Health Policy & the Midterm Elections
Dan Derksen, MD at the 45th Annual Rural Health Conference
Health in Context: Addressing Rural Strengths & Challenges
The AzCRH Mission is to improve the health & wellness of rural and vulnerable populations.

Center Programs:
- State Office of Rural Health
- Rural Hospital Flexibility Program
- Small Rural Hospital Improvement Program
- First Responders Initiative
- Prescription Misuse/Abuse Initiative
- Navigator Consortium

http://crh.arizona.edu
Arizona Nonpartisan Health Policy Collaboration: This Year

Legislature Unanimously Passes AZ Opioid Epidemic Act
Gov. Ducey Signs 1/26/18

HB 2235 Dental Therapists

HB 2324 CHW Voluntary Certification
Education Is a Social Determinant of Health
Brewer wins Medicaid expansion

AZ Gov. Jan Brewer muscled to victory in her Medicaid expansion crusade, outmaneuvering conservative opposition to push through a key piece of President Obama’s agenda.
## Pre-ACA 2013 AZ Health Coverage

<table>
<thead>
<tr>
<th>Payer Source</th>
<th>Arizonans</th>
<th>%AZ Pop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Sponsored Insurance</td>
<td>2,900,000</td>
<td>45%</td>
</tr>
<tr>
<td>Medicaid (AHCCCS) + CHIP (KidsCare)</td>
<td>1,320,000</td>
<td>20%</td>
</tr>
<tr>
<td>Non-Group Individual Ins.</td>
<td>171,000</td>
<td>3%</td>
</tr>
<tr>
<td>Medicare</td>
<td>842,000</td>
<td>13%</td>
</tr>
<tr>
<td>Uninsured</td>
<td>1,225,000</td>
<td>19%</td>
</tr>
<tr>
<td>Total Pop. Arizona</td>
<td>6,458,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Adapted by Dan Derksen, MD: [https://www.azahcccs.gov/Resources/Downloads/PopulationStatistics/HistoricPopulationData_1986toCurrent.pdf](https://www.azahcccs.gov/Resources/Downloads/PopulationStatistics/HistoricPopulationData_1986toCurrent.pdf) and [http://www.kff.org/other/state-indicator/total-population/?dataView=0&currentTimeframe=2&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D](http://www.kff.org/other/state-indicator/total-population/?dataView=0&currentTimeframe=2&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D)
## Arizona Health Coverage 2017-18

<table>
<thead>
<tr>
<th>Payer Source</th>
<th># Arizonans</th>
<th>%AZ Pop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Sponsored Insurance (2016)¹</td>
<td>3,011,000</td>
<td>43%</td>
</tr>
<tr>
<td>Medicaid (AHCCCS)² +CHIP (KidsCare) (7/2018)</td>
<td>1,855,000</td>
<td>25%</td>
</tr>
<tr>
<td>ACA Marketplace + Individual (non-group)¹</td>
<td>377,000</td>
<td>5%</td>
</tr>
<tr>
<td>Medicare (04/2018)³</td>
<td>1,245,000</td>
<td>17%</td>
</tr>
<tr>
<td>Uninsured⁴</td>
<td>725,000</td>
<td>10%</td>
</tr>
<tr>
<td>Total Pop. Arizona⁵</td>
<td>7,016,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

1. ESI 2016 Kaiser: [https://www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D](https://www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D)
4. Derksen 2017-18 estimated uninsured for one year or greater
Arizona ACA Uninsured Impacts

Pre-ACA 2010-12: 1.2M of 6.5M (18.5% Uninsured)
Current 2017-18: 0.7M Uninsured of 7M (10%) AZ Pop.

