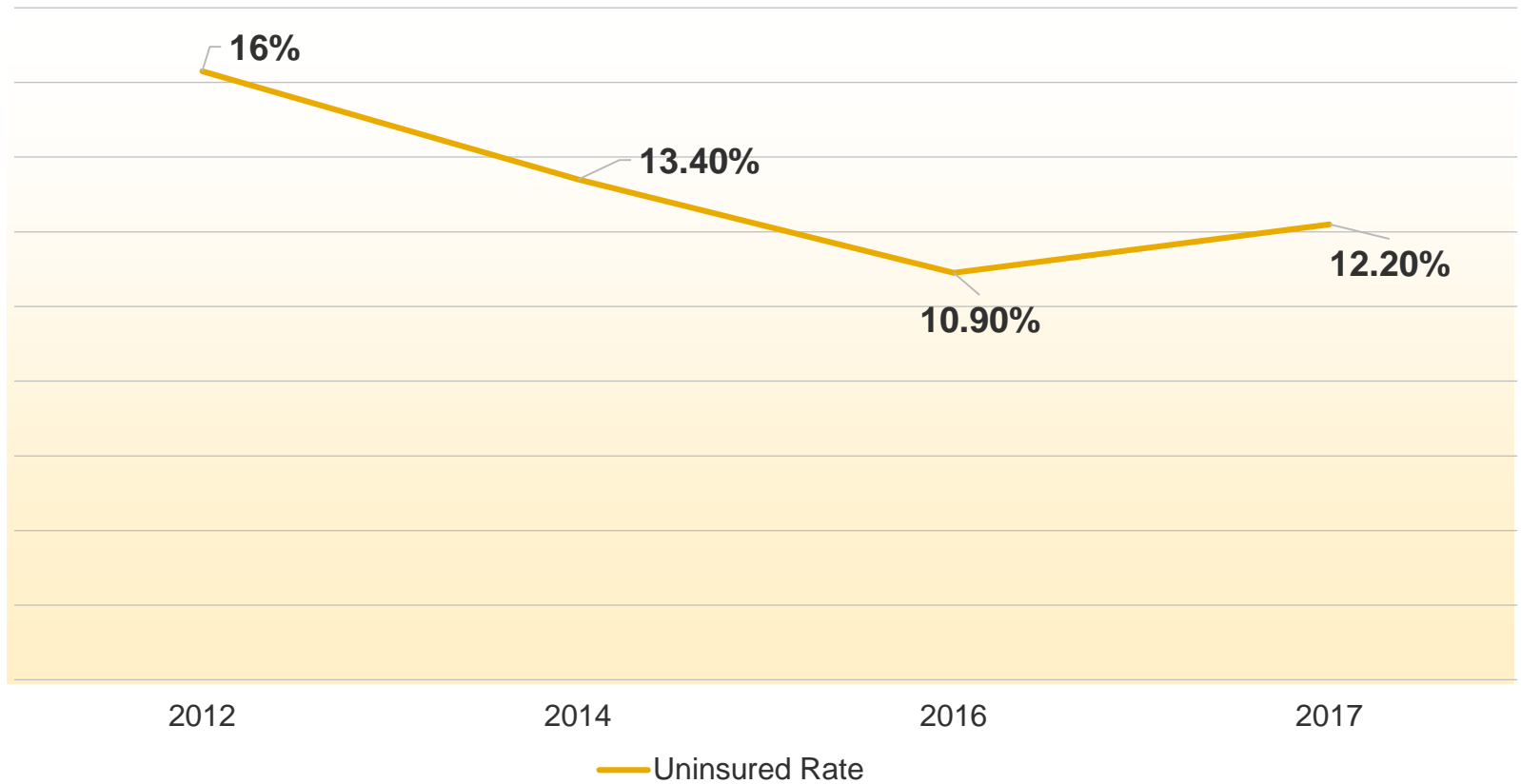
# 2018 Open Enrollment



Source: CMS

# ACA has impacted the uninsured rate

## Uninsured Rate 2012-2017

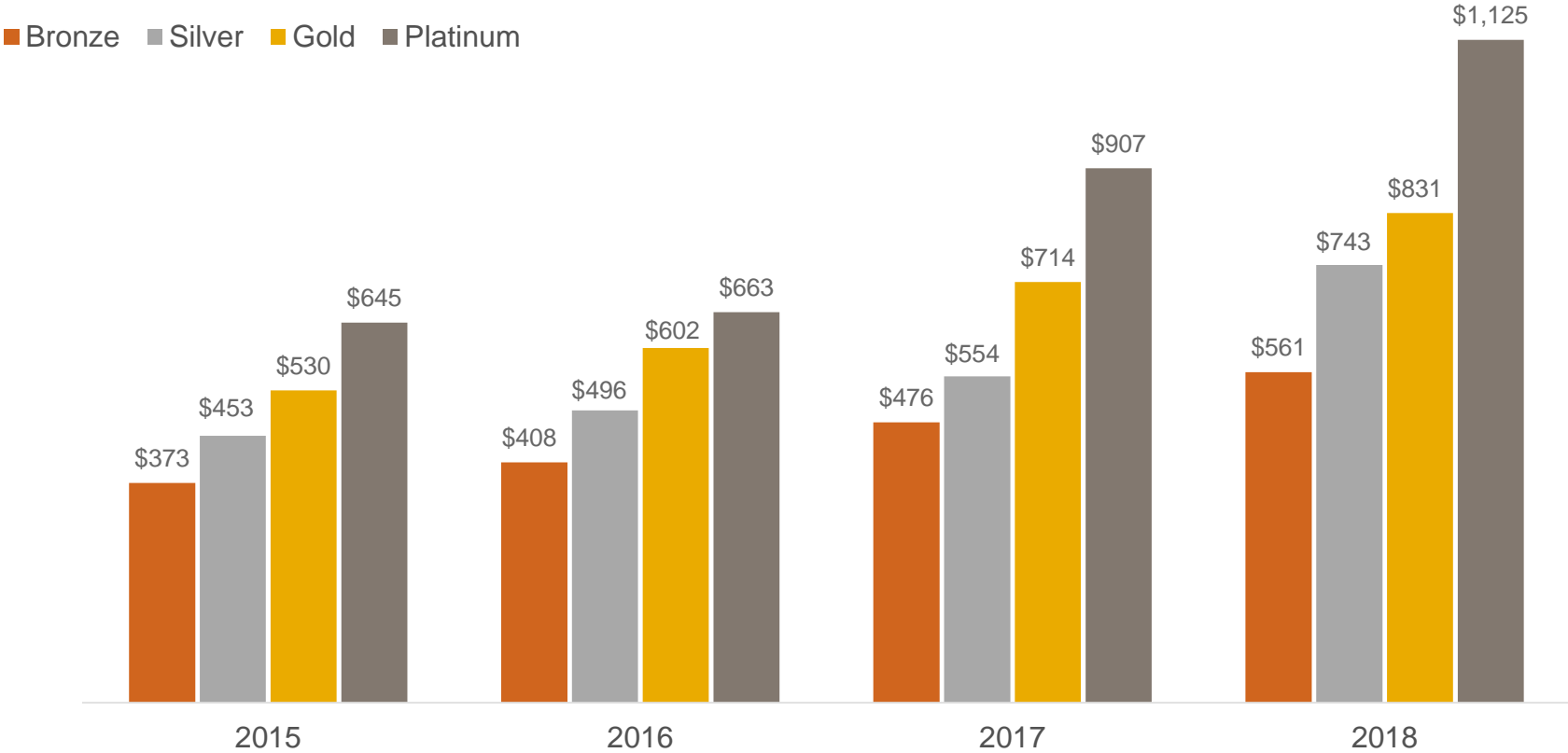


Source: Gallup



# Exchange premiums have increased

## Average exchange plan monthly premiums by level, 2015-2018



Sources: Avalere Health

# Where do we go from here?

-  **Regulatory Reform:** Association Health Plans
-  **ACA Tweaks:** Health Insurance Tax / Cadillac Tax
-  **ACA Legislative Fixes:** Market Stabilization
-  **New Legislation:** “Right To Try”
-  **Future Legislation(?):** Single Payer

# Association Health Plans

The Department of Labor is proposing changes:

## For Related Employers

- “Commonality of Interest Test” would no longer include similar geographic location
  - Would allow for geographical differences in pricing
- Would allow for self-employed individuals (with no employees) to form AHP under “related employers” rules

## For Un-Related Employers

- Would allow for unrelated employers to form Association Health Plans
- Would need to be in a similar geographic location

Sources: Department of Labor, Avalere Health

## Potential marketplace impact:

- More than **4 million** individuals could enroll in Association Health Plans with these changes
  - **1 Million** from public exchanges,
  - 3 million** from the small group market



# ACA “Tweaks” in 2018



## Medical Device Tax

- Delayed until 2020



## Health Insurance Tax

- In effect for 2018, suspended in 2019
- 2020 ???????



