Leadership Survey

Anticipating the Trump Administration’s Impact on Health Care

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Leadership Survey: Anticipating the Trump Administration’s Impact on Health Care

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Advisor Analysis

NEJM Catalyst Insights Council members predict no clear winners, only losers. Some of their concerns have already been borne out.

In February, after President Donald Trump had taken office but before any health care legislation had been put forward, members of the NEJM Catalyst Insights Council – a qualified group of executives, clinical leaders, and clinicians at organizations directly involved in health care delivery – were asked to predict the impact of the new administration on health care.

Soon afterward, the American Health Care Act (AHCA), which was the administration’s initial foray at replacing the Affordable Care Act (ACA), bogged down in disagreement in Congress. But Insights Council members were remarkably prescient in predicting several aspects of the AHCA. Council members also correctly foresaw the difficulty of passing legislation to replace the ACA.

Overall, Council members express pessimism about the health care landscape in the wake of the Trump administration’s proposed plans, citing no clear winners, only losers: patients, clinicians, and provider organizations. Some of their concerns have been proved out in the administration’s early moves.

For instance, 73% of survey respondents predict the number of U.S. citizens covered by health insurance to decrease. Subsequently, in its analysis of the AHCA’s impact, the Congressional Budget Office calculated that 14 million people would become uninsured by 2018, rising to 24 million by 2026.

In another example of foresight, nearly 70% of survey respondents anticipate insurance premiums to increase. The CBO assessment of the AHCA estimated that premiums would rise 15% to 20% for single policyholders in 2018 and 2019 (before beginning to decline in 2020).

Our survey also forecast cuts in medical research funding, with two-thirds of respondents saying funding would either decline significantly or slightly. Soon after the survey was conducted, the administration unveiled its proposed budget, which included big cuts to medical research.
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How do you think the health care landscape will change under the Trump administration?

Research funding

- Decrease slightly or significantly: 67%

It is worth considering how this country got to a place where Republicans want to repeal and replace the ACA. The discrepancy between health care spending and outcomes in the United States is well known, with an estimated three-quarters of a trillion dollars wasted on inefficient care and spending. This trajectory of health care costs is clearly unsustainable. Republicans seek to increase competition in the marketplace and move from funding entitlements such as Medicaid to implementing tax credits and instituting health savings accounts.

In written responses to the survey, some Insights Council members express hope that the Trump administration will be able to lower drug prices, reduce the regulations imposed by the ACA, and help providers “get back in the driver’s seat,” as one says. Those supporting Trump’s early statements on health care also note they want increased insurance plan choice, restrictions lifted for payer competition across state lines, and reduced paperwork so they can spend more time with patients.

As we have already seen, repealing and replacing the ACA is not easy. More than a quarter of Insights Council members responding to the survey believe the ACA will remain substantially intact over the next year. Just over a third say the law will be repealed but its replacement will be indefinitely delayed. A quarter of respondents say the ACA will indeed be repealed and replaced within the next year.

Interestingly, Council members from the South, which consists predominantly of red states, are more positive in their assessment of the Trump administration. For example, 32% of survey respondents from the South believe the ACA will be repealed and replaced within a year, versus 23% from the Northeast.

Survey respondents are mixed on the important question of whether value-based care, and the transition away from fee-for-service payment models, will be supported by the Trump administration. Fairly equal percentages predict that value-based care will be supported (34%), undermined (29%), or be unaffected (36%). Equally unclear is the impact on innovative care delivery models. That is more likely affected by MACRA.

While we share Council members’ deep concern about the impact of the Trump administration, we hope that the ultimate outcomes will be positive – for the health care delivery system and the health of patients alike.
Charts and Commentary

by NEJM Catalyst

We surveyed members of the NEJM Catalyst Insights Council, comprising health care executives, clinical leaders, and clinicians, about the effect of the Trump Administration on health care. The survey predicts the fate of the Affordable Care Act over the next year, the time frame for comprehensive new regulations from the Trump Administration, significant changes to the health care landscape, the impact of health care landscape changes on key stakeholders, consolidation trends for providers and payers, Medicaid enrollment, budgets for federal government organizations, and the future of individual market exchanges. Completed surveys from 1,058 respondents are included in the analysis.