<table>
<thead>
<tr>
<th>AHCCCS / Medicaid</th>
<th>AZ Marketplace</th>
<th>Age 26 on Parent’s Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>+600,000</td>
<td>+165,000</td>
<td>+70,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Open Enrollment</th>
<th>11/1-12/15/17 OE-5</th>
<th>11/1/16-1/31/17 OE-4</th>
<th>2017 to 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ ACA Marketplace</td>
<td>165,758</td>
<td>196,291</td>
<td>-30,533</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>AHCCCS-Medicaid Jan 2017</th>
<th>AHCCCS-Medicaid Jan 2018</th>
<th>AHCCCS-Medicaid Jan 2017 to 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,913,627</td>
<td>1,891,491</td>
<td>-22,136</td>
</tr>
</tbody>
</table>

Arizona ACA Economic Impact

Arizona among the biggest declines in uninsured

Arizona is among the states with the biggest drops in the share of uninsured residents. The change reflects coverage rates in 2009 compared to 2015.

Uninsured Decline 2009-15

Uninsured

AZ #13

AZ #5 in Health Sector
Job Growth Since 2010

Source: U.S. Census Bureau, American Community Survey data, 2009 and 2015

AZ Hospital Financial Trends Since Medicaid Restoration and Expansion

For the 12 months ending Jan 2014 to Jan 2018:
  • Uncompensated care dropped from 7.9% to 2.4%
  • Avg. operating margin increased from 3.1% to 5.1%

AzHHA@https://static1.squarespace.com/static/572a399a1bbee0add26af051/t/5aa86c57f9619aa457058032e/1520987224999/January+2018+Hospital+Financial+Reports.pdf
Federal Per Capita Medicaid Enrollee Spending by State 2017

While Arizona’s Federal Medical Assistance Percentage (FMAP) is high (69%), its federal spending is low

U.S. AVG.


## U.S. Health Coverage Now

<table>
<thead>
<tr>
<th></th>
<th># covered in millions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private Health Insurance</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Employer Sponsored ESI</td>
<td>179 (54%)</td>
</tr>
<tr>
<td>Individual Purchase (Non-Group)</td>
<td>157 (43%)</td>
</tr>
<tr>
<td>Medicaid + CHIP&lt;sup&gt;2&lt;/sup&gt;</td>
<td>79 (23%)</td>
</tr>
<tr>
<td>Medicare&lt;sup&gt;2&lt;/sup&gt;</td>
<td>59 (18%)</td>
</tr>
<tr>
<td>Uninsured</td>
<td>28 (8.8%)</td>
</tr>
<tr>
<td>Total Population</td>
<td>323 (100%)</td>
</tr>
</tbody>
</table>

Note: 9 million Americans have both Medicaid and Medicare, some on Medicare also have private supplemental plans

1. 2016 KFF Data at: https://www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
Publicly Sponsored 2017
Medicaid + CHIP + Medicare Cover

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>72 Million</td>
</tr>
<tr>
<td>CHIP</td>
<td>7 Million</td>
</tr>
<tr>
<td>Medicare</td>
<td>59 Million</td>
</tr>
<tr>
<td>Dual</td>
<td>9 M Medicaid + Medicare</td>
</tr>
</tbody>
</table>

40% US pop: 129M/323M

Accessed 03/29/18 at:
US Medicaid + CHIP Cover 79 Million Americans

25% US pop: 79M/323M

Over half of these enrollees are children

Medicaid Also Covers the Disabled, Frail Elderly, Long Term Care

<table>
<thead>
<tr>
<th>MEDICAID</th>
<th>Elderly + Disabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of 68 Million on Medicaid in 2016</td>
<td>24% Enrollees</td>
</tr>
<tr>
<td>Of Medicaid’s $566 Billion Costs</td>
<td>63% of Costs</td>
</tr>
</tbody>
</table>

States Not Expanding Medicaid Have Highest Rural Hospital Closures

**YES: 33 States**  
ID, UT, NE

**MAYBE: 3 States**

**NO: 14 States**

States Not Expanding Medicaid Have Highest Rural Hospital Closures
85 Rural Hospital Closures Since 2010

