

**[Music]**

Mark Masselli: This is Conversations on Health Care, I'm Mark Masselli.

Margaret Flinter: And I'm Margaret Flinter.

Mark Masselli: Well Margaret we are seeing some consequences around the uncertainties surrounding our nation's National Health Policy. The insurance industry isn't waiting around to see what directives might come out of Washington in the coming months; some of the larger corporations are taking action now as they make the necessary preparations for the 2018 insurance market.

Margaret Flinter: Take Aetna for example they announced last year that they were pulling out of 11 state insurance market places around the country and Aetna has just announced exit from another state Iowa. This is a blow to consumers who now have just one insurer to purchase coverage through in that state and it seems this is going to be a growing problem marked for a number of states.

Mark Masselli: A larger. Insurers are pointing to uncertainty in Washington for the decision to withdraw from the ObamaCare exchanges. They simply can't calibrate their rates or do accurate forecast without knowing what kind of subsidies will be available from the Federal Government.

Margaret Flinter: GOP leaders made another attempt just before the Easter recess but were still unable to break through the stalemate and analysts expect that the approach will now be more of the chipping away at certain aspects of the law so uncertainty is still the operative word here.

Mark Masselli: Health Policy strategy is something our guest today is quite well versed in. Lanhee Chen is a renowned GOP strategist who oversaw policy issues for Governor Mitt Romney's as well as Marco Rubio's presidential bid. He is long been a thought leader on the GOP approached health reform. He brings some important insight into what might be available approach for the GOP leadership moving forward. Looking forward to his insights, Margaret.

Margaret Flinter: And to Lori Robertson, the Managing Editor of FactCheck.org, will stop by. But no matter what the topic, you can hear all of our shows by going to [chcradio.com](http://chcradio.com).

Mark Masselli: And as always, if you have comments please email us at [chcradio@chc1.com](mailto:chcradio@chc1.com) or find us on Facebook or Twitter, we love hearing from you.

Lanhee Chen

Margaret Flinter: We will get you our interview with Lanhee Chen in just a moment.

Mark Masselli: But first, here is our producer Marianne O'Hare with this week's Headline News.

**[Music]**

Marianne O'Hare: I am Marianne O'Hare with these Healthcare Headlines. Members of Congress are home for Easter recess for two weeks and are spending time in front of constituents, who are likely to weigh in on Health care. Some eager to see the appeal of the Affordable Care Act as promised by the incoming leadership and others angered over the GOP plans to roll back advances under ObamaCare that led to 20 million Americans gaining coverage. While the American Health Care Act failed to make it out of committee backroom discussions continue on coming up with new approaches to Health Policy that will appease both members of the conservative Freedom Caucus as well as more modern Republicans. Quoted in the most recent kinds of health tracking poll, it suggests that while three quarters of the US population wants President Donald Trump and administration to make the Health Law work, 54% of Republicans said it was a bad thing, 58% of Republicans said the bill did not go far enough to end Obama Care.

Meanwhile speaking of the Kaiser Health Tracking Poll the insurance companies aren't necessarily in the debt spiral being touted by certain people in the administration. Survey have insurers who have weathered the first few years of the online market places have begun to figure out how to minimize their losses. Now they have understood better where insurance rates need to be set. For those consumers, economist, Deepa Banerjee, authored other reports as the markets are still fragile; however and need clear direction from the administration on what their future directives should be. Meanwhile, approximately 10% of college age students suffer from either debilitating food allergy or Celiac disease which triggers painful abdominal symptoms when exposed to gluten. A couple of notable colleges have called on to the gluten free trend. Cornell University and Kent State in Ohio, the first colleges to open gluten and allergen free dining halls. According to an article on The New York Times on the topic just one allergic episode can send them into a major health crisis and the strategy seems to be paying off another way. Gluten free offering has made these schools more desirable to kids in that sector, having a positive effect on enrollment.

I am Marianne O'Hare with these Healthcare Headlines.