## Cadillac Tax

- 2015: Delayed until 2020
- 2018: Delayed until 2022



## Individual Mandate

- “Zeroed” out in 2019

# ACA legislative fixes – Market stabilization?

## Two types of ACA financial assistance

1

### Premium Subsidy

- Available if you earn less than 400% of the FPL
- Fully funded by ACA

83% of  
Enrollees

2

### Cost Sharing Reductions

- Available if you earn less than 250% of the FPL
  - Reduce Deductible and OOP costs
- Unclear if properly funded by ACA
  - House Lawsuit
  - No longer being “reimbursed” to insurers

Approximately  
53% of  
Enrollees

# “Right To Try” legislation

## Increase access to “experimental” drugs and procedures

- Terminal patients who have exhausted treatment
- Stage 1 FDA approved treatments
- 38 States have passed “Right To Try Legislation”

**August 2017: Senate passes S. 204 by “unanimous consent”**

**March 2018: Houses passes H.R. 5247 by a vote of 267-149**



### Arguments “for” right to try

- The FDA’s current compassionate use process is too complicated, time-consuming and expensive
- Patients should not have to ask the federal government for permission to save their own lives

### Arguments “against” right to try

- 99% of compassionate use requests sent to the FDA between 2005 and 2014 for experimental drugs were approved within four days on average
- Federal legislation could have unexpected financial and legal consequences, for example if an experimental drug leads to additional treatments or hospitalization

# “Medicare For All” legislation

## Senator Sanders: Medicare For All Act of 2017 (S. 1804)

### Goal of covering all Americans under a government-run health insurance program

- Would end the current employer-sponsored health insurance system
- Under the plan, consumers would not be liable for any out-of-pocket spending on copays or emergency room visits, only on prescription drugs
- The plan is estimated to cost \$1.4 trillion and paid for in part by:
  - 2.2% income tax
  - 6.2% levy on employers



- Bill has 15 co-sponsors in the Senate including:
  - Senator Gillibrand (NY),
  - Senator Harris (CA),
  - Senator Warren (MA),
  - Senator Booker (NJ)



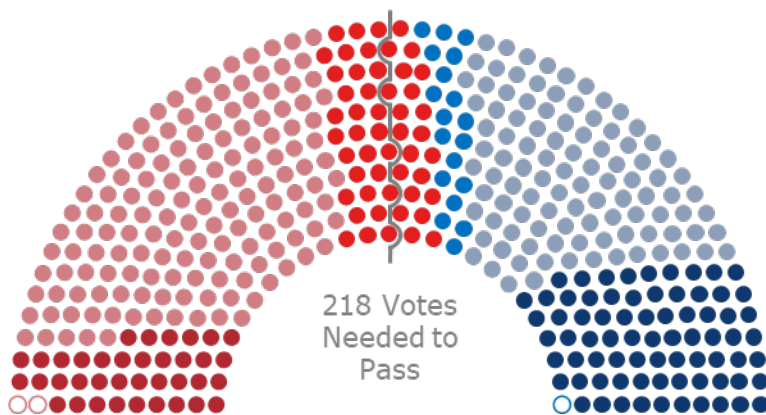
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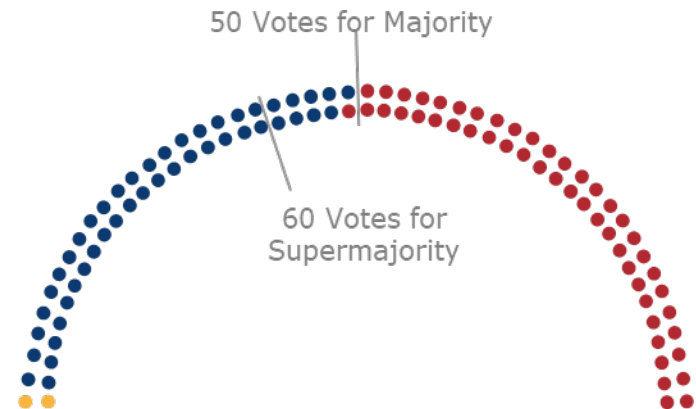
# 2 and 23: The “magic” numbers in 2018

