State and National Health Policy

PELI Advanced Course

Physician Leaders Don't Just Manage Change… They Make It

November 17, 2023

Goal of Session

Be better able to understand and influence policy that impact your practice, patients and patience

Overview

- Federalism
- The Policy Process
- Public Health and Social Determinants
- Medicaid
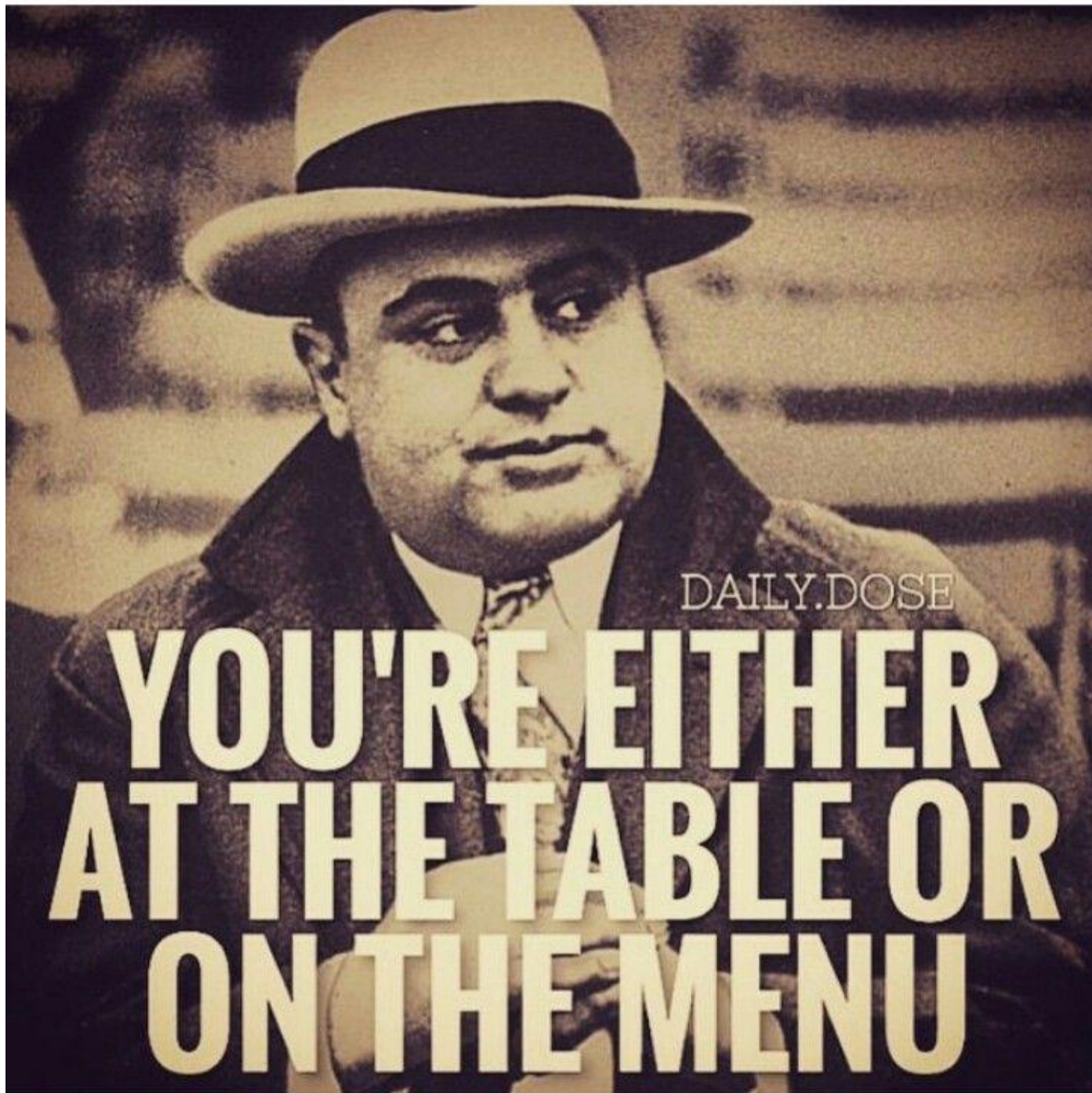- Contemporary Policy
- Taking Action

Introductions:

Me: Background, Bias, Perspective

You: Practice, Position and Policy Interest

I just want to be the best physician, save lives, keep people healthy, run a great department, hospital and empower others.

Why Engage?

DAILY.DOSE

YOU'RE EITHER AT THE TABLE OR ON THE MENU

Intergovernmental Relations

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Federalism

- "Federalism is about 'dividing up the job' of government" (Rivlin, 1992)
- Involves allocating three major types of tasks
    - Policymaking; who determines policy goals and how to implement them
    - Administration; who is responsible for administering policies
    - Financing; how to pay for the policies
- Capacity of alternative levels of government to perform various specific policy functions versus visions of the appropriate role of government

Rosman, B. State Health Policy. Spring, 2016 and Doonan, M. (2013). *American Federalism in Practice: The Formulation and Implementation of Contemporary Health Policy*. Brookings Institution Press.

Definition of Federalism?

The power and authority relationship between the federal government and the states.

# Hamilton and Jefferson/Madison

First Political Parties

Hamilton Federalists
- Strong national government
- Loose interpretation of the Constitution
- Rule by elites
- National Bank
- Manufacturing/Tariffs
- Support British

Jefferson Democratic Republicans
- State primacy
- Stricter interpretation of the Constitution
- Rule by the people (white men)
- State banks
- Free trade
- Support for France
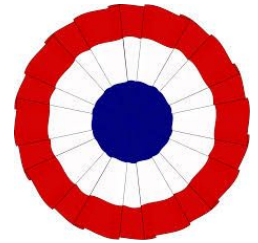
Purpose of Federalism

- "Federalism is about 'dividing up the job' of government" (Rivlin, 1992)
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The 10th Amendment

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

"It is one of the happy accidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory and try novel social and economic experiments without risk to the rest of the country."

Justice Brandeis 1932

Federal Government Health care Responsibilities

State and Local Government Health care Responsibilities

The Role of Government in the Polis

Federal Government	State Government

Federal Government
- Medicare
- Medicaid
- VA system
- Insurance regulation
- Patents
- Public Health CDC
- Etc.

State Government
- Public health
- Medicaid
- Insurance regulation
- Licensure
- Hospital oversight
- Etc.

State Responsibilities

- Public Health
- Licensure/education
- Regulation
- Insurance subsidies/provision
  - Medicaid
  - CHIP
  - ACA Marketplace Exchanges
- Data analysis
- Service Provision (mental health etc.)

What Is the Role of Markets in Health Care?

- Health Services
- Health Insurance
- Technology
- Health Labor Market
- Health Information

- Prescription Drugs
- Medical Technology
- Medical Supplies
- Durable Medical Equipment

Perfect Competition

- A Homogeneous Product

- Numerous Buyers and Sellers

  - Rational

  - Equal bargaining power

- Perfect Information

- Free Entry and Exit

Does the market for health care fit these assumptions?