**[Music]**

Mark Masselli: We're speaking today with Lanhee Chen at the David and Diane Steffy Research Fellow at the Hoover Institution, Director of Domestic Policy,

## Lanhee Chen

studies at Stanford University. Most recently Mr. Chen was the advisor to Senator Marco Rubio, 2016 Presidential Campaign, also the Policy Director for the Romney Ryan Presidential Campaign. He is an attorney with the firm Arent Fox. Mr. Chen currently serves as a presidentially appointed Member of the Social Security Advisory Board, a bipartisan Panel that advises the President, Congress, and the Commissioner of Social Security on income matters. Mr. Chen earned his PhD in political science from Harvard University. He is J.D from Harvard Law School. Lanhee welcome to our Conversations on Health Care.

Lanhee Chen: Thank you having me. Good Morning.

Mark Masselli: Yeah good morning to you. You know you have been lending your considerable health policy advice to many of the current year peer leaders in Washington, many Republicans including President Trump campaigned on the promise to repeal and replace the Affordable Care Act but as we have seen it's proving a bigger lift than they may might have bargained for, and you recently said in an interview that they only had themselves to blame. I am wondering if you could share with our listeners what you meant by that.

Lanhee Chen: Sure well you know I have described the failure of the American Health Care Act as a self inflicted wound as well and Republicans had an opportunity here to advance legislation that would have taken steps in the right direction I think in terms of thinking about our health care systems. There certainly was an opportunity to advance some important goals for example reform of Medicaid curbing some of the regulatory regime created by the Affordable Care Act etc. And really this is one of the situations where Republicans knew that Democrats were going to oppose the bill and do so with relative unanimity. For Republicans though, they were the ones who ended up holding this bill up and whether you blame some of the moderate Republican actions or some of the more conservative hard lying Freedom Caucus. Either way Republicans really were the ones who prevented this legislation from advancing and so what's disappointing about this was the inability of Republicans to get together and agree that the American Health Care Act wasn't valuable vehicle moving forward and then it was the start of an important conversation. The bill got polled and we are in a situation now where any progress on repeal and replacement of the Affordable Care Act has become that much more difficult. It was a very disappointing outcome, the Republicans in favor of repealing and replacing a law.

Margaret Flinter: Well Lanhee let's look at some of the hallmarks that the GOP reform approached that you felt were very necessary steps advancing a more conservative flavor in American Health Policy. One: Removing the individual mandate requiring Americans to purchase insurance. Two: Eliminating the essential benefits that required insurance companies to cover a number of preventive services. You have said these were fundamental flaws that made ObamaCare so unpopular with conservatives and that they were just too costly to

Lanhee Chen

maintain. Can you describe why these measures and others needed to be removed in your opinion?

Lanhee Chen: Well one of the challenges with the Affordable Care Act with ObamaCare is that it created a significant federal overlay, the two provisions that you have mentioned, the individual mandate which required every American to have essentially a certain kind of health insurance as well as what's known as the essential health benefits requirement where you had the Federal Government dictating exactly what every plan had to look like and further from that there were additional requirements known as guaranteed issue and modified community rating that also dictated that health insurance companies offer coverage to every single person who showed up. Warning is now on the surface a lot of these things may sound great but the reality is that what they do together is they apply uniform standard that raises premiums in many situations and limit the amount of choice that consumers have now. There are consumers that that may opt for plans that are richer and more generous in which case they should certainly have access to those. The question is whether we are to have health insurance system where every single American essentially has to subsidize the decisions of every other American, if they want more generous coverage, they should have access to more generous coverage. But that in return comes with some additional cost means there is some on the left, some hysterical arguments about people on the right who make this argument saying look you must not want people to have access to basic health insurance, that's not the case at all. The point I am trying to make is people should be able to have access to health insurance that suits them and ultimately the Affordable Care Act simply made that more difficult.

Lanhee Chen: And ultimately the affordable care act simply makes that more difficult.

Male speaker: Lanhee, one of the things that led to the swift demise of the American Health Care Act was the bipartisan congressional budget office report that predicted the GOP plan would ultimately lead to 24 million Americans losing health coverage as well as a significant spike in premiums for American health consumers, especially older, sicker people you say the CBO report was in many ways misleading. What did they get wrong in your estimation and is there a better independent source that the public could look towards in any analysis of future legislation?