## House of Representatives



Total Republicans	<b>238</b>
Total Democrats	<b>194</b>
Vacancies	<b>3</b>

## Senate

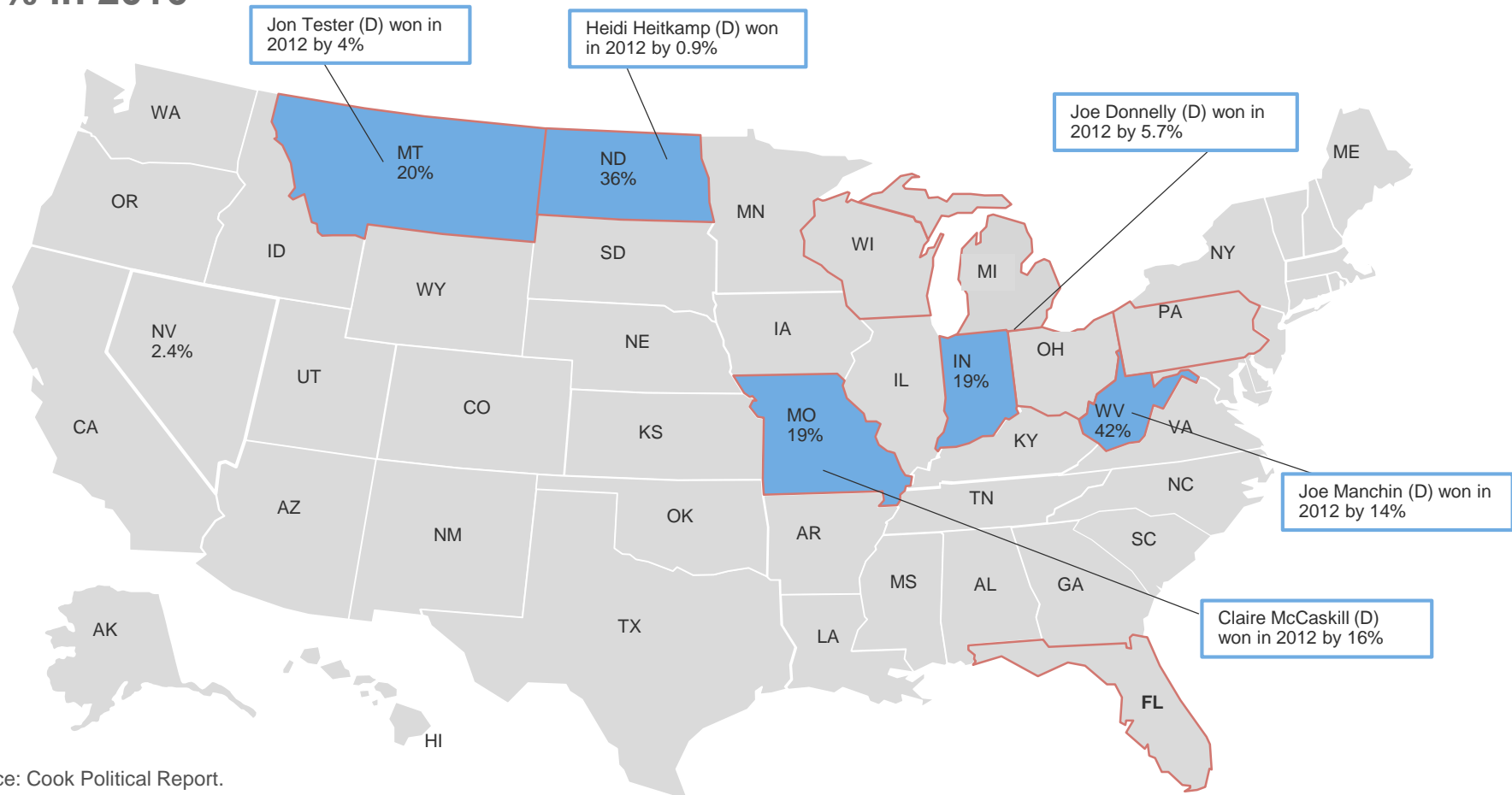


Total Republicans	<b>51</b>
Total Democrats	<b>49</b>

Source: Cook Political Report.