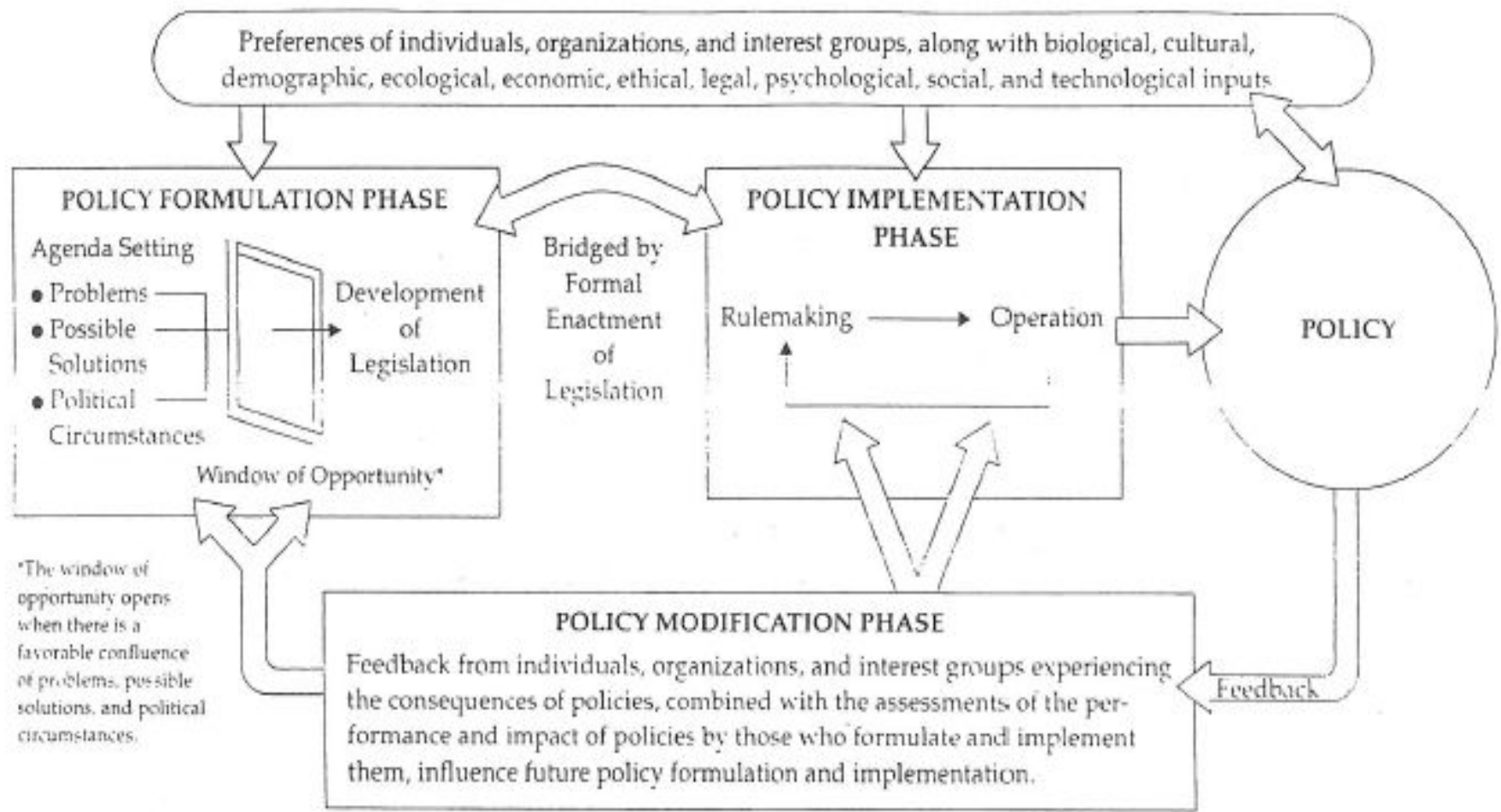# List Interest Group that try to influence politics ("Who gets what when where and how?")

Interest Group

- Physician Group
- Hospital/Community Health Center Groups
- Range of providers
- Consumer advocates
- PhRMA
- Insurance
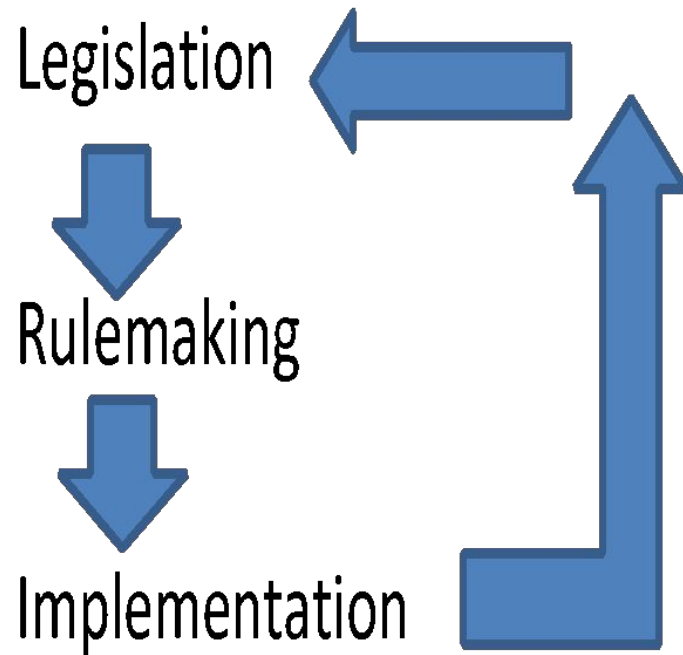- Business/device manufactures
- And many more

How Does Policy Get Made?

Figure 2.1 A Model of the Public Policymaking Process in the United States

Preferences of individuals, organizations, and interest groups, along with biological, cultural, demographic, ecological, economic, ethical, legal, psychological, social, and technological inputs

POLICY FORMULATION PHASE

Agenda Setting
- Problems
- Possible Solutions
- Political Circumstances

Development of Legislation

Window of Opportunity*

Bridged by Formal Enactment of Legislation

POLICY IMPLEMENTATION PHASE

Rulemaking ⟶ Operation

POLICY

*The window of opportunity opens when there is a favorable confluence of problems, possible solutions, and political circumstances.

POLICY MODIFICATION PHASE

Feedback from individuals, organizations, and interest groups experiencing the consequences of policies, combined with the assessments of the performance and impact of policies by those who formulate and implement them, influence future policy formulation and implementation.

Feedback

The Policy Process

Why this Craziness?

- We are the only industrialized nation without a system of universal coverage
- Our safety net has many holes
- Our system is a non system and a hybrid public and private mess
- Persistent racial and ethnic disparities

Clues can be found in understanding American ideology and institutions of government

American Ideology

- Individualism
- Fear of centralized government
- Liberty defined as freedom from government
- Capitalism and laissez faire economics
- No notion of universal rights based on social citizenship

Policy is difficult and often ambiguous by design

- Checks and balances
- Separation of powers
- Federalism
- Bi-cameral
- Activist courts, litigious society
- Divided government

Broader Lesson for Social Policy

- What comes out of this process is generally not clear, direct or efficient
- Easier to defeat something than to pass it
- Bias towards incrementalism
- Socialism (Socialized Medicine) <u>has been</u> the kiss of death
- Fear is more powerful than hope
- Big political majorities can lead to change
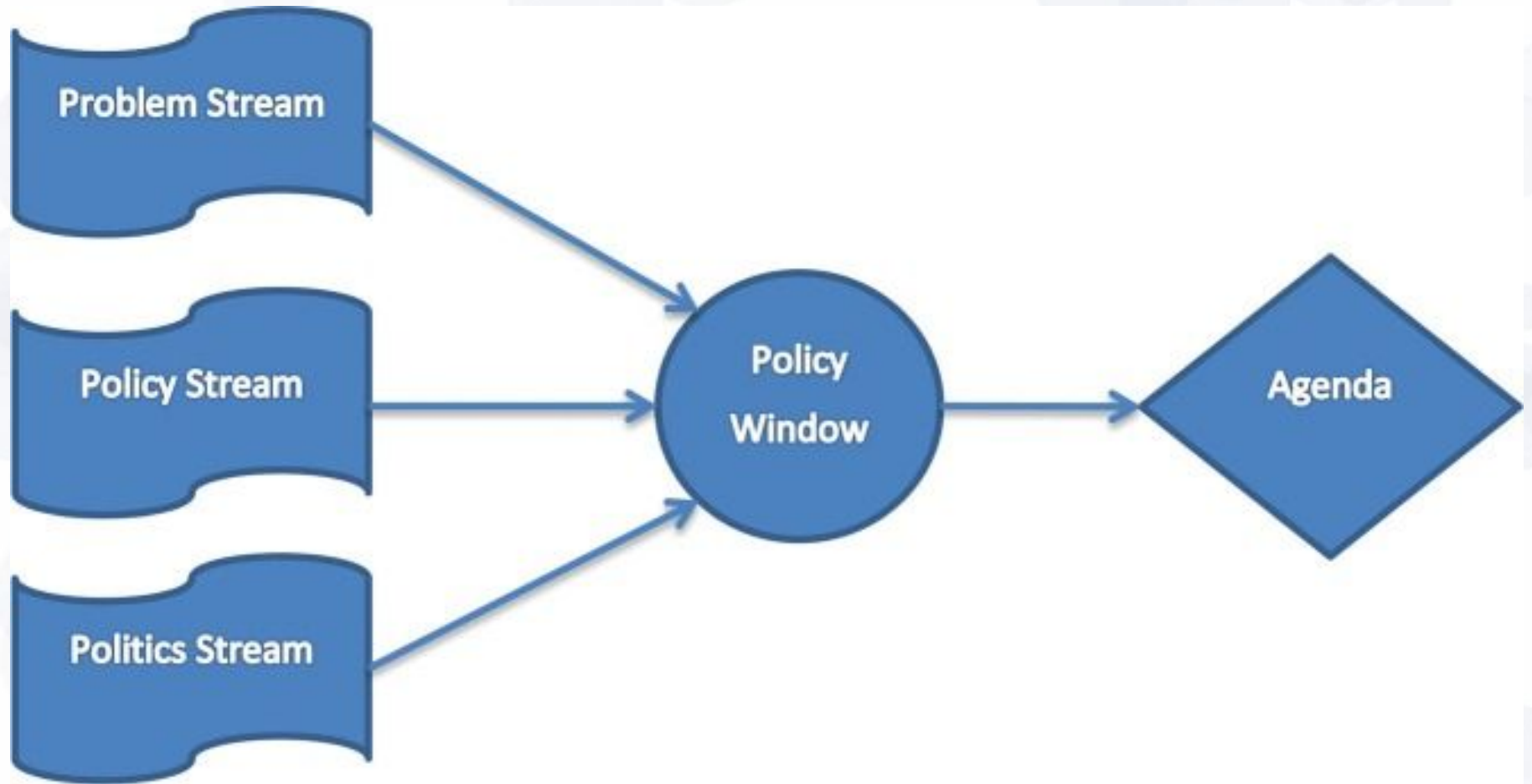
How can you influence policy?