“Some respondents believe the ACA will morph into a single-payer system, “driven by consumer pressure,” as one member says. Another would prefer lawmakers “tweak the ACA to make it more attractive to young, healthy people and get more states to actually participate.”
A majority of survey respondents believe changes will be made to the ACA within one year, whether the law is fully repealed and replaced (27%) or repealed but with a replacement indefinitely delayed (35%). Insights Council members 45 years old and younger are more confident that the ACA replacement will be indefinitely delayed (43%) than their counterparts 46 years and older (34%). More respondents from the South (32%) say the ACA will be repealed and replaced than those in the Northeast (23%). Some respondents believe the ACA will morph into a single-payer system, “driven by consumer pressure,” as one Insights Council member says. Another would prefer lawmakers “tweak the ACA to make it more attractive to young, healthy people and get more states to actually participate.”

More Than 60% of Council Members Predict the Affordable Care Act Will Be Repealed Within One Year

What do you predict will be the fate of the Affordable Care Act over the next year?

- The ACA will remain substantially intact (62%)
- The ACA will be repealed with a replacement indefinitely delayed (35%)
- The ACA will be repealed and replaced (27%)
- Other (10%)

A higher incidence of respondents from the South (32%) than the Northeast (23%) predicts the Affordable Care Act will be repealed and replaced.

Base = 1058
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Respondents are divided on the time frame for comprehensive new health regulations from the Trump administration. Sixteen percent think it will happen quickly – within 6 months. Just over half (51%) think the window will fall between seven and 24 months. Nearly a fifth (18%) of respondents predict a comprehensive plan will never arrive. The failure of the American Health Care Act (AHCA) in the first weeks of the new administration demonstrates the difficulty of arriving at agreement. Respondents in the Northeast (23%) are more convinced than those in the South (13%) that a comprehensive plan on new regulations will never be seen.

Respondents Are Split on Time Frame for a Trump Administration Plan on New Regulations

When will we see a comprehensive plan from the Trump administration on new regulations?

- **16%** within 6 months
- **27%** 7-12 months
- **24%** 13-24 months
- **12%** 25-48 months
- **2%** >4 years
- **18%** never

A higher percentage of respondents from the Northeast than the South thinks a comprehensive plan from the Trump administration on new regulations will never happen.

A higher percentage of respondents from the Northeast than the South thinks a comprehensive plan from the Trump administration on new regulations will never happen.

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Nearly a fifth of respondents predict comprehensive new health care regulations will never arrive.
Insights Council members are pessimistic about anticipated changes to the health care landscape on several significant issues – particularly health insurance. More than two-thirds of respondents (69%) expect insurance premiums to rise, and at the same time 70% predict coverage benefits to decline and 74% predict that fewer U.S. citizens will be covered by insurance. “For a lot of people, a $10,000 deductible is the same as being uninsured,” one respondent says. Medical research funding is also expected to decline, according to 67%.

Respondents have mixed expectations on other important issues. While many want lower pharmaceutical drug prices, as indicated in their verbatim comments, 36% of survey respondents believe prices will increase and 28% believe that prices will stay the same. Higher percentages of executives (31%) and clinical leaders (34%) think pharmaceutical drug prices will stay the same than do clinicians (24%).

The trend toward value-based payment, which has gained momentum in recent years, garners a hopeful response, with the largest share of respondents, 36%, saying things will stay the same, and another 24% saying the trend will increase. One respondent hopes that clinicians, payers, hospitals and others “will see the merits of value-based approaches no matter what Trump does.”