AL, AZ, CA, FL, GA, IL, KS, KY, LA, MA, ME, MI, MN, MO, NE, NC, NV, OH, OK, PA, SC, SD, TN, TX, VA, WI

Uninsured, CMS Medicaid & Medicare payment policies drive rural provider fiscal viability

Cochise Regional Hospital set to close, after Medicare cut off funding
July 28, 2015 6:54 pm • By NICK WICKSMAN Cronkite News | AP Content

WASHINGTON – Medicare restrictions are crippling rural healthcare centers like Cochise Regional Hospital, which is set to close Friday after a funding dispute with the federal agency, an Arizona health expert testified Tuesday.

Dr. Daniel Derksen, the director of the University of Arizona’s Center for Rural Health, was one of several health care experts testifying before a House subcommittee on “rural health disparities created by Medicare.”

They told a House Ways and Means subcommittee that rural facilities operate on such thin margins that any change in policy or delay in payment can “push them over the brink.”
Uneven Uninsured Decline by Race & Ethnicity Post-ACA

Figure 2: Quarterly Uninsured Rate Estimates for Nonelderly Adults (Ages 18 to 64) by Race and Ethnicity Using the Gallup-Healthways Well-Being Index, 2012 to 2016

Equity is the absence of avoidable or remediable differences among groups of people, whether those groups are defined socially, economically, demographically, or geographically.
WASHINGTON – The House resoundingly rejected a far reaching immigration overhaul on Wednesday...
November Midterm Elections

Senate Today 51R-49D
35 seats at stake/100
Of which 26 D, 9 R

House 435 Seats: 236R-193D, 6 Vacant
218 Needed for Majority

What’s at stake for the next two years
2019 to 2020?
What’s past is prologue
Shakespeare: The Tempest
Preamble: Tax Cuts & Jobs Act

Permanently lowers corporate tax rate from 35% to 21%

Temporarily lowers individual tax rate for most Americans

- 95-99th income get 3.1% income gain, drops to 1.1% in 2027
- All: 1.6% gain, drops to 0.3% in 2027

https://www.cbo.gov/publication/53300
Prelude of what’s coming 2019-20
Tax Cuts & Jobs Act 12/22/17

- Repeals ACA tax mandate (2019) that required individuals to be insured or pay a tax penalty
- Increases uninsured by 4M by 2019, 13M by 2027
- Destabilizes individual health insurance market
- Increases fed deficit $1.5 trillion over 10 years

https://www.cbo.gov/publication/53300
How Can We Afford the Corporate Tax Cut?

Repeal the Social Security Act

Replace it with:

• Medicaid Block Grants
• Medicare Market Vouchers

Though I have to say goodbye
Remember me
### Preamble to 2019-20? Congress Cutting $1 Trillion from Medicaid

<table>
<thead>
<tr>
<th>American Health Care Act</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td># Uninsured Increase Over 10 Years</td>
<td>24 M</td>
</tr>
<tr>
<td># Uninsured Increase in 2018</td>
<td>14 M</td>
</tr>
<tr>
<td>Medicaid $$$ Cut to States Over 10 Years</td>
<td>$880B</td>
</tr>
</tbody>
</table>

Undermining Medicaid Coverage via Sec. 1115 Soc. Sec. Act Waivers

States seeking CMS ok for Medicaid work requirements (N=9):
Arkansas, AZ, Indiana, Kansas, Maine, New Hampshire, Utah, Wisconsin

WASHINGTON — A federal judge on Friday blocked Kentucky’s closely watched plan to require many Medicaid recipients to work, volunteer or train for a job as a condition of coverage.
Arizona pulls back from imposing time limits on AHCCCS enrollment
Stephanie Innes | May 13, 2018

What’s past is prologue
What to come,
in yours and mine to discharge

William Shakespeare: The Tempest Act II

November 6, 2018
To carry a positive action
we must develop a positive vision

Dalai Lama