- Help identify and define the problem
- Put forward or support particular reforms and proposals
- Work with and influence and become part of the political process
    - Letters to the editor/op eds
    - Your representative should know your name
    - Legislative testimony
    - Working with and through organizations such as ACS

Think About Kingdon

1. Increasing the supply of primary care providers and specialists

2. Medical malpractice reform

3. Physician burnout

4. Hospital Acquired Infections

(problem, policy, politics)

Tomorrow we will apply Kingdon to the Affordable Care Act

One can't understand health policy outside an intergovernmental context.
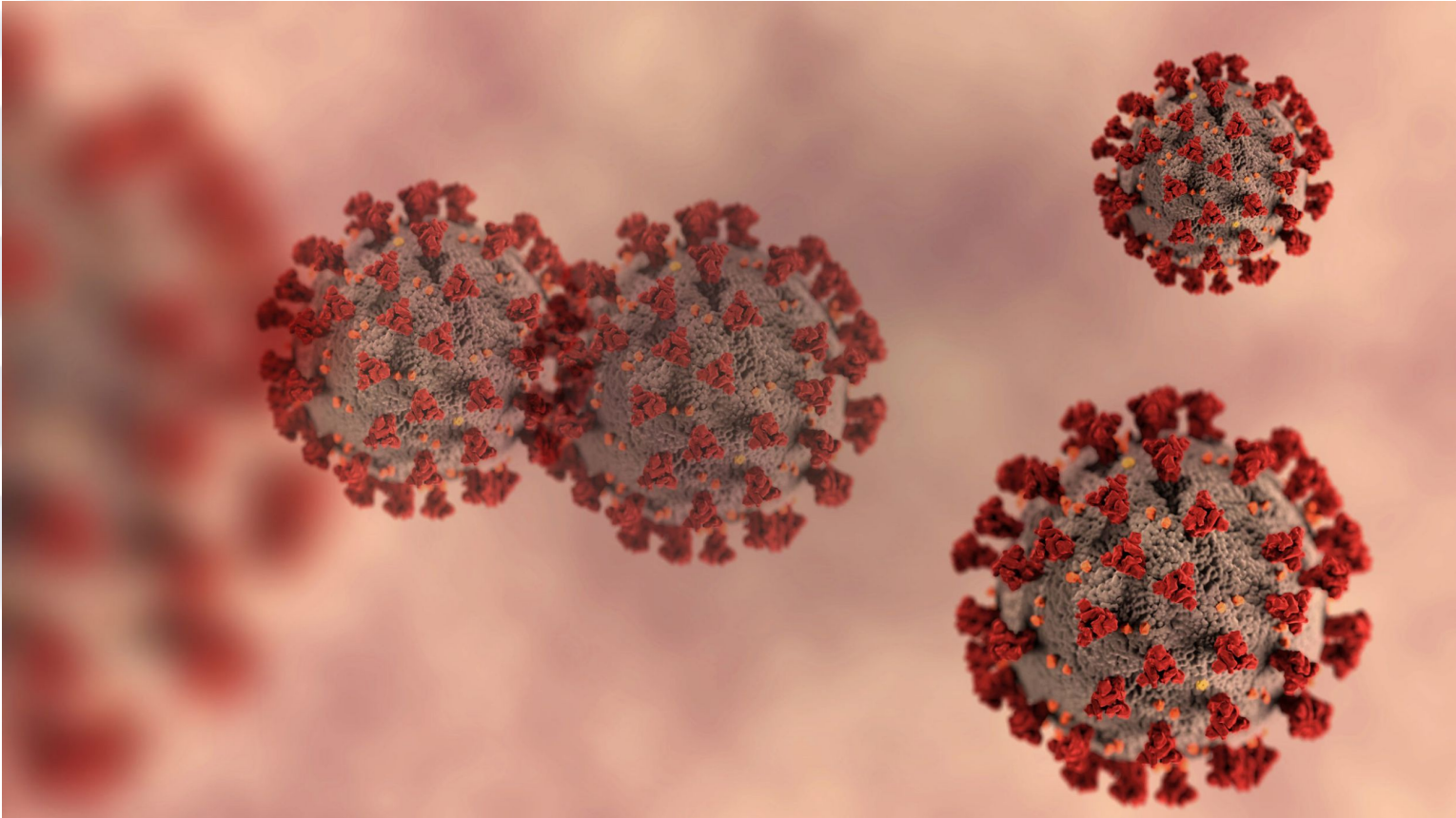
Government Responsibilities for world wide and 50 state Pandemic

- Best Practice*
  - Locally Executed
  - State Managed
  - Federally Directed and Supported
- What happened
  - Slow federal response (Minimization of problem exaggeration of action)
  - State variation in response
  - Lots of responsibility delegated down (hospitals, localities, schools)

*https://www.theatlantic.com/ideas/archive/2020/03/america-has-never-had-50-state-disaster-before/608155/

National Leadership Essential

- Global Scale of the Problem
- National Shortage of Resource
    - Testing
    - Protective gear
    - ICUs and Beds
    - Respirators
- Fiscal and Monetary Policy
- Access to Insurance
- State variation in capacity

Masks

- CDC changed guidelines to regular surgical masks acceptable alternative to N95
- National stockpile
  - 12 million N95
  - 30 million surgical
- HHS estimated need year long pandemic 3.5 billion masks
- Oregon and Washington received some from the stockpile but far less than requested

https://www.nytimes.com/2020/03/19/health/coronavirus-masks-shortage.html?action=click&module=Spotlight&pgtype=Homepage

Covid-19

- ## Federal Response
  - ### White House https://www.whitehouse.gov/wp-content/uploads/2020/03/03.16.20_coronavirus-guidance_8.5x11_315PM.pdf
  - ### CDC https://www.cdc.gov/coronavirus/2019-ncov/index.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2Findex.html
    https://www.cdc.gov/coronavirus/2019-ncov/community/large-events/mass-gatherings-ready-for-covid-19.html

- ## State response
  - ### New Jersey https://www.nj.gov/governor/news/news/562020/approved/20200316c.shtml
  - ### Massachusetts https://www.mass.gov/news/baker-polito-administration-announces-emergency-actions-to-address-covid-19
  - ### Minnesota https://www.health.state.mn.us/diseases/coronavirus/action.html
  - ### Tennessee

Covid-19

- Public Health Response
  - Limited National Direction
  - Significant state and even local variation
- Economic Response
  - Enhanced Medicaid funding (continuous enrollment)
  - Individual checks/Child tax credit
  - Unemployment Insurance
  - Loans and grants to small businesses and not so small businesses (airlines)

States Matter

- Children's Health Insurance Program
- Health Insurance Affordability and Accountability Act (HIPAA)
- Medicaid
- Menu Food Labeling
- Cost Containment
- ACA
  - Exchanges Marketplaces
  - Food product labeling

Public Health

What is the relationship between insurance coverage and health?

Why don't we really care about public health?