Lanhee Chen: You know I have a lot respect for what that office has done and I think that with any economic analysis its not going to be perfect I think, even if you look back to CBO's own estimates of ObamaCare from when the law was first passed. Their estimates regarding the number of people who would be covered by health insurance is off by millions. So, my view about the CBO analysis, first of all, I think it is the case that The Republican legislation The American Health Care Act did have improvements that could have been made to

Lanhee Chen

it so I've often times said that one of the Changes I would recommend to The American Health Care Act is to look at how to make for example the subsidies for coverage more generous for people at the low end I think that that is an important factor so I don't want to share it about this I think that certainly it is the case of The American Health Care Act would have covered fewer people than ObamaCare. The question though is what the additional cost was of ObamaCare to get that coverage and second of all, there were improvements to the American Health Care Act that could have made it a little bit better when it came to coverage and I certainly think that that's something that would have been important.

Margaret Flintner: Well Lanhee lets step back and take a little bit longer view of the trajectory of health reform. You served in an advisory capacity to Massachusetts governor, Mitt Romney's presidential campaigns and for a time you served at the Conservative Heritage Foundation which formed the Foundation for Romney Care in Massachusetts which then provided much of the blue print, it seems for The Affordable Care Act. How did a health reform initiative that had such really pretty significant conservative roots become a policy that has become so unattainable to Conservative policy makers?

Lanhee Chen: Well, first of all, the reform that were passed in Massachusetts by governor Romney, those worked very well at the time certainly for people in Massachusetts and the point I've often made is its very difficult to take something which worked at a state level and then try and replicate features of it at Federal level and say well this is the exact same thing. This is an argument that I think people on the left have used in a misleading way to try to say well look, Republicans are in support of ObamaCare because the exact same thing happened at Massachusetts. First of all, it's not the exact same thing and I think the challenges you saw with the Affordable Care Act that you're seeing with the Affordable Care Act has to do with the exact difficulty of translating reform that may have looked good in elements at the state level to a Federal Reform.

Mark Masselli: We're speaking today with Lanhee Chen, the David and Diane Steffy Research Fellow at the Hoover Institution and Director of Domestic Policy Studies at Stanford University. You know there's just an incredible set of circumstances that have happened that I am sure that have taken the GOP somewhat by surprise. We've seen a rise in the pool around the popularity of the Affordable Care Act. Many of the Republican governors in States that had done expansion fighting about the loss of the financial coverage and I'm wondering what do you think the next steps are going to be for Congress? What do you think their next steps are?

Lanhee Chen: Well I think that for the Congress and I think they have to really seriously consider whether in fact they're committed to repeal and to replacement of the law of ObamaCare and if they're I think they have to ask themselves what are the measures and steps they can take that put them in a good place to do

Lanhee Chen

that. I think first of all, there are things about ObamaCare that suggest that in some markets there is some serious issues and those issues may be ought to be addressed first; for example, the stability of insurance markets in many states. The other question in my mind has to do really with what can be done administratively by the Trump administration and it seems to me that there are whole set of ways that the Trump Administration for example can try to open things up for states you know one of the things that's interesting about the Affordable Care Act is even if it's never repealed, there is a provision in it that allows states to create innovative Health Reforms on their own and that's something that I think the administration in Congress ought to look at more seriously which is in the absence of a Federal Consensus around how to reform an ObamaCare. Are there ways that various states can pursue their own reforms that are consistent with what people in that state want, even if it is different from the architectural set up by ObamaCare.

Margaret Flinter: Well Lanhee let's talk about also the insurance market place certainly the insurance industry has been showing some significant reluctance to stay in the insurance exchange market places. We have seen large insurers like Aetna and United Healthcare pulled out of many state based market places. You've done some analysis on how best to stabilize that insurance market place. Can you share with us how do you think we do that?