# The Democratic senate map

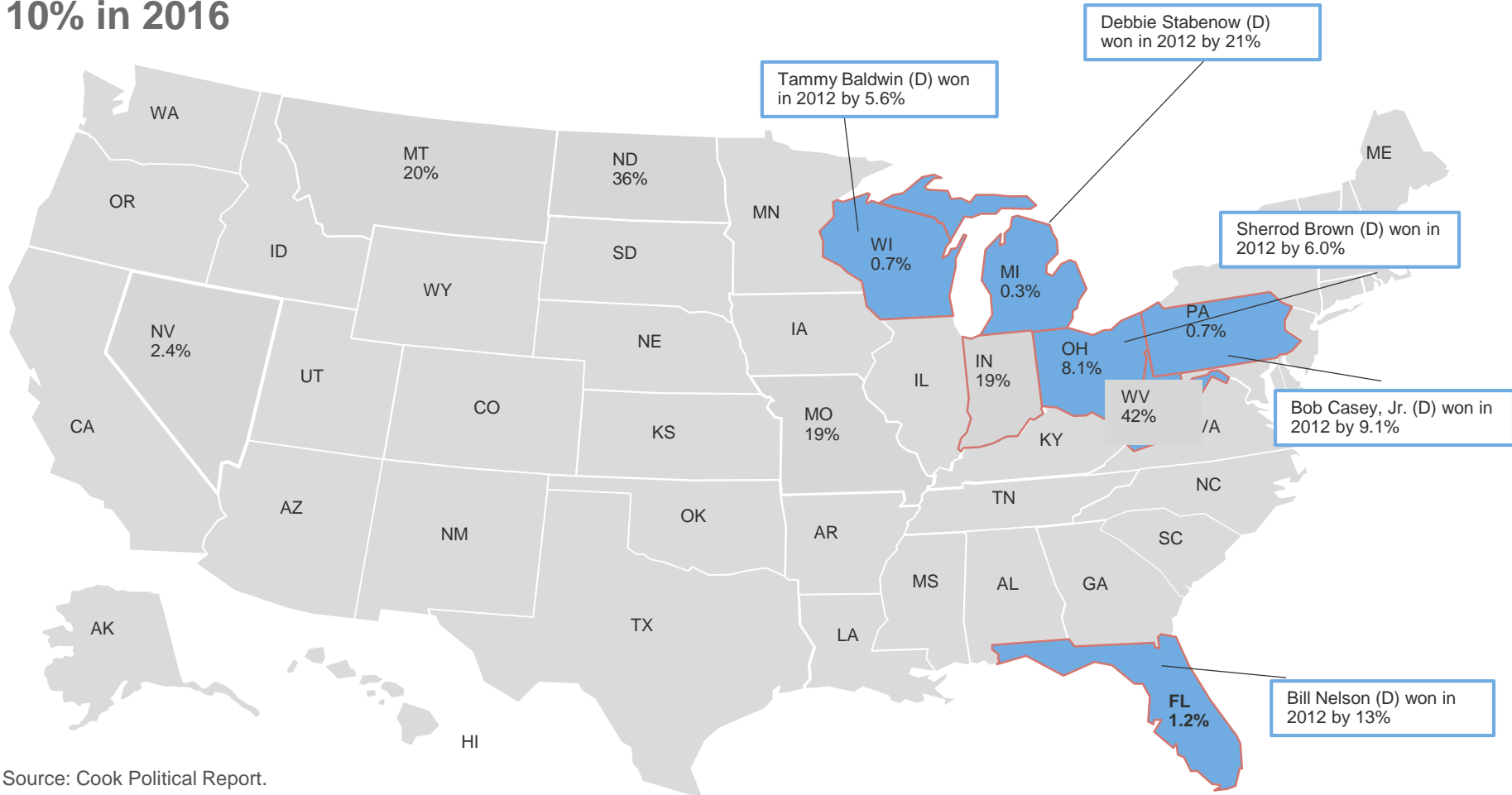
5 Senators up for re-election in states that President Trump won by more than 15% in 2016



Source: Cook Political Report.