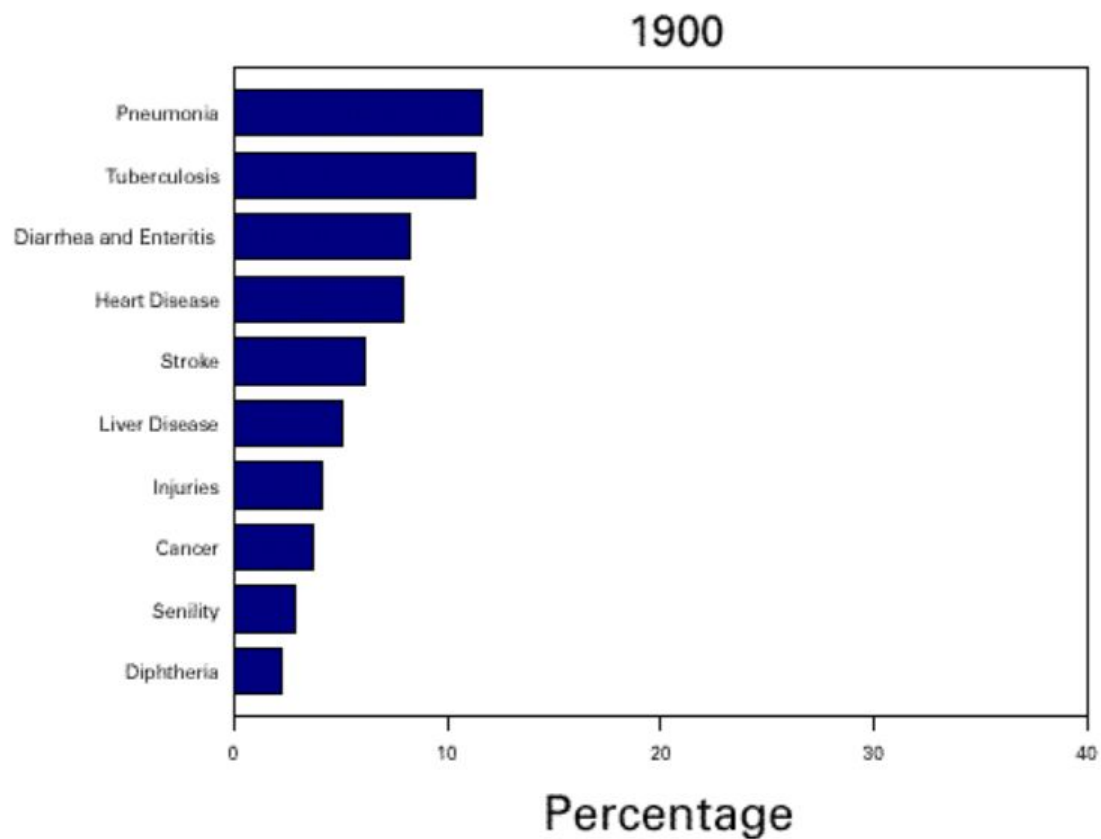FIGURE 1. Crude death rate* for infectious diseases — United States, 1900–1996[†]
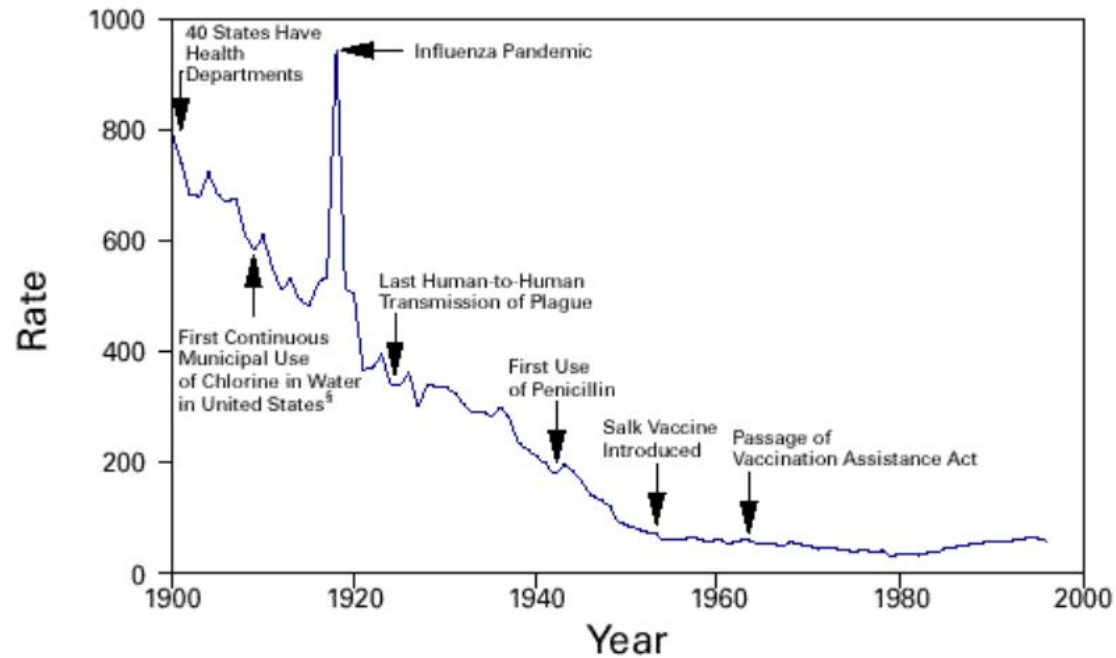
*Per 100,000 population per year.
[†]Adapted from Armstrong GL, Conn LA, Pinner RW. Trends in infectious disease mortality in the United States during the 20th century. JAMA 1999:281;61–6.
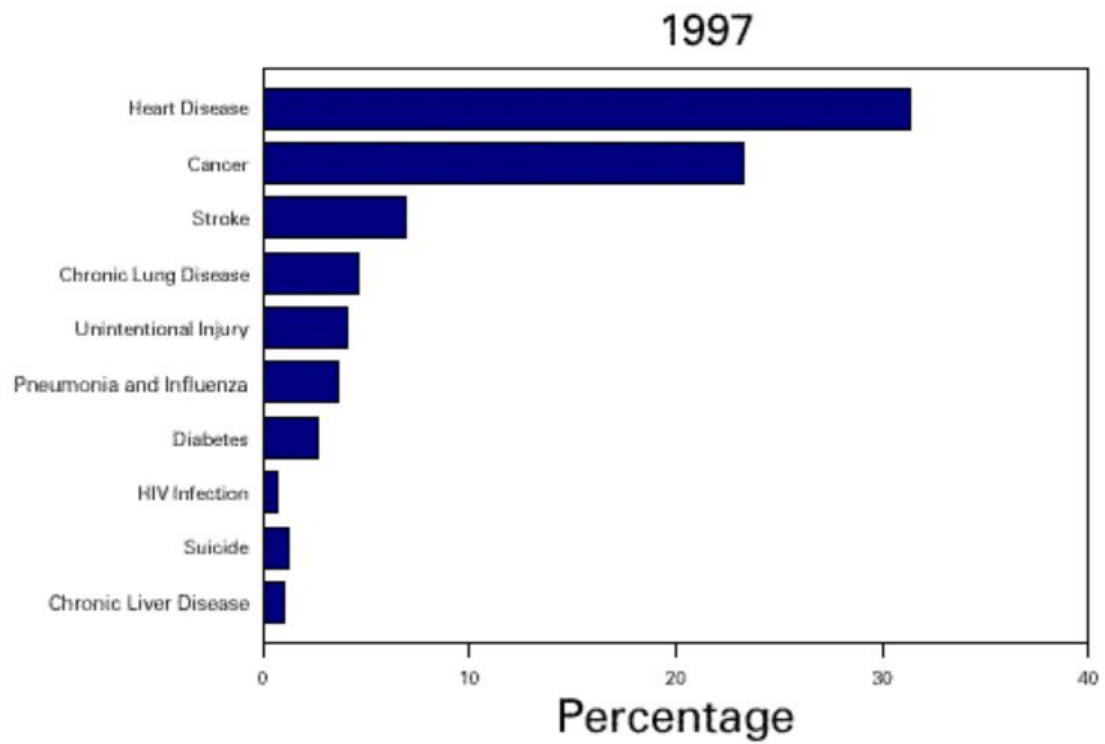[§]American Water Works Association. Water chlorination principles and practices: AWWA manual M20. Denver, Colorado: American Water Works Association, 1973.

https://www.cdc.gov/mmwr/preview/mmwrhtml/mm4829a1.htm

FIGURE 2. The 10 leading causes of death as a percentage of all deaths — United States, 1900 and 1997

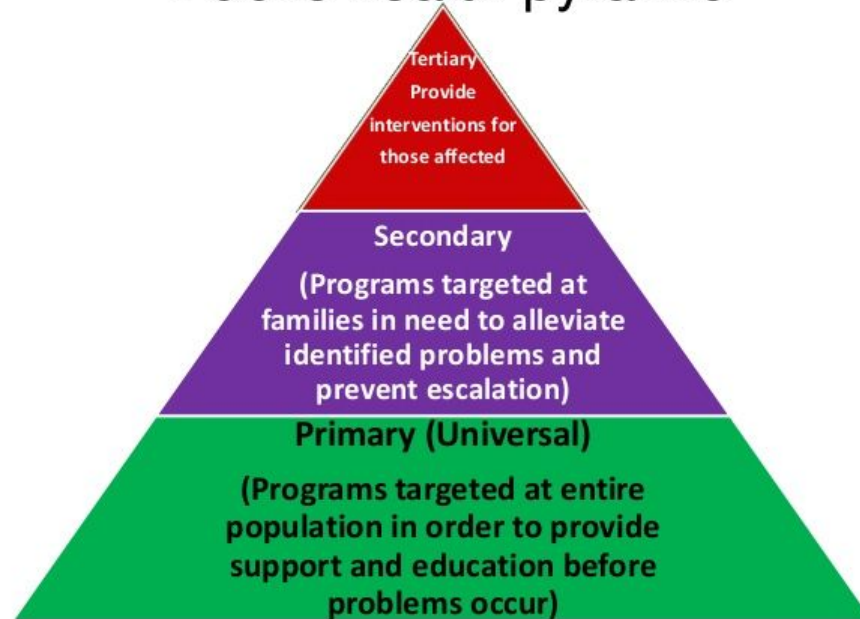https://www.cdc.gov/mmwr/preview/mmwrhtml/mm4829a1.htm

1997

https://www.cdc.gov/mmwr/preview/mmwrhtml/mm4829a1.htm

But really
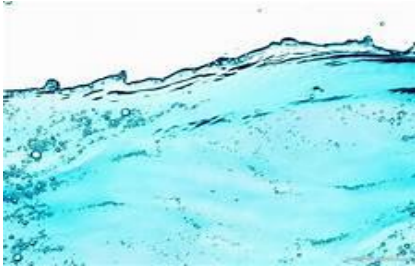
WHAT DETERMINES HEALTH?
(ADAPTED FROM MCGINNIS ET AL., 2002)

