

# THE FIRST 100 DAYS: President-elect Donald J. Trump, Healthcare, and Self-Funding



**THE  
PHIA  
GROUP**

EMPOWERING PLANS

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## PGCReferral @ phiagroup.com

### Contact PGCReferral for all of your consulting needs!

**Specialties:**

- Plan drafting, review, analysis, custom amendments.
- ACA compliance questions.
- Network, provider, stop-loss, client dispute resolution.
- ...and so much more.

**Features:**

- Simple submission process.
- Same-day quotes in most cases.
- Average turnaround of 8 business days.
- Flat, transparent fees.
- No surprises.

**Independent Consultation and Evaluation ("ICE")**

- Compliance and reporting; claim assessments.
- Vendor disputes; third-party agreements.



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## LINKEDIN & TWITTER CONTEST

Step 1. ~~Attend our webinar.~~

Step 2. Visit our LinkedIn or Twitter page, where you can find industry news, trends, hot topics, and other in-depth information about the self-funded industry.

Step 3. Post or tweet honest feedback about our webinar.

- On LinkedIn, tag “@The Phia Group”
- On Twitter, tag “@ThePhiaGroup”

Step 4. You’re entered to win **one free hour of consultative guidance!**

*Check out our LinkedIn for news, updates, and more...*

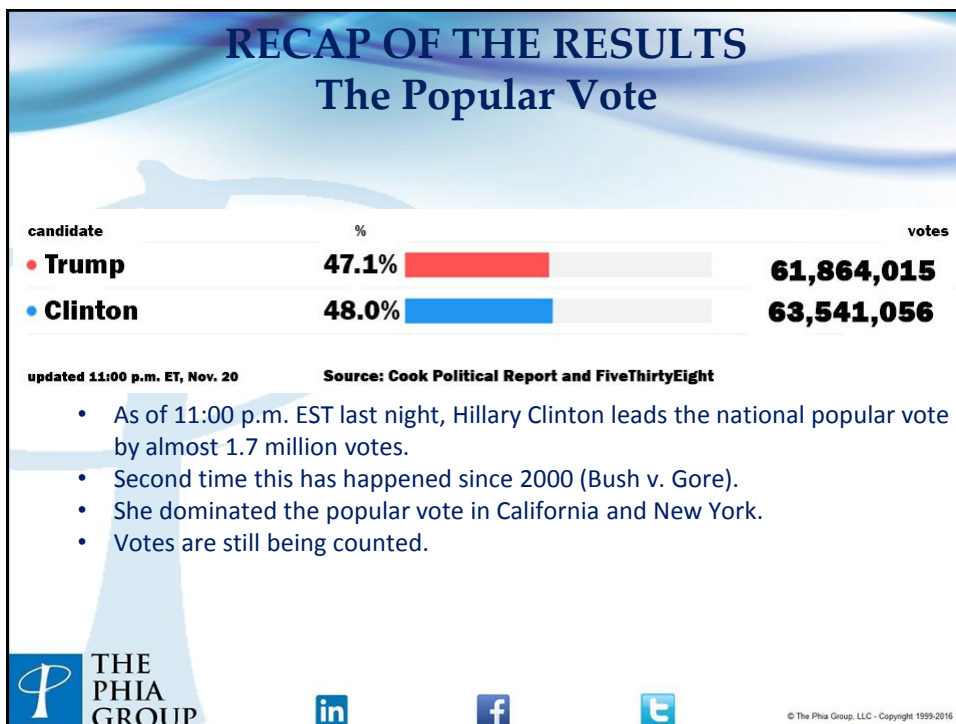
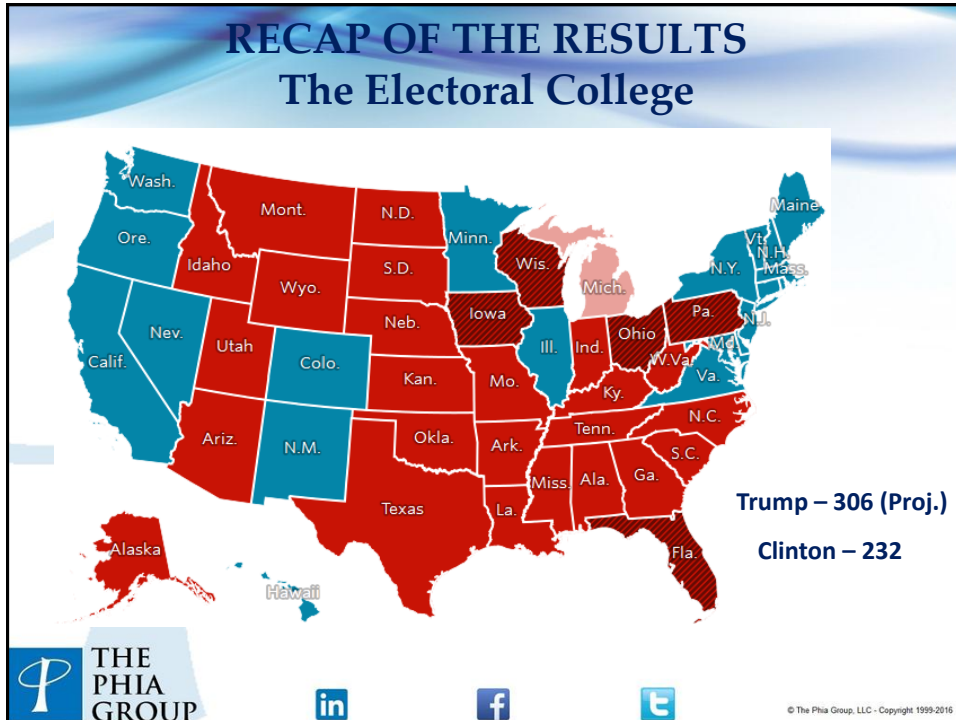