### Health Care Landscape Changes Under Trump Administration

**How do you think the health care landscape will change under the Trump administration?**

<table>
<thead>
<tr>
<th></th>
<th>Increase significantly</th>
<th>Increase slightly</th>
<th>Stay the same</th>
<th>Decrease slightly</th>
<th>Decrease significantly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance premium prices</strong></td>
<td>36%</td>
<td>33%</td>
<td>17%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td><strong>Pharmaceutical drug prices</strong></td>
<td>19%</td>
<td>19%</td>
<td>28%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>The trend toward value-based payment</td>
<td>11%</td>
<td>23%</td>
<td>36%</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Insurance coverage benefits</td>
<td>10%</td>
<td>18%</td>
<td>32%</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Number of U.S. citizens covered</td>
<td>8%</td>
<td>16%</td>
<td>25%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Research funding</td>
<td>9%</td>
<td>23%</td>
<td>30%</td>
<td>37%</td>
<td></td>
</tr>
</tbody>
</table>

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When it comes to the impact of health care landscape changes on key stakeholders, NEJM Catalyst Insights Council members are most pessimistic about the fate of patients. Nearly three-quarters (73%) say patients will experience very negative or slightly negative impacts. The survey respondents – all of whom are directly involved in health care delivery – are also gloomy about the impact on themselves and their organizations; 63% says clinicians will be negatively affected, and 62% say provider organizations such as hospitals will be negatively affected. Respondents think payers are likely to come out ahead (46% positive versus 36% negative) under the Trump administration, but are mixed in their views of the prospects for employers and pharmaceutical companies.

Impact of Health Care Landscape Changes on Stakeholders

What do you foresee will be the net impact of these changes on the following stakeholders?

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Very positive</th>
<th>Slightly positive</th>
<th>No change</th>
<th>Slightly negative</th>
<th>Very negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>17%</td>
<td>21%</td>
<td>24%</td>
<td>31%</td>
<td>7%</td>
</tr>
<tr>
<td>Payers</td>
<td>12%</td>
<td>34%</td>
<td>18%</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>Employers</td>
<td>6%</td>
<td>32%</td>
<td>22%</td>
<td>27%</td>
<td>13%</td>
</tr>
<tr>
<td>Patients</td>
<td>5%</td>
<td>15%</td>
<td>8%</td>
<td>29%</td>
<td>44%</td>
</tr>
<tr>
<td>Clinicians</td>
<td>15%</td>
<td>18%</td>
<td>40%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Provider organizations</td>
<td>16%</td>
<td>20%</td>
<td>39%</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

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Two-thirds of respondents (65%) expect consolidation among health care providers – which has been going strong in recent years, as smaller and weaker organizations seek safety – to increase. Payer consolidation, which has been stymied in recent years, is expected by 58% of respondents to pick up. One Insights Council member hopes for an alternate outcome where “more power is given to small, independent physician offices and the trend towards larger and larger groups slows.” Others look forward to proposed payer competition across state lines, expecting lower premiums as a result. “Allow insurance companies to sell product across state lines to increase competition and reduce costs,” says one respondent.

Council Members Expect That Consolidation Among Health Care Providers and Payers Will Increase

Is consolidation among health care provider and payer organizations likely to increase, stay the same, or decrease under the Trump administration?

<table>
<thead>
<tr>
<th></th>
<th>Increase significantly</th>
<th>Increase slightly</th>
<th>Stay the same</th>
<th>Decrease slightly</th>
<th>Decrease significantly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care providers</td>
<td>10%</td>
<td>25%</td>
<td>40%</td>
<td>24%</td>
<td>1%</td>
</tr>
<tr>
<td>Payers</td>
<td>12%</td>
<td>19%</td>
<td>39%</td>
<td>27%</td>
<td>1%</td>
</tr>
</tbody>
</table>

The leading expectation among Insights Council members for consolidation is a slight increase for both providers and payers, at approximately 40% of respondents.