GENETICS	HEALTH CARE	SOCIAL, ENVIRONMENTAL, BEHAVIORAL FACTORS
20%	**20%**	**60%**

Public health pyramid

Tertiary Provide interventions for those affected

Secondary (Programs targeted at families in need to alleviate identified problems and prevent escalation)

Primary (Universal) (Programs targeted at entire population in order to provide support and education before problems occur)
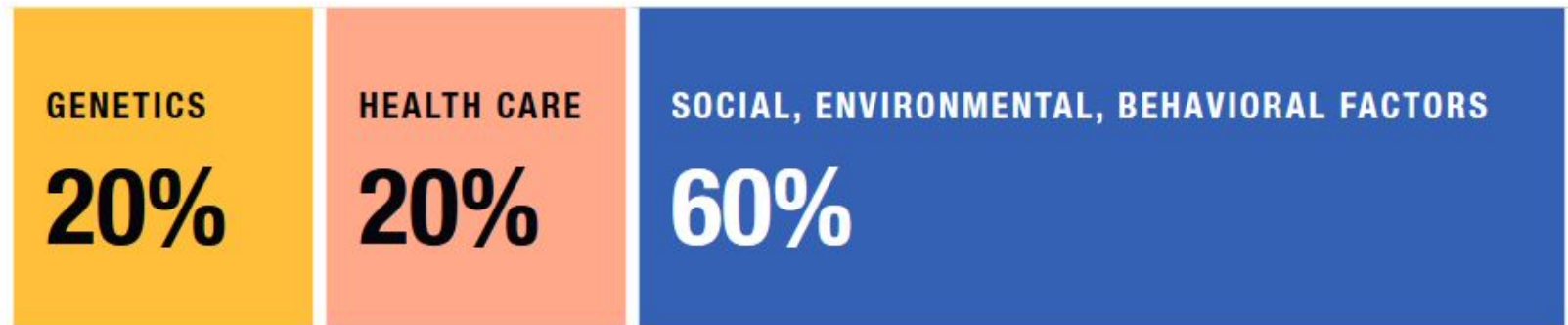
CDC Health Impact Pyramid
Factors that Affect Health

Examples

Smallest Impact

Counseling & Education — Eat healthy, be physically active

Clinical Interventions — Rx for high blood pressure, high cholesterol, diabetes

Long-lasting Protective Interventions — Immunizations, brief intervention, cessation treatment colonoscopy

Changing the Context *to make individuals' default decisions healthy* — Fluoridation, trans fat, smoke-free laws, tobacco tax

Largest Impact

Socioeconomic Factors — Poverty, education, housing, inequality

Check the Tarrant County Public Health Web site to learn more.
http://health.tarrantcounty.com

CDC

Rank in order of impact on health

- Health Behaviors (Diet, Exercise, smoking, alcohol etc.)
- Socio economic factors (Edu. Income, security, family support etc.)
- Health Care
- Environment (air, water, housing, etc.)

What matters most to health

- **Physical environment**   **Rank:**   **Percent:**
  - Quality built environment

- **Socio economic factors**   **Rank:**   **Percent:**
  - Education
  - Employment
  - Income

- **Access to health care**   **Rank:**   **Percent:**

- **Health Behaviors**   **Rank:**   **Percent:**
  - Smoking
  - Alcohol substance use
  - Diet, exercise, unsafe sex

                 Percent: 100

Social Determinants of Health

Population Health

Physical Environment
Environmental quality
Built environment

10%

20%

Health Care
Access to care
Quality of care

Socio-Economic Factors
Education
Employment
Income
Family/social support
Community safety

40%

30%

Health Behaviors
Tobacco use
Diet & exercise
Alcohol use
Unsafe sex
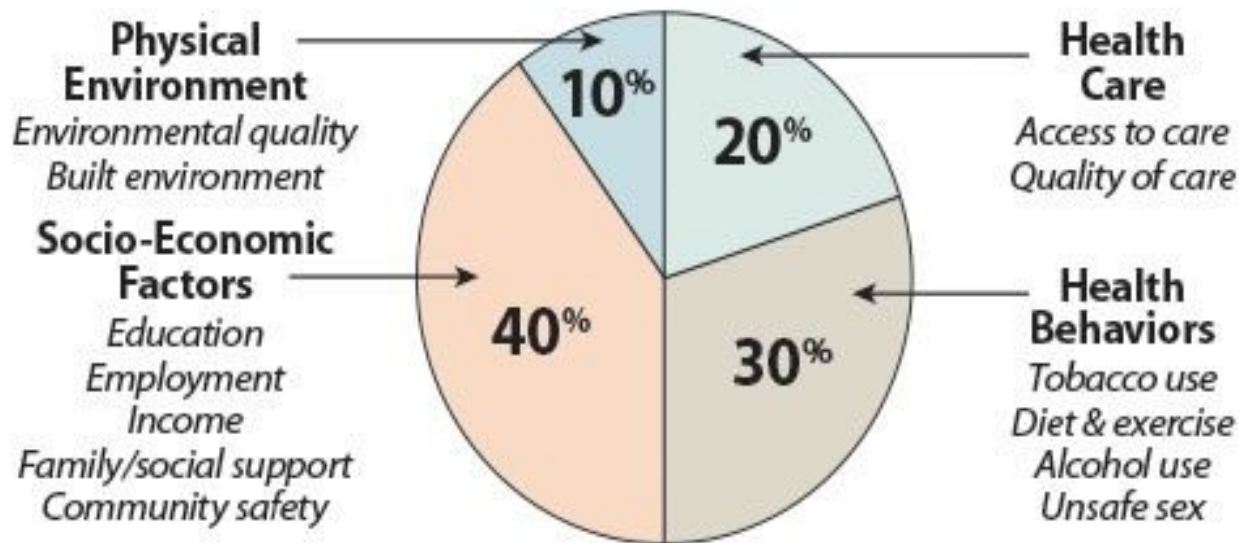
Source: Authors' analysis and adaption from the University of Wisconsin
Population Health Institute's *County Health Rankings* model ©2010,
http://www.countyhealthrankings.org/about-project/background

Health and Social Care Spending as a Percentage of GDP OECD Countries and U.S.

Percent

Legend: □ Health care ■ Social care

Country	Social care	Health care
FR	21.3	11.9
SWE	21.1	11.8
SWIZ	20.1	10.6
GER	18.4	10.7
NETH	14.8	12.0
US	9.1	16.3
NOR	16.3	8.9
UK	14.5	8.4
NZ	11.3	9.3
CAN	9.8	10.4
AUS	10.8	8.8
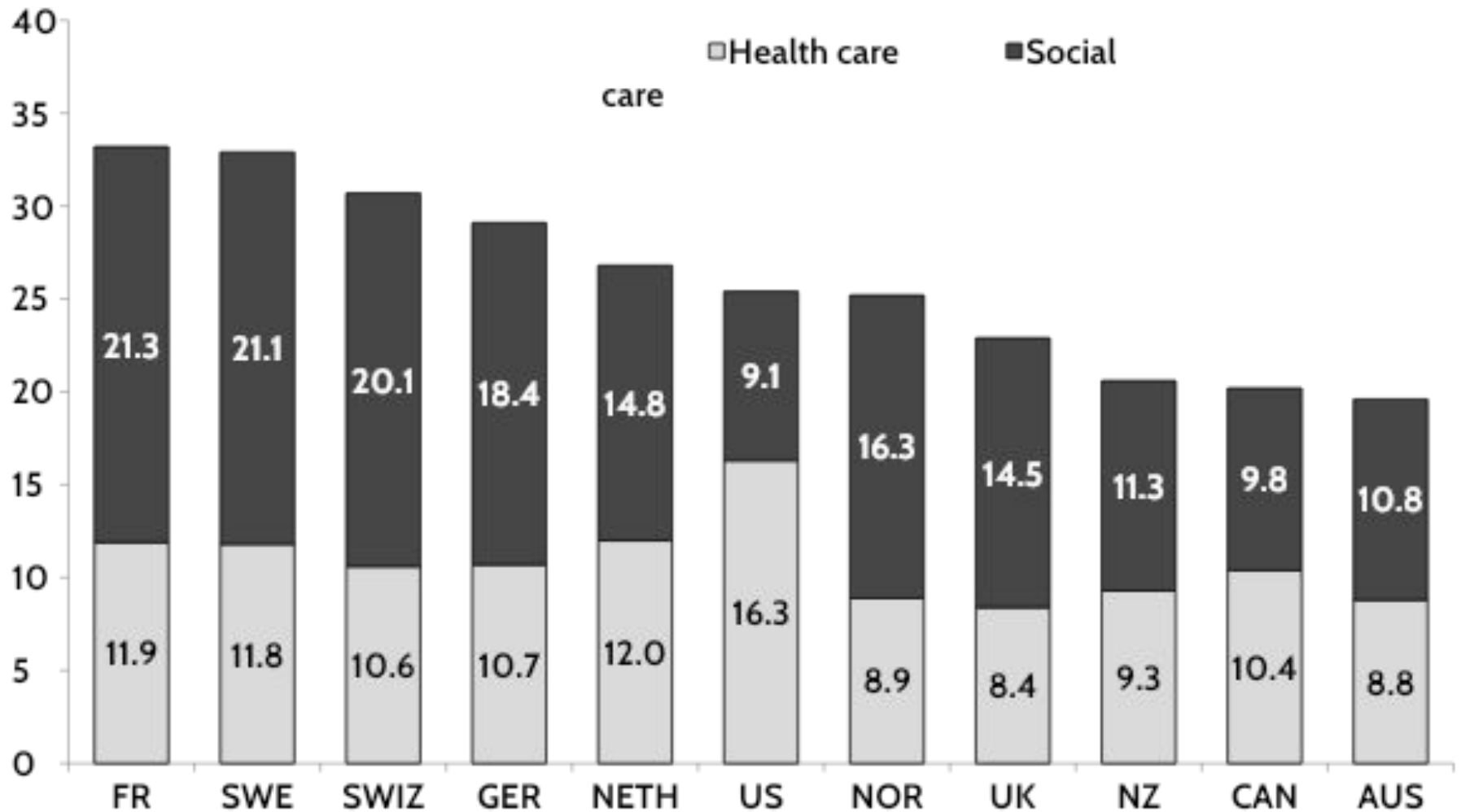
Notes: GDP refers to gross domestic product.
Source: E. H. Bradley and L. A. Taylor, *The American Health Care Paradox: Why Spending More Is Getting Us Less*, Public Affairs, 2013.