# The Democratic senate map

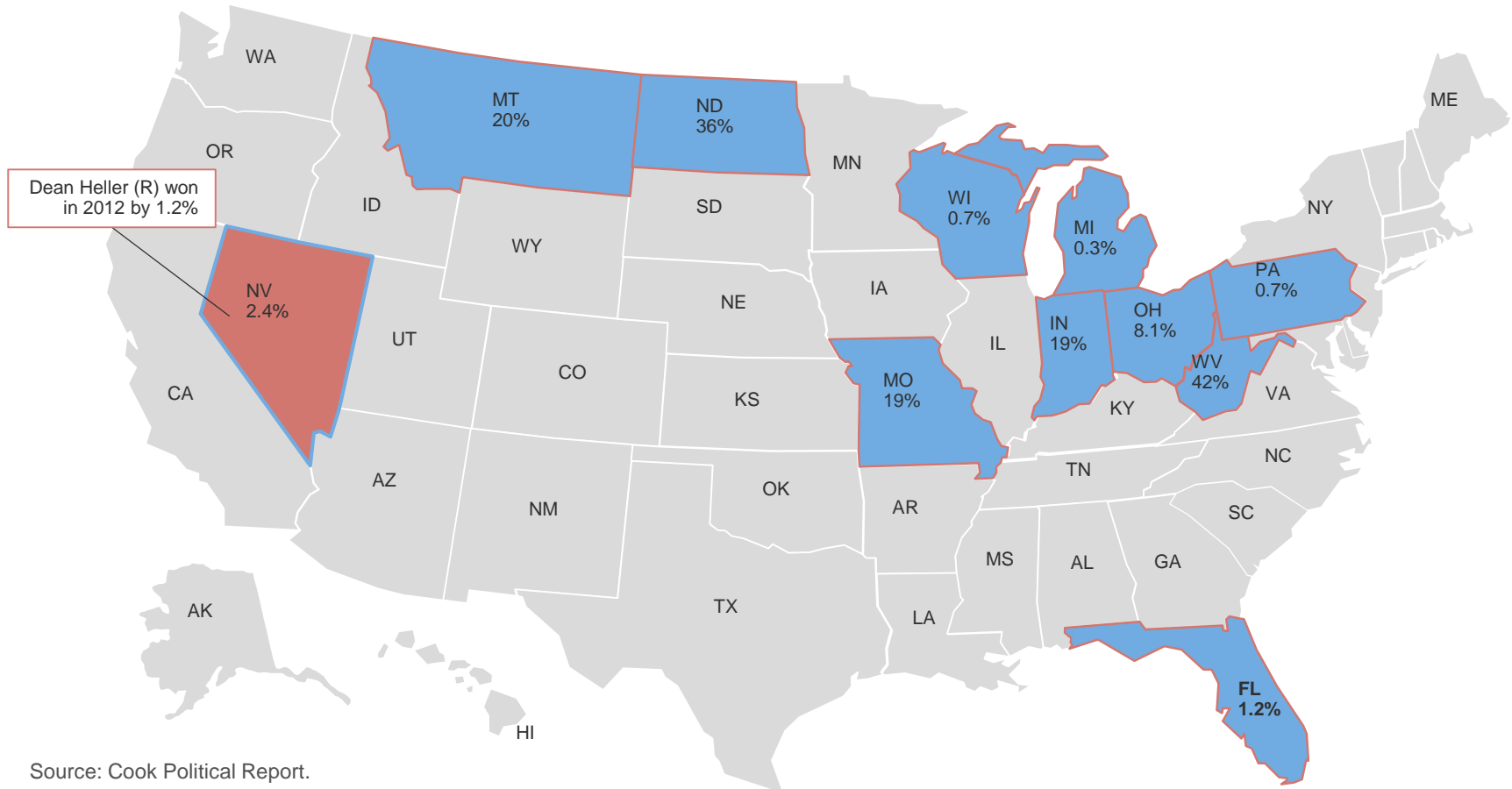
5 Senators up for re-election in states that President Trump won by less than 10% in 2016



Source: Cook Political Report.