“Allow insurance companies to sell product across state lines to increase competition and reduce costs,” says one respondent.
In campaign comments, Trump targeted Medicaid costs. So it’s no surprise that 68% of Insights Council members predict a decrease in Medicaid enrollment. Another 17% expect the opposite – an increase in enrollment. A loss of funding could jeopardize support for safety net and rural hospitals. One respondent says, “I am in great fear that our communities will not get the care they need. I fear for safety net hospitals. I fear for many organizations not being able to stay alive.”

A Majority of Council Members Think There Will Be a Decrease in Total Medicaid Enrollment

![Pie chart showing the impact of the Trump administration on total Medicaid enrollment](chart)

- 68% predict a decrease significantly
- 26% predict a decrease slightly
- 11% predict an increase slightly
- 6% predict an increase significantly
- 14% expect the enrollment to stay the same

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“I am in great fear that our communities will not get the care they need. I fear for safety net hospitals. I fear for many organizations not being able to stay alive.”
Insights Council members expect significant budget cuts to federal government health care and regulatory organizations. The Center for Medicare & Medicaid Innovation (CMMI, part of CMS) is given the highest likelihood of suffering (chosen by 69% of respondents). One respondent comments, “I would hope the positive effects of the CMMI are recognized and that serious attention is given to value-based care, as it is the only viable idea in healthcare for decades that has the potential to actually reduce national healthcare costs while improving health outcomes.” But many more respondents are hopeful that regulation of health care will decrease. A sample comment calls for “some relief from the onerous paperwork and regulatory burdens.”

### Council Members Predict Budget Cuts

**How do you predict the following federal government organizations will fare under the Trump administration?**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Budget cuts %</th>
<th>Status quo</th>
<th>Budget increase</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Center for Medicare &amp; Medicaid Innovation (CMMI - part of CMS)</td>
<td>69%</td>
<td>17%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>The Department of Health and Human Services (HHS) as a whole</td>
<td>66%</td>
<td>22%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>The Office of the National Coordinator for Health Information Technology (ONC - part of CMS)</td>
<td>61%</td>
<td>22%</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>The Centers for Medicare &amp; Medicaid Services (CMS) as a whole</td>
<td>61%</td>
<td>27%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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"Many survey respondents are hopeful that regulation of health care will decrease. One calls for “some relief from the onerous paperwork and regulatory burdens.”"
Respondents are split down the middle on whether they think individual market exchanges will exist in two years. A greater number (41%) say they don’t know what the future holds for the exchanges. More clinicians (45%) than clinical leaders (36%) express uncertainty about the outlook for individual exchanges. More Gen Xers (37%) than those from other generations say individual exchanges won’t be around in two years.

An Uncertain Future for Individual Market Exchanges

Will individual market exchanges still exist in two years?

Clinicians are less certain than clinical leaders whether individual market exchanges will exist in two years.

<table>
<thead>
<tr>
<th>Group</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinicians</td>
<td>45%</td>
</tr>
<tr>
<td>Clinical leaders</td>
<td>36%</td>
</tr>
</tbody>
</table>

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Verbatim Comments from Survey Respondents

What are you most hopeful will change about health care under the Trump administration?

“Fix the ACA rather than repeal it.”
— Clinician from a small community hospital in the Midwest

“It will become clear that people do not want to go back to a market-driven system where so many patients are not covered.”
— Associate chief of a small teaching hospital in the Pacific West

“There is so much confusion in the market that this is difficult to answer.”
— Director of a large teaching hospital in the South

“I am in great fear that our communities will not get the care they need. I fear for safety net hospitals. I fear for many organizations not being able to stay alive.”
— Clinician at a midsized teaching hospital in the Mountain West

“I’m hopeful that the administration will recognize that the Medicaid expansion has far-reaching benefits for our communities and our economy overall and that the dollars spent on expanded coverage are a worthwhile investment.”
— Vice President of service line at a large nonprofit health system in the mid-Atlantic region

“Trump will be impeached and we can get on with the hard work of health care transformation. Otherwise, there is no hope.”
— Executive of a large for-profit physician organization in the Northeast

“More choice, freedom & flexibility.”
— Executive from a small for-profit physician organization in the mid-Atlantic region
“Increase in stability in markets after the initial (current) volatility among Payers; I think the general population (patients & providers) will begin to take a more assertive role in policy approval and may hold representative leaders accountable for their actions.”