If Non Healthcare Services Could be Very Important for The Health of Some Individuals---

What Services Offer The Best Payoff--- and How Should We Pay for These Services?

Should Increased Expenditures for Social Determinant Services Be an Add on To Total Healthcare Expenditures---

Or Should There Be a Substitution for More Traditional Healthcare Services

Options to Pay for Social Services

- **Fee-for-Service---** Allow certain social services to be considered a healthcare service and a include in health premium

- **Bundled Payment---** Allow Providers to deliver social services if they believe it would increase quality of care to patients or lower overall cost of care

- **Pay for Social Services From Tax Revenues---** Consider Select Social Services as a "Public Good" and pay for it similar to a public health service

Table Talk

How do social determinants affect your practice?

What is your organization doing in this space?

Cost Saving Evidence on Social Determinants

- Housing supports for low income high risk. Housing first
- Nutritional assistance for high-risk women, infants, and children as well as older adults and people with disabilities
- Case management and community outreach for high-need, low-income families and older adults as well as for children with asthma
- Integrated Health Care and Housing Services for at-risk individuals and families

Health Benefits Evidence on Social Determinants

- Income support
  - EITC
  - SSI
- Early childhood education
- Housing

Medicaid

Medicaid History

- Enacted in 1965 (Title XIX)
- Expanded and replaced Kerr-Mills Act of 1960
- Afterthought
- Holding place for national reform
- Link to cash assistance low income and people with disabilities

Structure and Background

- Largest public health insurance program
- Medicaid serves over 74 million people at a cost of over $550 billion (2016)
- accounting for 17 percent of total health care spending
- Jointly financed and administered by federal and state governments

Structure and Background

- Medicaid serves the most vulnerable
  - 25 percent of all children
  - 13 million elderly and disabled
  - 10 million adults in low income families
- Provides critical services
  - Largest purchaser of maternity services (4 in 10 births)
  - 70 percent of nursing home costs
  - 44 percent of people with AIDS (90 of children)

Administration

- States design and operate within federal guidelines that determine who is covered and for what (eligibility and benefits).

- There are mandatory and optional coverage groups and services, so each program is unique.

Administration

- Means-tested entitlement program.
- Jointly financed by the state and federal government.
- Each state has a state plan describing their program.
- Federal oversight by the Centers for Medicare and Medicaid Services (CMS), and dedicated state agency.

Mandatory Coverage Groups

- Eligible for AFDC as of July 16, 1996
- Children under 6 with family income below 133% federal poverty level (FPL)
- Children 6-18 below 100% FPL
- Supplemental Security Income (blind, aged, and disabled)
- Children under 100% FPL
- Foster care and adoption assistance

Optional Coverage Groups

- Infants and pregnant women up to 185% FPL
- People eligible for nursing home care but for home health services
- Recipients of State SSI supplement
- Medically needy, spend down
- Long-term care recipients with nominal income

More on Coverage

- Undocumented immigrants cannot be covered.
- Dual Eligible (Medicare and Medicaid)
  - Premiums/coinsurance
  - Prescription drugs
  - Long-term care
  - 16 percent Medicare under 65 and many of these are duals

Mandatory Benefits

- Hospital and physician services
- Labs and diagnostic tests
- Early and periodic screening diagnosis and treatment (EPSDT)
- Federally qualified health centers/rural health centers
- Skilled nursing care
- Family planning consultation

Optional Benefits

- Prescription Drugs
- Dental Care
- Case Management
- Nursing home care
- Home and community-based care
- Institutional care for people with mental retardation

Statutory Federal Medical Assistance Percentages (FMAP), FY 2012
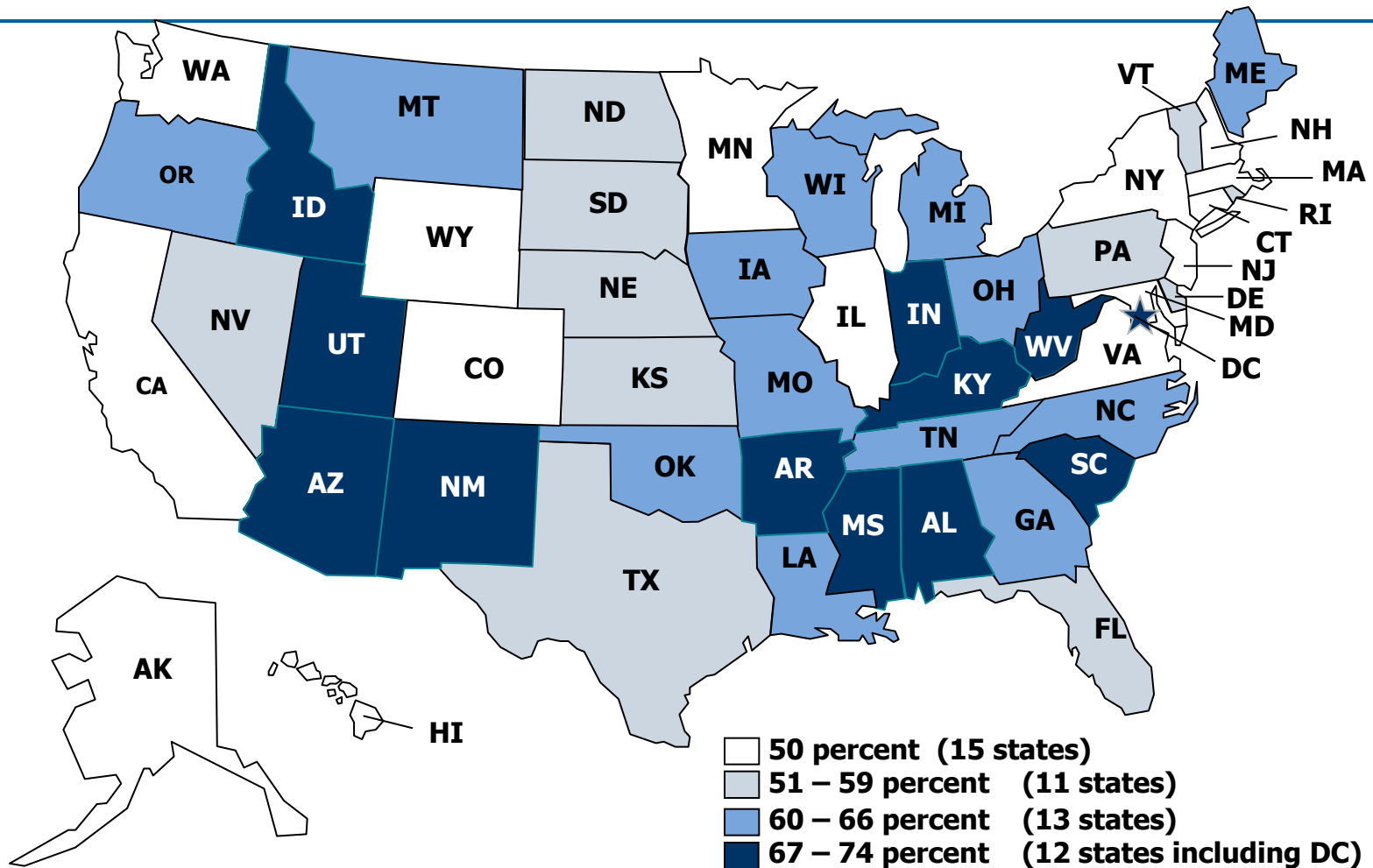
Legend:
- 50 percent (15 states)
- 51 − 59 percent (11 states)
- 60 − 66 percent (13 states)
- 67 − 74 percent (12 states including DC)