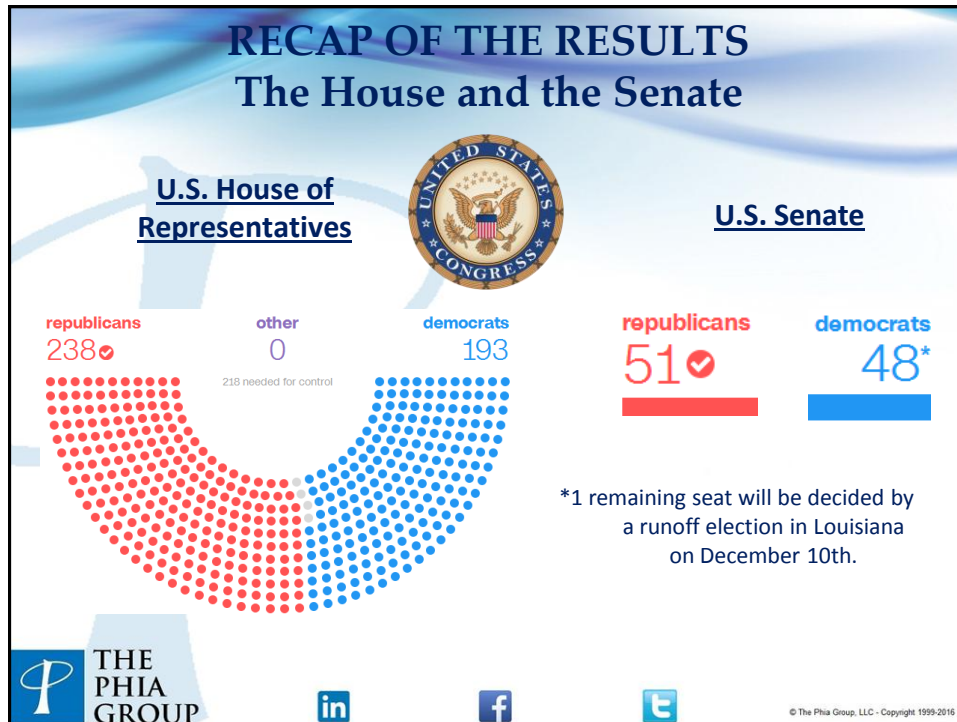
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## ELECTION 2016



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## THE FIRST 100 DAYS

- Significance of the First 100 Days
  - Franklin Roosevelt and the Great Depression.
- How did President Obama's First 100 Days Turn Out?
  - Issued executive orders to stop unlawful interrogation.
  - American Recovery and Reinvestment Act (ARRA).
  - Congress approved his \$3.6 trillion budget.
  - SCHIP program.
  - Reversed ban on stem cell research.
  - Equal pay act for women (Lilly Ledbetter).
- Long-Term Goals
  - Healthcare reform bill (ACA).
  - Repeal Don't Ask, Don't Tell.
  - Restored diplomatic relations with Cuba.
- Shortcomings
  - Guantanamo Bay.
  - Comprehensive immigration reform.