Lanhee Chen: One of the challenges we're seeing that is because insurance companies believe that the market places simply are not a good economic proposition for them for having to cover essentially a bunch of people who they know are going use services, the structure of ObamaCare such that the original intent was to bring young and healthy consumers into the market place to help balance the cost of older and sicker consumers but instead because of ObamaCare structure a bunch of people who will need health care services were older and sicker coming into the market place while those who were younger and healthier have by large stayed out; so I think we have to look at are there ways to continue to make health insurance more affordable for people. There are set of mechanism in the Affordable Care Act that potentially could expand affordability of things like cost sharing subsidies in the Affordable Care Act that help to offset some of the cost sharing the beneficiaries have are those things that Republicans believe are important to commit to. There are disagreements about whether it makes sense to continue the fundamental structure of the Affordable Care Act but in the absence of any agreement about how to move forward in terms of repeal and replacement, I think there's a broader political question here which is if ObamaCare fail, do Republicans pay a political price when that happens but certainly there are options to stabilize the market place that they could take advantage of if they want to.

Mark Masselli: Lanhee let's pull the thread a little more on the Medicaid program. Medicaid expansion brought coverage to millions of Americans also put more dollars in stake offers obviously secretary Price and the new CM

## Lanhee Chen

administrator, Seema Verma will be ushering in a new era of Medicaid caps in block grants as a way of curbing Medicaid costs so how do you protect millions of consumers who were benefitting for the Medicaid expansion as well as Stewards or state budgets who were supporting those coverage needs. Wondering if you have seen any initiatives at the state level that you're excited about?

Lanhee Chen: Well I think there are many things that states are pursuing that are innovative if you look at Medicaid you know whether its efforts to migrate payment for Medicaid services away from volume and toward value or efforts to expand private market place involvement in the Medicaid program to lower cost and expand choices to certainly you've got many states both red and blue states whether its California or Arkansas, who are pursuing interesting reforms in Medicaid programs that are worth looking at. With respect to what Republicans want to do with Medicaid I fundamentally reject the notion that this is about cutting people off coverage. The reason why we need to reform Medicaid is because the programs are physically unsustainable both the State and the Federal level, so I think the question is how do you deal with the Medicaid program and the answer is first of all, to give state freedom and flexibility to put in place more innovative programs to deal with Medicaid but the Federal level to have a fair but kept way of determining what the Federal financial obligation is going to be going forward and that's why this system of per capita caps has come into existence because what that system tries to do is to say look, we look at a state and we determine that they've got a certain number of people on Medicaid and we also take into account by the way what the health statuses of those people rather than a formula which right now is essentially an open ended entitlement to infinity so the idea is how do you create a truly value driven program in Medicaid while also making a fiscally sustainable for that Medicaid beneficiaries and generations to come have a program to rely on.

Margaret Flinter: Well I think we would all agree we're in an era of significant innovation and potential for doing things better and a lot of these innovations as you just noted relative to Medicaid surround how we pay for health care and the shift towards more pay for value versus fee for service, so you could say from a Conservative landscaper just generally what do you see as the real interest in the move towards value based care?

Lanhee Chen: I think that the Conservatives and progressives are like agree that our health care system does need to migrate away from a traditional system where we compensate for the volume of care toward a system that pays for things other than volume, whether it's the value provided by care, the quality of that care, these are all the kinds of things that are going to very very important and I think that you've seen bipartisan support for this sort of an effort, for example, if you look at law called MACRA which was passed I guess in 2015 that attempts to reform the way that doctors in Medicare are compensated for their services, now that law and I think is perfect but it did have large bipartisan

Lanhee Chen

majorities and I think the basic notion in that law is quite simple which is we ought to move away from a system where we're literally just paying for procedures and one where we're trying to pay more for management of the patients health overall and I think these kind of trends on the regulatory side match the kind of trends you have seen on the private health insurance the commercial side which is an effort to move away from a piecemeal compensation structure towards one that more incentivizes holistic care for an individual and if we move away from the fee for service system we're not just going to be benefitting the Federal coffers from a fiscal perspective, we're also going to be benefitting people in the united states, we're going to be benefitting patients because we want to have a health care system at the end of the day that tries for getting people healthy yes but keeping people healthy in the first place. And that's something that I think both Democrats and Republicans hopefully can agree on.