80

Figure 1

Nearly two-thirds of Medicaid spending is for the elderly and people with disabilities, FY 2014.
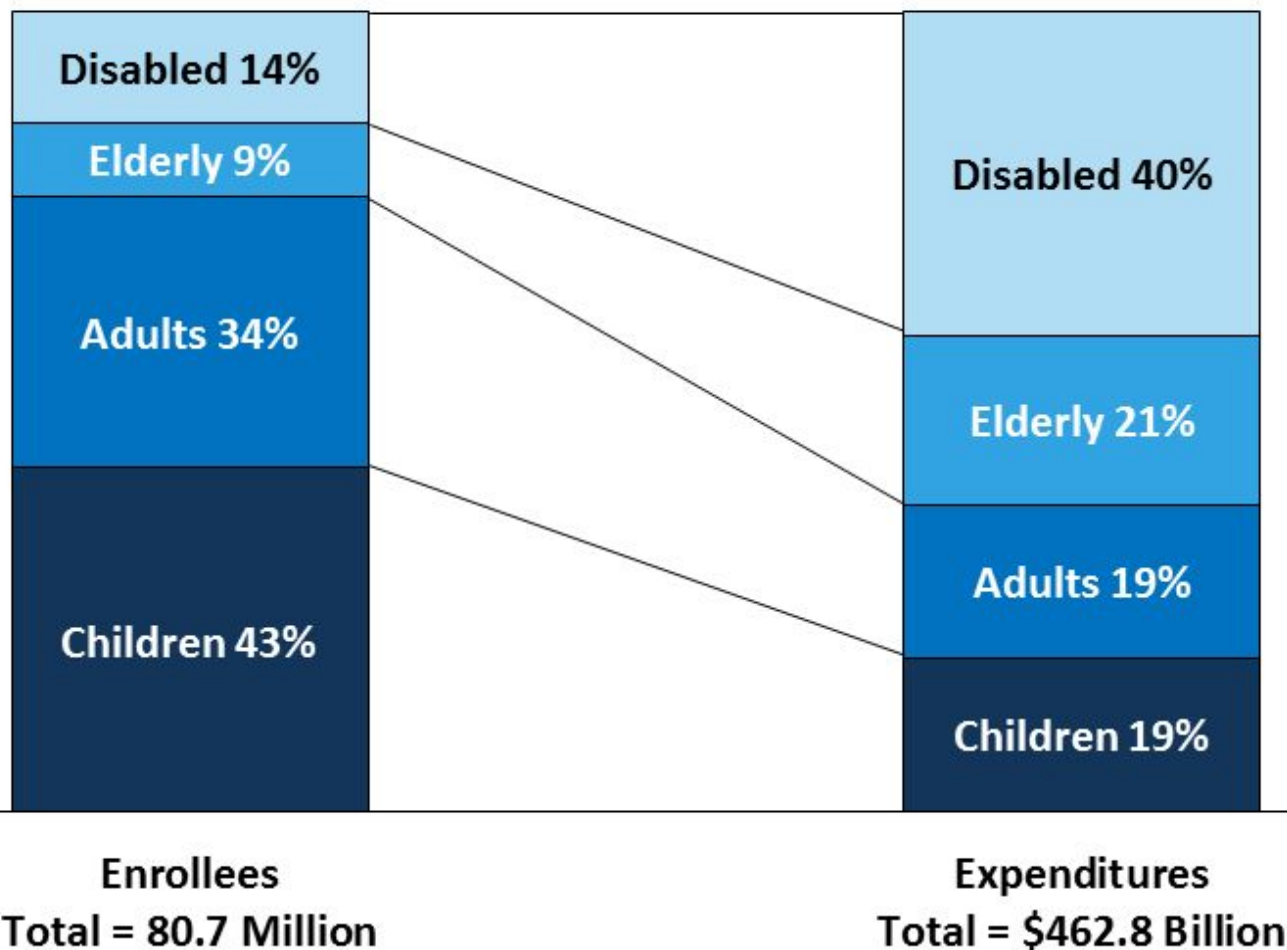
Enrollees
Total = 80.7 Million

Expenditures
Total = $462.8 Billion

81

Medicaid Waivers

- 1115 state health care reform waivers (TN, MA, AZ, WA, MN, VT)
- Home and community-based waivers
- HIFA: Health insurance flexibility and accountability (UT)
- Some states seeking waivers
  - Coverage through exchange
  - Work requirements
  - Higher copayments

Medicaid Strengths

- Covers over 70 million (28.3 in 1993)
- Provides a comprehensive set of benefits including EPSDT, translation, transportation.
- Covers 30% children: All children under the poverty level are eligible.
- 85% poor pregnant women.
- 40% births and 70% nursing home.
- History and roots/vehicle for expansion.

Medicaid Weaknesses

- Doesn't cover all the poor
- Administrative complexity (eligibility determination, categories/application).
- Lack of continuous coverage.
- Poor service coordination.
- Stigma of welfare.
- Low provider reimbursement (participation).
- Coverage and eligibility varies by state.

Medicaid's Ideological Divide

Welfare Program

- Temporary
- Needy
- Hard to get on
- Easy to get off
- Protect Public resources

Solid Safety Net

- Universal
- Low income
- Easy to get on
- Hard to get off
- Right

Policy Preferences

Welfare Program

- Work requirements
- Redeterminations
- Cost sharing
- Asset tests
- Detailed applications
- Time limits
- Minimal benefits
- Waitlists

Solid Safety Net

- Income based eligibility
- Presumptive eligibility
- No out of pocket
- No asset tests
- Streamlined application
- Annual enrollment
- Generous benefits
- Transitions

Children's Health Insurance Program

What is coming nationally?

- State and national cost control efforts
- Movement to value based purchasing
- Insurance competition
- Government regulation
- Public option
- Medicare buy-in at age 50
- Medicaid buy-in
- Continued gridlock with state innovation

BIDEN: WEAKEST HOUSE COATTAILS SINCE 1960

Change in President's Party Share of House Seats at First Election

FDR GWB	44.9%					
GHWB 2000	39.9%					
HST 1932	26.3%					
WGH 1948 1988	21.5%					
RWR 1920	14.3%					
LBJ 1980	13.4%					
HHH 1964	10.3%					
BHO 1928	9.8%					
CCC 2008	6.0%					
DDE 1924	2.7%					
RMN 1952	0.3%					
1968	-0.9%					
JEC 1976	-1.1%					
DJT 2020	-2.4%					
WJC JFK 1960	-3.4%					
2016	-4.7%					
JRB 1992	-7.4%					
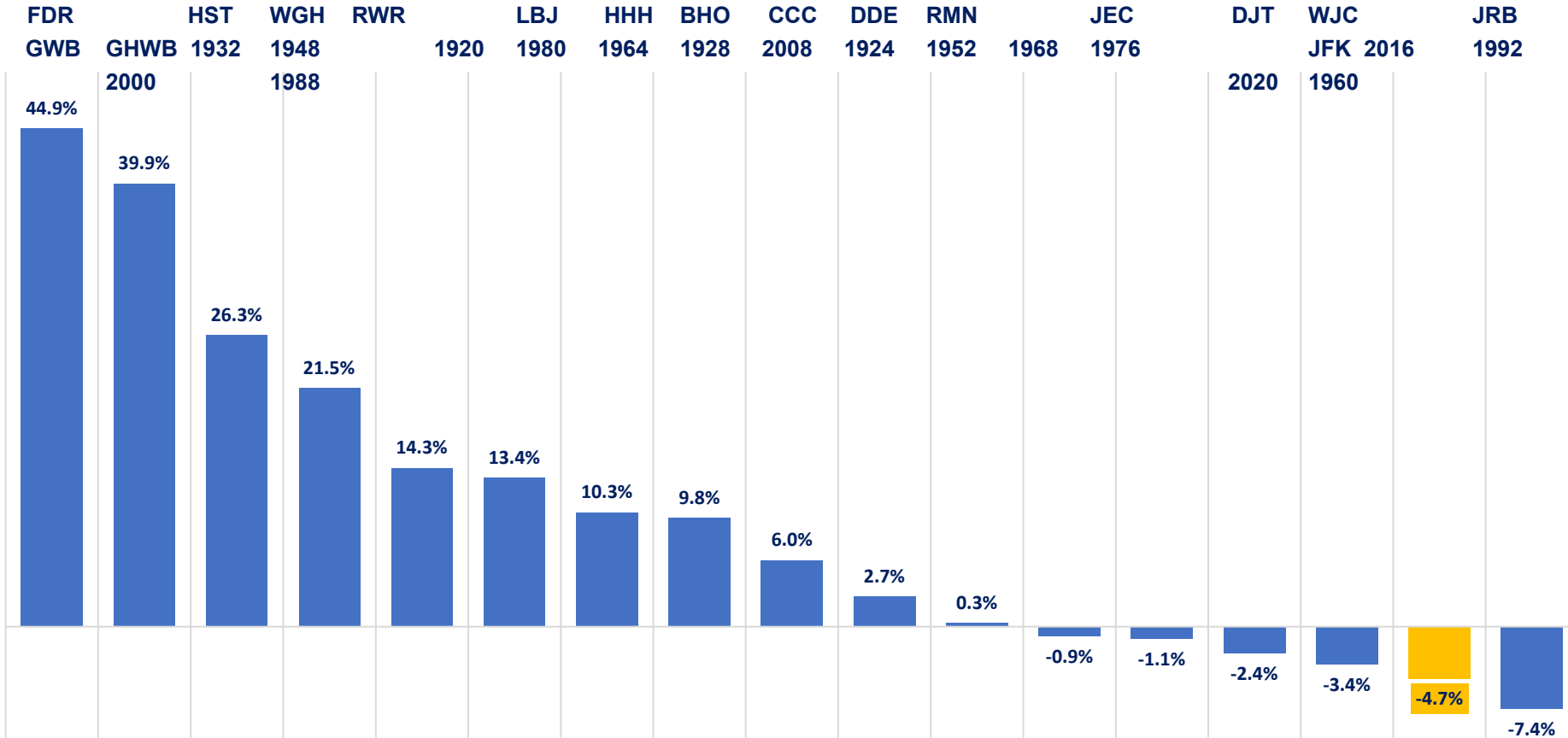
Source: Author's calculations assuming Dems lose net 11 in 2020 (NBC projection)

