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Medicare

Lack of Medicare Public Trustees Under Trump Stirs Concern

The two public Medicare trustees positions have gone vacant since 2016, triggering concerns about the independence of the group that reports annually on the state of Medicare's trust fund.

The public trustee positions became vacant when the Senate did not act on President Barack Obama's re-nominations of Charles Blahous III and Robert Reischauer. The public trustees are appointed for four years (although they can stay on for a fifth year if no one has been nominated to replace them), and the only requirement is that the two public trustees cannot be from the same political party. The other four trustees are administration officials.

No one has been nominated to either of the public trustee positions since the start of the Trump administration.

The public trustees "provide some check and balance and give some confidence to Congress and the public that there are not just people in the administration who are involved" in the creation of the Medicare trustees report, John Palmer, a Medicare public trustee from 2000 to 2007, told Bloomberg Law June 11. Palmer is a professor of public policy at Syracuse University in Syracuse, N.Y.

"We really need independent folks, outside of the Trump administration, outside of any administration, to contribute to their assessment of the Medicare program. The current situation is simply not good public policy," Robert Moffit, a senior fellow in health policy studies at the Heritage Foundation in Washington, said at an American Enterprise Institute event June 5.

"Reappointment (or appointment) of public trustees is never really a high priority for a White House," Palmer said. White House and CMS officials did not respond to requests for comment.

The original Medicare trustees were the secretaries of the Treasury, the Department of Health and Human Services, and the Department of Labor, and the administrator of the Centers for Medicare & Medicaid Services. Congress created the public trustee positions for Medicare after the Report of the National Commission on Social Security Reform in 1983 said adding two individuals from outside the executive branch would be good public policy and help to instill confidence in the integrity of the Medicare trust fund.

In the Trump Era The 2017 Medicare trustees report was released within six months of the start of the Trump administration and the findings were likely close to complete by that point, Blahous, a Medicare public trustee from 2010 to 2015, told Bloomberg Law June 11. "By 2018, there's a lot of blame to go around" for the vacancies. Blahous is a senior research strategist at the Mercatus Center at George Mason University in Arlington, Va.

"I find it worrisome that since 2015 the Trustees Reports have been written without Public Trustees, who provide important insight and contributions," Rep. Sam Johnson (R-Texas) said in a press release June 5. "The lack of Public Trustee participation . . . raises questions about the report's development."

Reischauer, a Medicare public trustee from 2010 to 2015, told Bloomberg Law June 11 he didn't see anything that would cause him to be concerned about this year's report, but that the public trustees "provide an assurance that the assumptions and the methodologies are as objective and high-quality as they can be." Reischauer is a distinguished fellow at the Urban Institute in Washington.

Blahous said the projections in this year's report "generally conform" to objectivity, but that the longer the public trustee positions go vacant, the higher the likelihood that public trust in the report will decrease.

Public Trustees' Role Public trustees are "not under pressure from the White House to make things look good or bad," whereas administration officials might be told to have the report lean a certain way, Thomas Saving, a Medicare public trustee from 2000 to 2007, told Bloomberg Law June 11. Saving is the director of the Private Enterprise Research Center at Texas A&M University in College Station, Texas.

The public trustees have a more hands-on approach to the report than the members of the administration, Palmer said. That's because the administration officials who serve as trustees have "incredibly demanding" jobs and can't focus on the report full-time, Blahous said.

The public trustees help oversee the financial analysis and development of the report with the staffs of the administration officials, Palmer said.

"Having an additional set of people who have the expertise to understand and think hard about this, just makes the process better," Palmer said. The public trustees traditionally write a summary of the report, which is "more digestible to the public," and the public trustees are "more available" to testify before Congress about its findings, Palmer said.

The public trustees also have more freedom to lead initiatives to make fundamental changes to the methodology of the report, Blahous said.

It's an "enormous loss to the public" that there are not public trustees right now, Blahous said.

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