# Senate races to watch

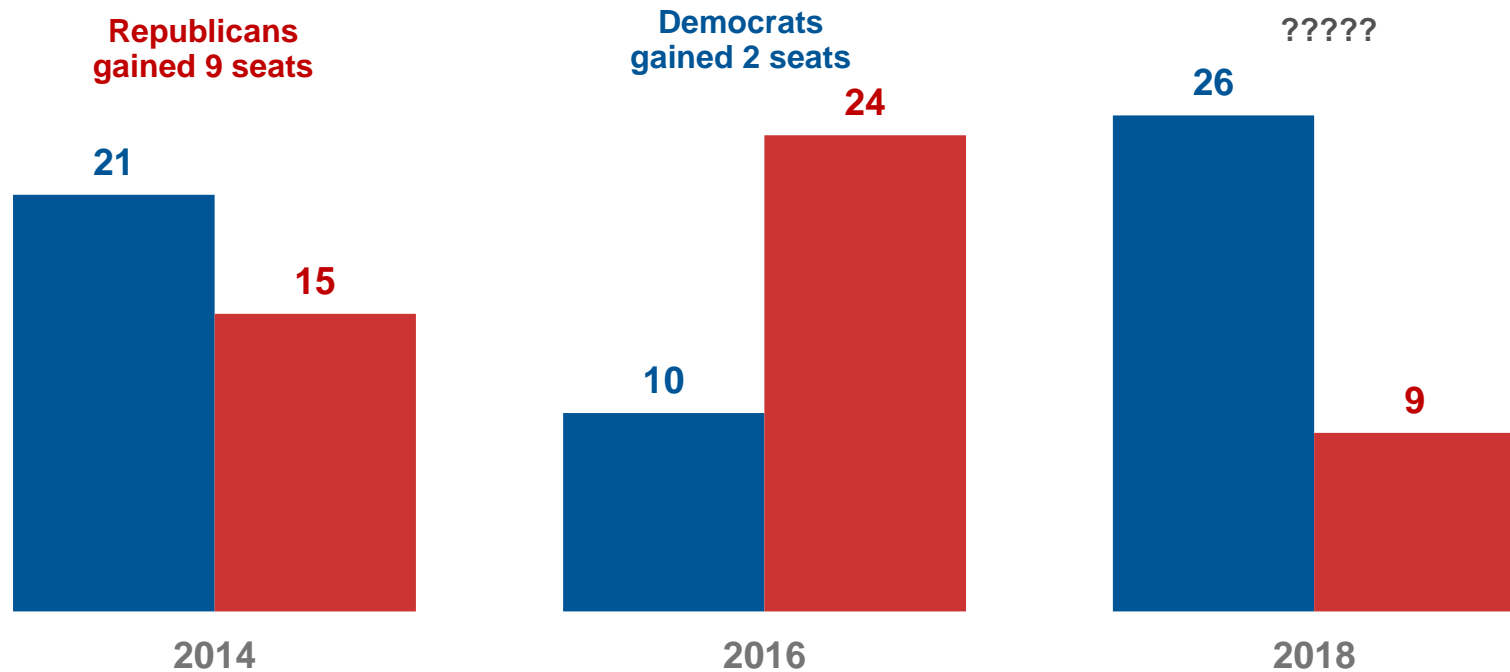
Senators up for re-election in states won by the opposing party's 2016 Presidential candidate



Source: Cook Political Report.

# More Democratic Senate seats are on the ballot

## Senate seats in play, by election year



Source: Cook Political Report.

■ Democratic seats

■ Republican seats

# Summary



Legislative progress will slow as we approach November



The Health Insurance market continues to evolve



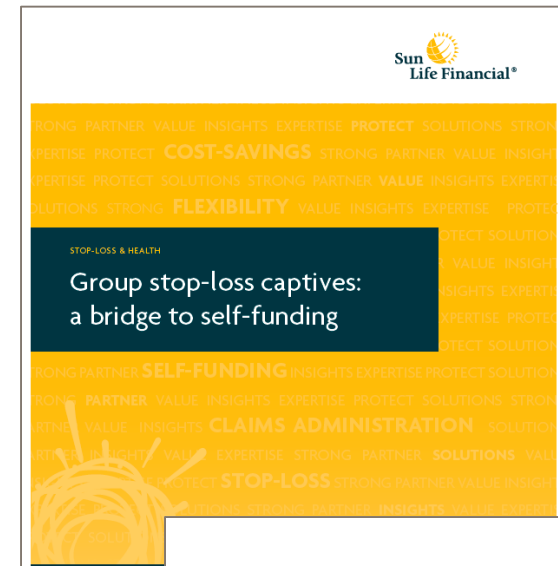
2018 Elections Are Around The Corner

# Stay tuned!

Coming soon!

- *April 2018* – Captives whitepaper: A bridge to self-funding
- *June 2018* – 6<sup>th</sup> Annual Sun Life Research Report Top 10 catastrophic claims conditions and million-dollar+ claimants

Stay tuned for the recording of today's webinar with a post-event survey.





## Questions?

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# Thank you



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GSLPPT-7540b

SLPC 28987 04/18 (exp. 04/20)