AN ELECTORATE, AND A NATION, DIVIDED

According to Exit Polls….

	Male 47%	Female 53%
🔵 Biden	48%	**56%**
🔴 Trump	**49%**	43%

	Urban 30%	Suburbs 51%	Rural 20%
🔵 Biden	**60%**	**51%**	45%
🔴 Trump	37%	48%	**54%**

	College Grad 31%	No Degree 34%
🔵 Biden	49%	35%
🔴 Trump	49%	**64%**

	White 65%	Black 12%	Latino 13%	Asian 3%	Other 6%
🔵 Biden	42%	**87%**	**66%**	**63%**	**58%**
🔴 Trump	**57%**	12%	32%	31%	40%

Source: CNN Exit Polls (15,590 respondents)

MEHLMAN CASTAGNETTI
— ROSEN & THOMAS —

REPUBLICANS ARE FROM MARS, DEMS FROM VENUS

Even Our Priorities Divide Us

	Racial Inequality 20%	COVID-19 17%	Economy 35%	Crime/Safety 3%	Health Policy 6%
Biden	**91%**	**82%**	17%	28%	**63%**
Trump	8%	14%	**82%**	**71%**	36%

Sources: PRRI 2020 American Values Survey; Wall Street Journal Exit Polls.

Trump Action

- Repeal individual mandate
- End cost sharing subsidies
- Encourage cross state plans
- Reduce marketing
- Limit enrollment period
- State flexibility waivers (work requirements, get rid of essential benefits)
- Choose not to defend in court

Biden's Health Care Plans

- Repair and build on ACA
- Place all non-Medicaid expansion state recipients into exchanges
- Expand subsidies and cap costs at 8.5% of income for everyone
- Address "surprise billing"
- Increase subsidies/affordability
- Increase outreach and enrollment periods

States Action

- State cost control efforts
  - Growth targets
  - Prescription drug pricing
- Medicaid and State health care reform waivers
- ACA Expansion and Marketplaces
- Access to reproductive health services
- Licensure
- Public health

What can you do?

- Understand the "Black Box" of politics
- Your local elected officials should know your name
- Work through national associations
- Advocate for your patients (real stories and real people)
- Consider donating money to a candidate
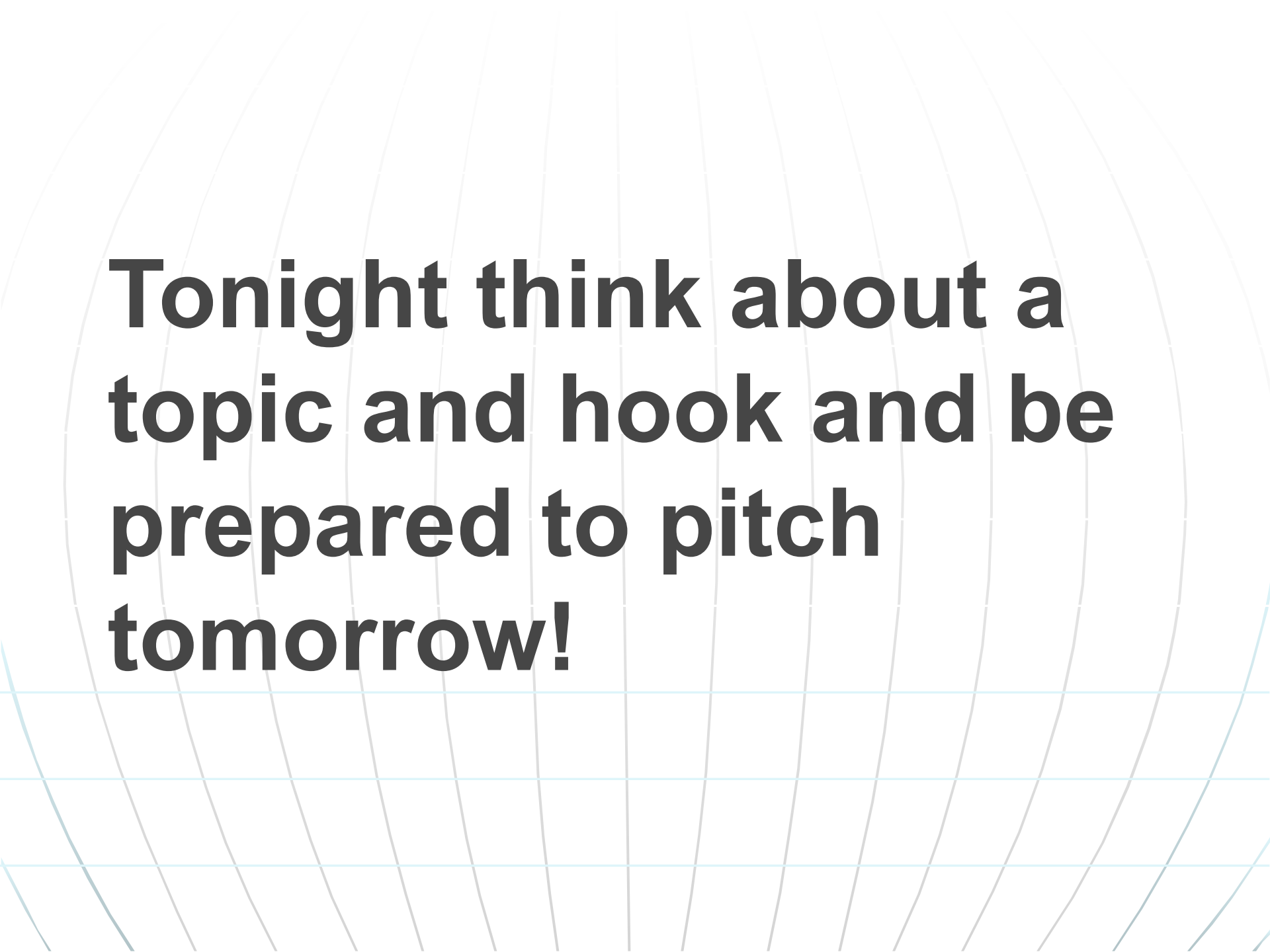- Speak up (letters to the editor, op eds, legislative testimony)

How would you structure a letter to the editor, op ed or legislative testimony for or against?

Op Ed, Letter to the Editor, Legislative testimony

- Grab the reader
- Establish credibility
- Targeted statistics (don't overwhelm)
- Connect with a universal theme
- Organize and rework
- Anticipatory thinking
- Avoid technical language jargon

Top Ten Common Problems

- Big wind up…
- Mystery novel…
- Passive voice…
- No hook, not new…
- Kitchen sink…
- Erudition and jargon…
- Passion without data…
- Data without passion…
- Conclusion confusion…
- Missing the elephant…

Tonight think about a topic and hook and be prepared to pitch tomorrow!

Yes you can influence the process but:

Take Away Message

- Political system is complex
- Easier to defeat legislation than pass
- Pores but all groups have input
- Policy networks and organizations matter
- State policy easier to influence than national policy
- You can have influence but will not get all your want

Tomorrow's Agenda

Saturday November 18

7:00 – 7:30   Arrival and Breakfast

7:30 – 8:00   Recap and key lessons from yesterday

8:00 – 9:00   Professor Michael Doonan

9:00 – 9:15   Break

9:15 – 11:00   Professor Michael Doonan

11:00 -11:15   Reflections, Wrap Up

11:15 -11:30   Feedback Survey, What's Next