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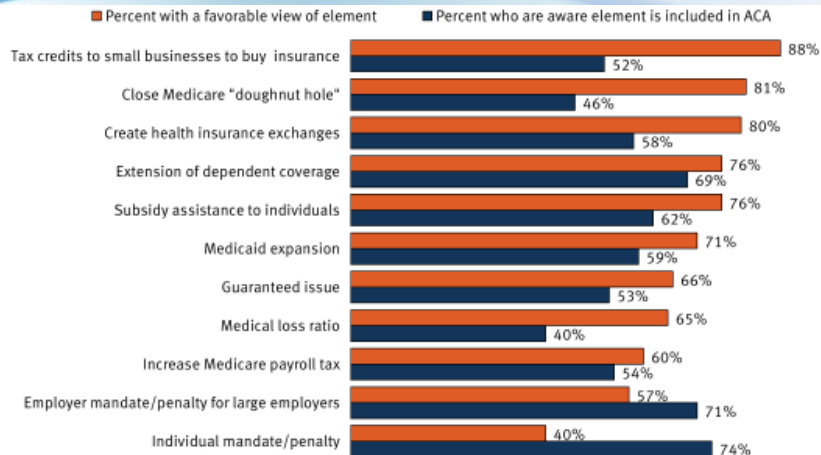
## TRUMP'S FIRST 100 DAYS

- Trump's 10-Point Legislative Plan.
  1. Middle Class Tax Relief and Simplification Act.
  2. End the Offshoring Act.
  3. American Energy and Infrastructure Act.
  4. School Choice and Education Opportunity Act.
  5. **Repeal and Replace Obamacare Act.**
  6. Affordable Childcare and Eldercare Act.
  7. End Illegal Immigration Act.
  8. Restoring Community Safety Act.
  9. Restoring National Security Act.
  10. Clean up Corruption in Washington Act.



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## WHAT DO PEOPLE LIKE ABOUT THE ACA?



NOTE: Items asked of separate half samples. Question wording abbreviated. See topline (<http://www.kff.org/kaiserpolls/8425.cfm>) for complete wording.  
 SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted March 5-10, 2013)



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## WHAT DO PEOPLE LIKE ABOUT THE ACA (cont.)?

- Extension of dependent coverage up to age 26.
- Guaranteed issue for pre-existing conditions.
- Tax credits for small business who buy insurance.
- Subsidies for exchange enrollees.
- Minimum essential coverage requirement.
- Free preventative services.
- Limits on deductibles and OOP maximums.
- No annual or lifetime dollar limits.
- Medicaid expansion.
- SCHIP program (covers ~9 million children).



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## WHAT DO PEOPLE DISLIKE ABOUT THE ACA?

- Individual and employer mandate.
- Burdensome regulations.
- Increase in Medicare payroll tax.
- Higher premiums and fewer choices of insurers.
  - Up 145% in Arizona (from \$207 to \$507 per month), 71% in Alabama, 67% in Indiana.
  - 57% of exchange enrollees have choice of 3 or more insurers in 2017, down from 85%.
  - 32% of counties will have 1 exchange insurers in 2017, up from 7%.
- Employers dislike the high-cost of implementation.



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## TRUMP ADMINISTRATION'S HEALTH POLICY PRIORITIES

- Affordable Care Act
  - Repeal and replace on day one (but, he's softened his tone).
    - Keep dependent coverage for young adults up to 26.
    - Keep the ban on denying coverage for pre-existing conditions.
  - Replace with tax-free HSAs.
  - Allow plans to be sold across state lines.
  - Make insurance premiums tax-deductible.
  - Require price transparency from healthcare providers.
- Medicaid
  - Block grant Medicaid to the states.
- Rx
  - Permit consumers to import drugs from other countries.

