



**Optum Health**  
**Optum Rx**  
**Optum 360°**

# Federal and National Behavioral Health Directions

Community Behavioral Healthcare  
Association

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December 12-13, 2016

Phoenix, AZ



# Agenda

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- Headlines
- Predictions
- *Repeal and replace, delay the replace, replace and repeal*
  - *Pre-existing conditions*
  - *Kids until age 26 on parents plans, Foster Care until 26 through Medicaid*
  - *Medicaid FMAP (10% max share to states/90% FMAP by Feds beginning 2020)*
  - *Disproportionate share and hospitals*
- Opioid Use Disorder Treatment (OUD)
- Staying the course
  - Quality
  - Cost and value
  - Integration
  - Notice I didn't say innovation

# Driving better results for the system – National View

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## UNITEDHEALTH GROUP®

Named one of world's **Most Admired Companies in Insurance and Managed Care** by *Fortune* in 2011–2015

Health Benefits

Health Services



Helping people live healthier lives

**94,000** Employees



Helping to make the health system work better for everyone

**100,000+** Employees

← Complementary but Distinct Business Platforms →

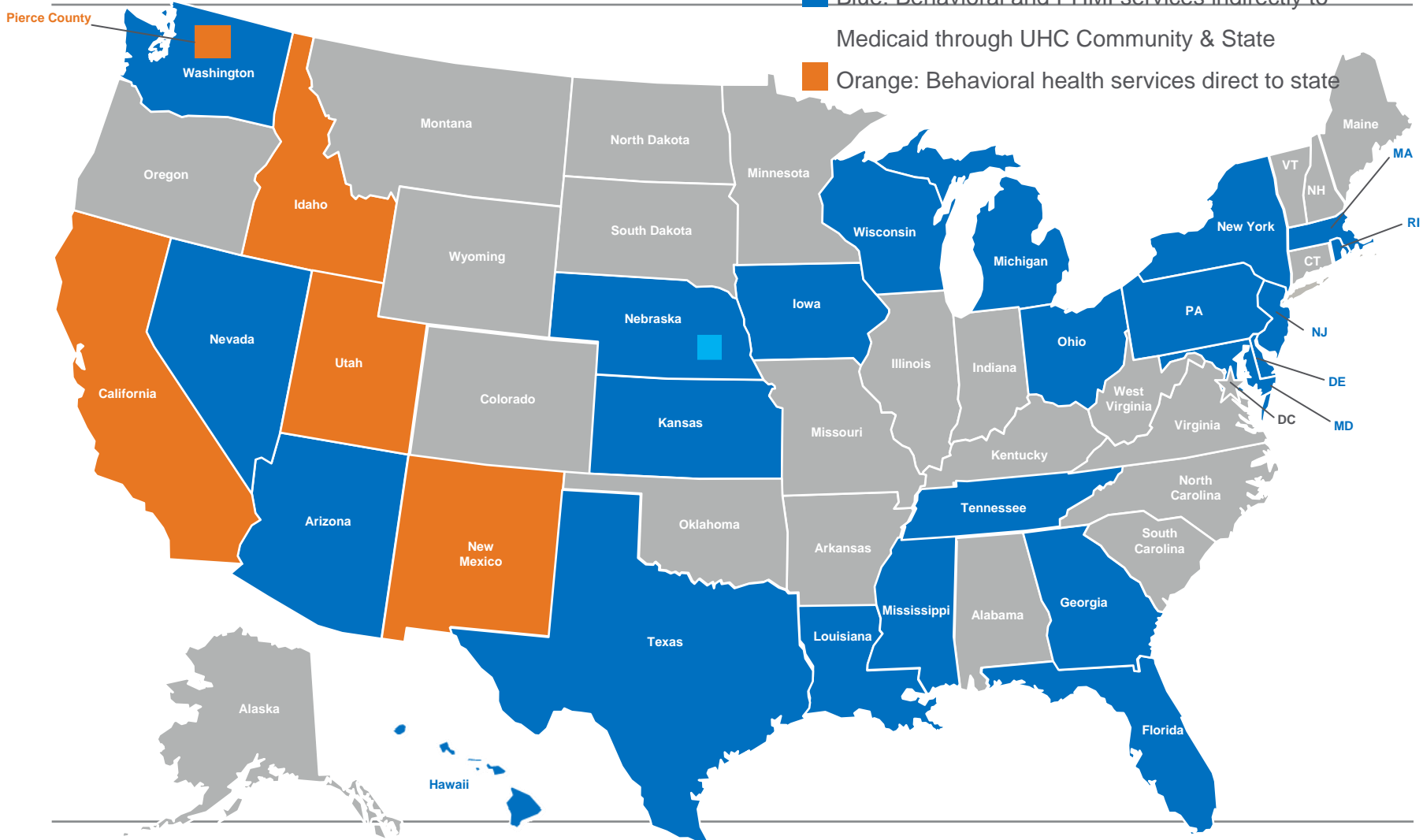


# Medicaid Behavioral Health & Public Health Management Intervention (PHMI)

Blue: Behavioral and PHMI services indirectly to

Medicaid through UHC Community & State

Orange: Behavioral health services direct to state



■ = Nebraska will be adding full behavioral benefits to contract scope (BH will be carved in) starting Jan 2017

In Illinois, you all know what this “W” means....