— Clinician at a large nonprofit health system in the Northeast

“Documentation burden/requirements will likely be simpler.”

— Clinician leader at a small for-profit physician organization in the Pacific West

“Common sense will kick in.”

— Department chair of a large teaching hospital in the Northeast

“I see only chaos and loss of coverage for vulnerable populations.”

— Clinician at a nonprofit ancillary health provider in the South

“That patients will be brought back to the center of health care decisions in lieu of insurance companies. It’s pie in the sky but still I hope.”

— Associate chief at a large teaching hospital in the Northeast

“I am hoping that this will bring both democrats and republicans together to create a health care plan that works. The ACA had some great concepts but when the two parties used it to divide instead of working together to improve the plan, it suffered.”

— Executive from a small physician organization in the mid-Atlantic

“Consumer demand will continue to drive positive change outside the negative change driven by Trump’s administration.”

— Director of a large nonprofit health system in the Northeast
“If governmental healthcare involvement and guidance is significantly diminished under Trump, my hope is that it will spark the industry, academic medical centers and community health systems [to] self organize to meet the needs of medically disenfranchised patients amidst a deregulated market.”

— Clinician at a large for-profit teaching hospital in the Pacific West

“I would hope that they will keep the parts of the ACA that are working and replace others and that they carefully weigh each aspect rather than repeal the entire Act due to partisan politics.”

— Department chief at a midsized teaching hospital in the South

“Hopefully taking a less bureaucratic, more business oriented approach will help to get rid of the duplications and wasted clinical resources involved in interactions between payers, hospitals/clinics”

— Clinician at a large nonprofit clinic in the Midwest

“I don’t foresee any positive changes, I hope the fundamentals of access to care will survive”

— Program director of a large teaching hospital in the South

“I am cautiously hopeful that middle class people will have easier access to affordable plans, including the possibility of less comprehensive plans when desired.”

— Clinician at a midsized nonprofit hospital in New England

“The wishful return to the true doctor patient relationship without external interference.”

— Director of a nonprofit payer in the Northeast

“Less administrative burden for doctors and patients.”

— Director of a large nonprofit health system in the Midwest

“That he will be so inept, the ACA will stay unchanged and Americans still have increased access to coverage and health services.”

— Director of a large for-profit payer in the mid-Atlantic region
Methodology

- The Leadership Survey: Effect of the Trump Administration on Health Care was conducted by NEJM Catalyst, powered by the NEJM Catalyst Insights Council.

- The NEJM Catalyst Insights Council is a qualified group of U.S. executives, clinician leaders, and clinicians at organizations directly involved in health care delivery, who bring an expert perspective and set of experiences to the conversation about health care transformation. They are change agents who are both influential and knowledgeable.

- In February 2017, an online survey was sent to the NEJM Catalyst Insights Council.

- A total of 1058 completed surveys are included in the analysis. The margin of error for a base of 1058 is +/-3.0% at the 95% confidence interval.

NEJM Catalyst Insights Council

We’d like to acknowledge the NEJM Catalyst Insights Council. Insights Council members participate in monthly surveys with specific topics on health care delivery. These results are published as NEJM Catalyst Insights Reports, such as this one, including summary findings, key takeaways from NEJM Catalyst leaders, expert analysis, and commentary.

It is through the Insights Council’s participation and commitment to the transformation of health care delivery that we are able to provide actionable data that can help move the industry forward in a positive direction. To join your peers in the conversation, visit join.catalyst.nejm.org/insights-council.

*NEJM Catalyst wishes to thank Rahul Rajkumar for assistance in constructing this survey.*
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