Mark Masselli: We've been speaking today with Lanhee Chen, The David and Diane Steffy Research Fellow at the Hoover Institution and Director of Domestic Policy Studies at Stanford University. You could learn more about his work by going to [hoover.org/profiles/lanhee-j-chen](http://hoover.org/profiles/lanhee-j-chen) or you can follow him on twitter at LanheeChen.

Lanhee thank you so much for joining us on conversations on health care.

Lanhee Chen: Okay thank you.

[Music]

Mark Masselli: At Conversations on Health Care we want our audience to be truly even know when it comes to the facts about Health Care Reform and Policy. Lori Robertson is an award-winning journalist and managing editor of FactCheck.org, a nonpartisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in US politics. Lori, what have you got for us this week?

Lori Robertson: Well in criticizing the Affordable Care Act, President Donald Trump said that "Many of our best and brightest are leaving the medical profession entirely because of ObamaCare," but the number of physicians has increased since 2010 when the ACA became law. The executive vice president of the Association of American Medical colleges told us that the group has seen no significant number of physicians leaving the profession because of the Health Care Laws. In fact data show the total number of active physicians has increased nearly 8 % under the Health Care Law. The number jumped from 799501 when the ACA became law in 2010 to 860939 in 2015; since 2010 the number of physicians in internal medicine are providing family in general practice care the two largest specialties also has increased more than 4 %, the AAMC also told us that there is no evidence of declining interest in medicine since the ACA was

Lanhee Chen

enacted. Medical school applicants and enrollees are adding all-time high. The AAMC has projected a physician short fall in coming years to primarily to an ageing population but to address this issue, the group set a goal of increasing a first year medical school enrolment by 30 % by 2015 -2016 up from the 2002-2003 level. It is expected to reach that goal by 2017- 2018 nearly on schedule and that's my FactCheck for this week. I'm Lori Robertson, managing editor of FactCheck.org.

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country's major political players and is a project of the Annenberg Public Policy Centre at the University of Pennsylvania. If you have a fact that you would like checked, e-mail us at [www.chcradio.com](http://www.chcradio.com). We will have FactCheck.org's Lori Robertson check it out for you here on Conversations on Health Care.

### **[Music]**

Margaret Flinter: Each week Conversations highlights a bright idea about how to make wellness a part of our communities and everyday lives. Diabetes is a chronic illness for which behavioral choices such as diet and exercise are extremely important. By incentivizing behavior change on large patient populations is very challenging. A recent study done by Amery University and a non- profit organization focused on improving the health of India's population of a billion people found that text messages sent through smart phones might be a powerful tool in promoting diabetes prevention behaviors they partnered with India's leading provider of mobile phones Nokia to harness over search cohort of a million clients received diabetes prevention text messages.

Nalini Saligram: So the text messages themselves were developed with Amity University's Rowland school of public health because we wanted them based on science and behavior change theory.

Margaret Flinter: Now Nalini Saligram CEO of the Arogya Foundation, the text messaging study was designed to generate improved activity around four simple goals, consume more fruits and vegetables, avoid fried foods and exercise regularly.

Nalini Saligram: You know the messages themselves were quite simple. We ended up sending it twice a week for 6 months.

Margaret Flinter: Participants who received just two text messages per week showed an average 40 % more compliance with those activities than those who did not receive the messages. Dr. Saligram says, it could prove a useful tool for clinicians trying to affect behavior change across large patient population. A low cost targeted text messaging system sent directly to consumers reminding them of the power they have to maintain simple lifestyle Changes that can improve

Lanhee Chen

their chances of preventing or better managing diabetes and other chronic illness linked to life style, now that's a bright idea.

**[Music]**

Margaret Flinter: This is Conversations on Health Care. I am Margaret Flinter.

Mark Masselli: And I'm Mark Masselli, peace and health.

Conversations on Health Care, broadcast from WESU at Wesleyan University, streaming live at [www.wesufm.org](http://www.wesufm.org) and brought to you by the Community Health Center.