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But to everyone outside of Illinois, this is what the “W” means

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# Headlines

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- **After Lilly Bombs, Could Alzheimer's Become Healthcare's Trumpshot?**  
– Forbes-Technology, Wed. Nov 30, 2016 09:43 AM EST
- **Trump administration brings opportunities, risks for NC Medicaid program**  
– Raleigh (NC) WRAL News Wed. Nov 30, 2016 08:22 AM EST
- **GOP May Delay Obamacare Replacement for Years**  
– By Rachael Bade and Burgess, POLITICO, 12/01/16 05:10 AM EST
- **Republicans are setting up a high-stakes deadline to replace the health care law.**  
– By Rachael Bade and Burgess Everett, POLITICO, December 1, 2016
- **Want to ditch ObamaCare? Let's copy Singapore's health care miracle**  
– Fox News-Politics Tue Nov 29, 2016 4:35 PM EST

# Headlines

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- **Indiana Medicaid program could be blueprint for Trump**
  - Indianapolis (IN) Star Wed Nov 30, 2016 11:12 AM EST
- **Trump taps champion of privatizing Medicare**
  - Hattiesburg (MS) American Wed Nov 30, 2016 10:17 AM EST
- **The New York Times: U.S. Health Spending In 2015 Averaged Nearly \$10,000 Per Person**
  - (Monday, Dec 5, 2016)
- **The Associated Press: US Health Care Tab Hits \$3.2T; Fastest Growth In 8 Years**
  - (Monday, Dec 5 2016)
- **Los Angeles Times: Health Spending Went Up Last Year Because More People Were Getting Care, Report Says**
  - (Monday, Dec 5, 2016)



# Headlines

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- **Providers sound alarm about capped Medicaid system**
  - POLITCO, Nov 28, 2016
  - *To view online:*  
<https://www.politicopro.com/health-care/story/2016/11/providers-sound-alarm-about-capped-medicaid-system-138698>
- **The G.O.P. and Health Care Chaos**
  - NYT, Editorial, November 28, 2016
  - To view online:  
<http://mobile.nytimes.com/2016/11/28/opinion/the-gop-and-health-care-chaos.html?action=click&pgtype=Homepage&clickSource=story-heading&module=opinion-c-col-left-region&region=opinion-c-col-left-region&WT.nav=opinion-c-col-left-region&referrer=http://www.nytimes.com/>

# Headlines

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- **Hospitals Issue Dire Warnings About Repealing Obamacare Without A Backup Plan**

- Lobbying groups are concerned about losing more than half a trillion dollars — which would threaten access to care. And Republicans themselves have not fully united behind the “repeal and delay” strategy.
- Uncompensated hospital care costs have decline \$7.4 billion since 2014 according to U.S. Department of Health and Human Services
  - Huffington Post 12/06/2016 04:13 pm ET
  - On line at:  
[http://www.huffingtonpost.com/entry/hospitals-issue-dire-warnings-about-repealing-obamacare\\_us\\_58471202e4b016eb81d87cbf?9a3igz9636hzd7vi](http://www.huffingtonpost.com/entry/hospitals-issue-dire-warnings-about-repealing-obamacare_us_58471202e4b016eb81d87cbf?9a3igz9636hzd7vi)

# Let's discuss predictions

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# Predictions

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- Two of the more famous predictions
- Weather forecasters are correct 50% of the time and it only gets better when they are forecasting for the same day's weather.
- Going back to 1887, Punxsutawney Phil, a groundhog, is correct in predicting the end of winter about 39 % of the time (99 longer winters, 15 early springs, 9 missing years)

# Predictions

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- Harvard Business Review: Walter Frick, February 2, 2015.

