



# New year, same chaos: DC's 2018 healthcare agenda

By Stephanie Zaremba | January 17, 2018

It's hard to imagine another year matching the chaos and pace of change that came out of Washington in 2017 – and yet, 2018 is already serving up a new set of policy trends for the healthcare industry to watch. Expect more disruption as the new year unfolds.

Here are three developments we're following now:

## Attempts to further dismantle the ACA won't cease

... but, following the repeal of the individual mandate in the tax bill, those efforts will become more piecemeal and harder to track. As HHS Secretary nominee Alex Azar moves closer to confirmation, President Trump will no doubt expect his top health official to quicken the administration's pace in unraveling the law from within.

Congress will remain all over the map, with some continuing to talk about full-scale replacement, others

continuing to seek adjustments to stabilize the insurance marketplaces, and still others wishing to move on from the topic all together. The real icing on the cake will come as states increasingly take steps to either shore up or further undercut the spirit of the ACA. We'll no longer have to follow one national dialogue on this issue; we'll have to follow 50.

## Uncertainty will continue for CHIP

Funding for the Children's Health Insurance Plan (CHIP) and for community health centers – which typically wins bipartisan support with ease – is still not guaranteed beyond March. The Congressional Budget Office greatly reduced its estimate for the cost to extend CHIP in light of the individual mandate repeal in the tax bill, so members are indicating an increasing level of confidence that they will get the deal done. Still, that

same false sense of confidence is arguably to blame for the lack of a long-term deal to date.

Whether Congress continues to move forward with short-term patches or finalizes a long-term funding solution, state CHIP programs and community health centers face incredible budget uncertainty until this issue is put to bed.

## Drug prices will continue to rise

Not only does the national conversation about drug prices continue, but so does uncertainty over what steps, exactly, the government will take. Aforementioned HHS Secretary nominee Alex Azar is the former president of pharmaceutical giant Eli Lilly. In his recent confirmation hearing, he indicated that he would seek to tackle drug prices by fixing the broken incentives that exist for drug companies.

Many hospitals will face major cuts to the revenue they relied on from the 340B Drug Discount Program, after a judge upheld the Trump administration's rule that will cut \$1.6 billion from the program. While hospital groups intend to appeal that court ruling, House lawmakers are starting to discuss potential changes that would bring greater oversight and transparency to the program.

## The bottom line

In 2018, all sectors of the healthcare industry will face mounting financial and regulatory pressures. Those wanting to weather the storm should focus on better operational efficiency, renewed financial discipline, and improvements to population health.

Because at the outset of what promises to be an interesting year, one thing is clear: Relief will no longer come from Washington. These patient personas, developed by Decision Point Healthcare Solutions, are just one new way to segment patient populations – an evolving trend at the cutting edge of population health.

As health systems take on broader risk, conventional approaches to assessing risk no longer suffice. Instead, patients' highly variable lives and behaviors define their risk states. And providers say improved segmentation –

however it's done – can improve quality metrics, target resources, and drive better outcomes.

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*Stephanie Zaremba is director of government affairs at athenahealth.*

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