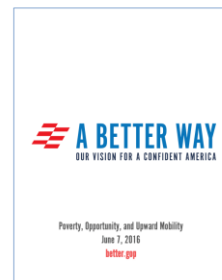


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## CONGRESSIONAL REPUBLICAN PRIORITIES

In June 2016, Speaker Paul Ryan (R-WI) unveiled his Vision for America: A Better Way. Some key features are:

- Refundable tax credits for those without employer coverage, allow purchase of health insurance across state lines, and budget \$25 billion to restore state high-risk pools.
- Expand HSAs and permit small businesses and trade associations to form insurance purchasing pools.
- Limit tax exclusion for employer-sponsored health plans.
- Protect self-insurance by preventing feds from reclassifying stop-loss as group health insurance.
- Medicare reform.
- Tort reform.



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## WHAT IS LIKELY TO HAPPEN

- Full repeal of the ACA is possible.
  - Could use “reconciliation” process to overturn key parts.
  - 25 million could lose coverage.
  - Revoking public benefits is unpopular.
- A major overhaul is likely. That could include:
  - Keep expanded eligibility for dependent children to age 26.
  - Keep the guaranteed issue for pre-existing conditions.
  - Keep the “doughnut hole” filled in for Medicare Rx coverage.
  - Repeal the Cadillac tax, the medical device tax, the health insurance annual fee, and the Rx manufacturers annual fee.
  - Repeal the premium tax credit and cost-sharing subsidies.
  - Repeal the Medicaid expansion.



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## HOW TO PREPARE FOR 2017

### Things to look out for:

- SBC Template Changes.
- 1557 Non-Discrimination Rules.
- Out-of-pocket Limit Increases for NGF Plans.
- Mental health parity compliance.
- Leave of Absence and ADA Accommodations.
- Department of Labor might conduct more audits next year.

### Plan Amendment Language

- Prudent Plans will add language noting that:
  - ACA requirements may be revoked by legislative, judicial, or agency action; and
  - The Plan will automatically incorporate such changes.

**Contact PGCReferral for assistance with drafting Plan Amendments  
and for interpreting changes to the ACA.**

**Ask about our ICE service!**



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## IMPLICATIONS FOR SELF-FUNDING

- States that have regulated stop-loss since 2014:
  - CA, MD, NY, NM, FL, DE, WA, CT, UT.
- Are we going to see more or less regulation push-back from states against stop-loss?
- President-elect Trump owns companies that have self-insured plans with stop-loss coverage (e.g. Trump Payroll Corp. uses Tokio Marine HCC).
- Trump Administration expected to reduce regs.
- Expect states to continue to push regulations.
- The potential that rules might not be enforced.



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## IMPLICATIONS FOR RBP

- Do we expect RBP to grow?
  - Key feature of Trump Administration's health policy is to require price transparency from healthcare providers.
- Best Practices
  - Provider Relations Pivotal.
  - Participant Education Imperative.
  - Competent Patient Advocacy Process.
  - Balance Billing Response Procedure.
  - Centers of Excellence Incentives to Accept RPB as Payment in Full.



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## THE SUTTER CASE

- Sutter is largest medical system in Northern California.
- Sutter recently lost a lawsuit and agreed to pay \$46 million to settle claims that it was overcharging insurance companies for anesthesia services.
- Now, Sutter is strong-arming insurance companies – waive right to sue or lose in-network discounts.
- This is about price transparency – keeping pricing info out of court.



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## INDEPENDENT CONSULTATION AND EVALUATION (“ICE”)

- Compliance and Reporting Consultation – Updates regarding changes in the ACA or other federal law that would impact business.
- Claim Review and Assessment.
- Gap-Free Analysis™ and Phia Certification – Comparison of pertinent documents to ensure uniform coverage and continuity in terms.
- Analysis and Redline of Third-Party Agreements – Guidance regarding existing ASA or other client agreements.
- Phia Document Management® Maintenance – Quarterly maintenance for PDM clients.
- Summary of Benefits and Coverage (“SBC”) - Creation or revisions to ACA required SBCs, including minimum value and coverage example calculations.
- TPA Licensing – Assist client with obtaining licensure.



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## THANK YOU

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The Phia Group's December webinar:  
Tuesday, **December 13**, 2016 at 1:00 p.m. EST  
"2017 Phia Forecast"

[www.phiagroup.com/media/webinars](http://www.phiagroup.com/media/webinars)



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