“We know far more about prediction than we used to, including the fact that some of us are better at it than others. But prediction is also a learned skill, at least in part — it’s something that we can all become better at with practice. And that’s good news for businesses, which have tremendous incentives to predict a myriad of things.”
- The most famous research on prediction was done by Philip Tetlock of the University of Pennsylvania, and his seminal 2006 book [Expert Political Judgment](#) provides crucial background. Tetlock asked a group of pundits and foreign affairs experts to predict geopolitical events, like whether the Soviet Union would disintegrate by 1993. Overall, the “experts” struggled to perform better than “dart-throwing chimps”, and were consistently less accurate than even relatively simple statistical algorithms. This was true of liberals and conservatives, and regardless of professional credentials.

# Predictions

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- But Tetlock did uncover one style of thinking that seemed to aid prediction. Those who preferred to consider multiple explanations and balance them together before making a prediction performed better than those who relied on a single big idea. Tetlock called the first group foxes and the second group hedgehogs, [after an essay by Isaiah Berlin](#). As Tetlock writes:  
“The intellectually **aggressive hedgehogs knew one big thing and sought**, under the banner of parsimony, to expand the explanatory power of that big thing to “cover” new cases; **the more eclectic foxes knew many little things** and were content to improvise ad hoc solutions to keep pace with a rapidly changing world.”

# Predictions - ACA and the NFIB Case

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- Remembering the ACA and how we arrived at Medicaid Expansion – Supreme Court Decision, Chief Justice Roberts - *National Federation of Independent Business (NFIB) v. Sebelius (2012)*
- ***The Medicaid Expansion is Unconstitutionally Coercive of States Because States Lacked Adequate Notice to Voluntarily Consent and the Secretary Could Withhold All Existing Medicaid Funds***
- In determining the constitutionality of the ACA's Medicaid expansion, the Court revisited the overarching question about the proper division of power between the federal government and the states when Congress exercises its spending power. All members of the Court agreed that Congress may offer grants to states and require states to comply with certain conditions in return. The Court disagreed, however, about the limits on the scope of Congress' power in this area. The differing views on this issue led to divergent conclusions about the constitutionality of the ACA's Medicaid expansion and its relationship to the rest of the Medicaid program. (**Federalism concept**)
- In *National Federation of Independent Business (NFIB) v. Sebelius*, the Supreme Court upheld the constitutionality of the individual mandate but effectively made the Medicaid expansion a state option.

# Repeal and replace, delay the replace, replace and repeal

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- **The 2016 uninsured rate** remains at an all time low with the uninsured rate at 11.9% for Americans 18 – 64 and 8.6% for all Americans. 8.6% is down from 9.1% as of 4th quarter 2015, and 15.7% before the Affordable Care Act was signed into law(Obamacare facts).
- Provisions of the Affordable Care Act have resulted in an estimated **20 million people gaining health insurance coverage between the passage of the law in 2010 and early 2016**—an historic reduction in the uninsured. Those provisions include Medicaid expansion, Health Insurance Marketplace coverage, and changes in private insurance that allow young adults to stay on their parent’s health insurance plans and require plans to cover people with pre-existing health conditions.
- Although repeal and replace is on the front burner, it will be difficult to achieve consensus on replacement language.



# Repeal and replace, delay the replace, replace and repeal

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- *Kids until age 26 on parents plans, Foster Care until 26 through Medicaid*
  - 2.3 million young adults gained coverage from 2010 through the start of Open Enrollment in October 2013 due to the provision that allows people under age 26 to stay on their parents' plan
  - An additional 3.8 million young adults gained coverage between October 2013 and early 2016, a 46.5 percent drop in the number of uninsured young adults over that period. (HHS March 3, 2016)
- *Pre-existing conditions*
- *Medicaid FMAP (10% max share to states/90% FMAP by Feds beginning 2020)*
- *Disproportionate share and hospitals*

## Bottom line according to some

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- President Trump and the Congress will look to amend the core mechanisms adopted in the ACA to expand coverage that are identified as “Obamacare”
- Many other pre-ACA, ACA and post ACA reforms are likely to remain in place
- Provisions at risk
  - Individual market mechanisms
    - Exchanges
    - Subsidies (advance premium tax credits, cost sharing reductions)
    - Mandates (individual and employer)
  - Federally funded Medicaid Expansion
- Likely to remain
  - Expanded use of IT
  - Some reinsurance market reforms
  - Expansion of Part D
  - MACRA payment reforms (Medicare and CHIP Reauthorization)
  - Age 26 provisions

## Staying the course

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- Quality. Consumers are reshaping the market and providers are taking on more accountability toward healthier and productive populations
- Cost. Costs in Medicaid are high, margins are becoming leaner.
- Value. Determining whether the cost is producing the quality and if not, then what.
- Integration. There will be more, before less. How to contain the explosion in care coordination without breaking the bank.
- Compassion. Establishing the direct line between who we serve put them in the center of everything we do.
- Notice I didn't say innovation

