

# Trump Team Back to Drawing Board on Health Care After Midterms

By Alex Ruoff and Shira Stein | December 6, 2018 6:08AM ET

The Trump administration, undeterred by the Republicans' loss of their House majority in the midterm elections, wants to resume chipping away at Obamacare in the coming year.

On the wish list, according to Health and Human Services Department [recommendations](#): ending the Affordable Care Act's restrictions on physician-owned hospitals and repealing state laws restricting the building of new hospitals and physician practices. Another goal is expanding the availability of tax-advantaged accounts that allow employees in plans with lower premiums and high deductibles to save for out-of-pocket health expenses, a move that's been criticized as benefiting only the wealthy.

The recommendations showcase the administration's health-policy priorities for the latter half of Trump's first term as president, an administration official told reporters earlier this week, and could be a road map for agency actions ahead. The ideas diverge widely from the goals of Democrats in Congress, who won the House partly by campaigning on health-care protections, and will prove contentious with some lawmakers.

Pro-Obamacare groups were quick to denounce the administration's goals, particularly those aimed at undercutting or repealing parts of the Democrats' signature health law. Some of those goals are a difficult lift, industry groups and policy experts warned.



Andrew Harrer/Bloomberg  
Operations at a community health clinic in Gaithersburg, Maryland.

“With control of Congress divided between the two parties, it’s going to be difficult to move large recommendations that require legislation,” said Doug Badger, who served as a senior adviser to President George W. Bush, citing health savings accounts.

The American Hospital Association said it backs proposals to broaden providers’ scope of practice and to expand access to telehealth. “At the same time, we strongly oppose attempts to loosen the current restrictions on physician-owned hospitals,” Tom Nickels, AHA’s executive vice president, said in a statement.

About one-third of the recommendations, such as giving doctors the ability to practice in other states or creating an expedited process to get their medical license in another state, will fall to state governments and aren’t something the federal government can accomplish on its own.

The HHS report lacks a big recommendation the administration can get its arms around, Badger said: “It’s more like death by a thousand cuts.”

### **Report Findings**

Barriers to market competition on the federal and state levels stifle innovation, lead to higher prices, and lack incentives to improve quality of care, senior administration officials said on their Dec. 3 call summarizing the report.

The HHS has already put in place or is considering carrying out some of these recommendations, such as those involving health reimbursement accounts and so called “site neutral” payments, which stop Medicare from paying more for the same type of clinical visit in a hospital outpatient setting than in a physician’s office, Badger said.

The administration has done most of what it can do on site-neutral policy, Brian Blase, a special assistant to the president for healthcare policy at the National Economic Council, said at an American Enterprise Institute event. Blase added that the Centers for Medicare and Medicaid Services has site-neutral payments as a priority and is thinking about other ways to expand them.

The CMS sees site-neutral payments as a way to encourage migration from hospitals to lower-cost ambulatory surgical centers by capping the payment rates. A rule from the agency would put this change in place Jan. 1, but the American Hospital Association and the Association of American Medical Colleges are suing to stop it.

A senior official told reporters Dec. 3 the administration will take a pretty strong stance on laws that require physicians and hospital representatives to prove their services are needed in an area before they can expand their practices or build new ones. Such laws have long been the target of some conservative groups.

However, hospital and doctors groups often fight to maintain these so called “certificate of need” laws to ensure they don’t face new competition, Matt Mitchell, a senior research fellow for the Mercatus Center at George Mason University, said in an interview.

“They benefit a small, concentrated group, hospitals and doctors, that are highly organized,” Mitchell said.

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