# Opioid Problem

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## Marketing & Prescribing of Opioids Lead to Overdose Deaths

**4.5M**  
people

Estimated U.S. citizens addicted to prescription opioids

**44**  
Deaths/Day

Americans die **every day** from an Rx opioid overdose

**14%**

Record increase in **opiate-related deaths** in U.S. from 2013 – 2014

**\$78.5B**

Annual U.S. Societal Costs of **Rx opiate abuse**

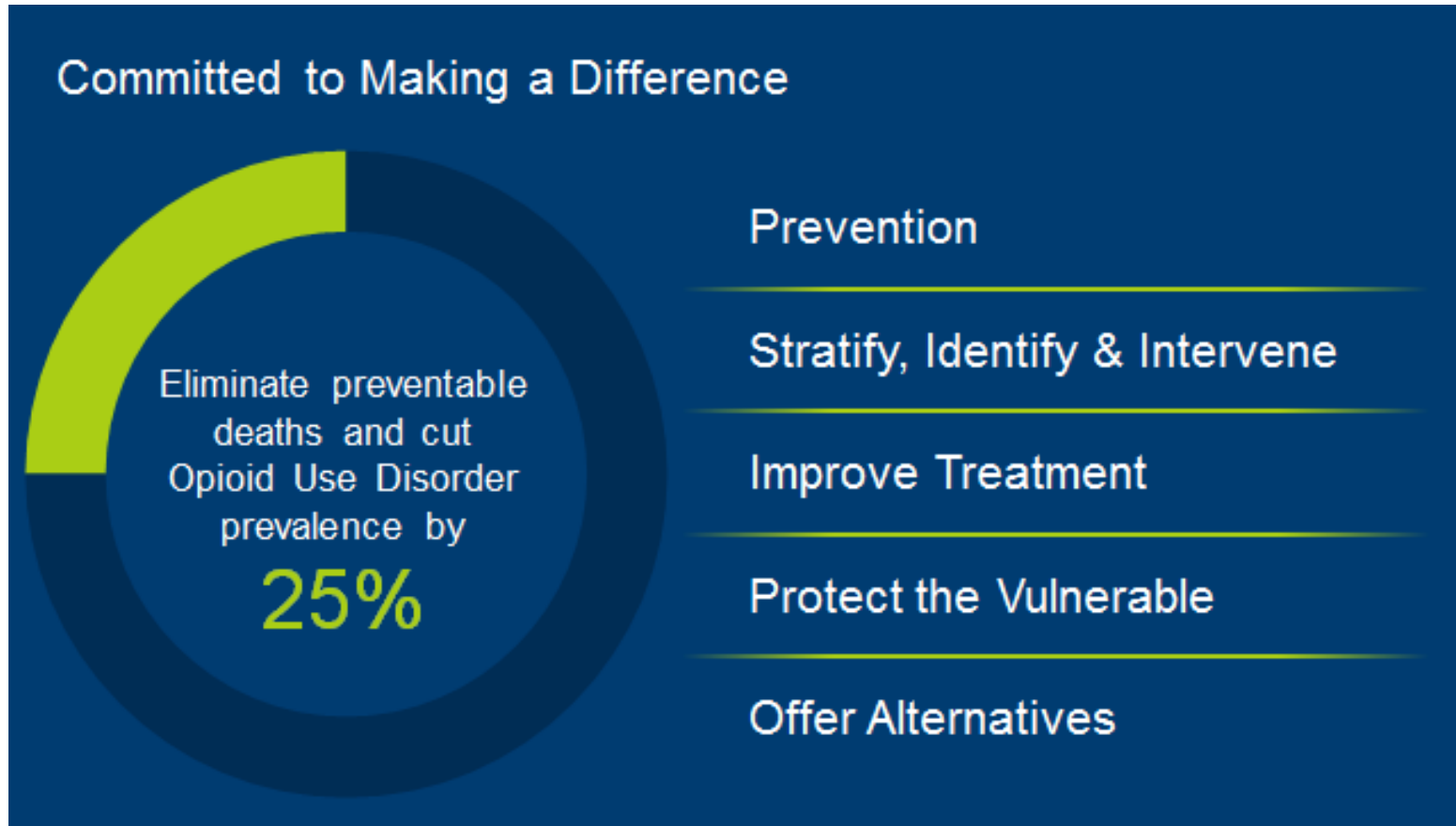
# Opioid Problem

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- National and local taskforce – 70+
- UnitedHealth Group Enterprise Opioid Task Force – announced last week on an investor's call

# Opioid Solutions

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For more information, please contact:

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