



# Healthcare CEO Forum

<azhealthcareceo.com>

7:30 am Tuesday, February 11, 2020

Meeting at  
Scottsdale Place  
5635 N. Scottsdale Road  
Suite 170  
Scottsdale, AZ 85250

## Overview

- Introductions/Housekeeping
  - Introductions/Update
  - Forum, personal goals
- 2020 Schedule
  - Tue, February 11, 2020
    - ACA Exchange and Medicaid Expansion update
      - Subsidized Enrollees
      - Non-Subsidized Enrollees
      - Medicaid Expansion
    - New Predictions for 2020—for those missing Jan
    - New New Year's Resolutions—ditto
  - Next meetings, 2020
    - Tuesday, March 10, 2020
      - Jim O'Connor, "2020 Economic Outlook"
    - Tuesday, April 14, 2020

## CBO take on how the ACA is doing?

- Subsidized exchange enrollments in 2020:
  - 2013: 21m
  - 2017: 12m
  - 2019: 8m
- Un-Subsidized exchange enrollments in 2020:
  - 2013: 5m
  - 2017: 2m
  - 2019: 1m
- Medicaid Expansion
  - 2013: 12m
  - 2017: 12m
  - 2019: 12m

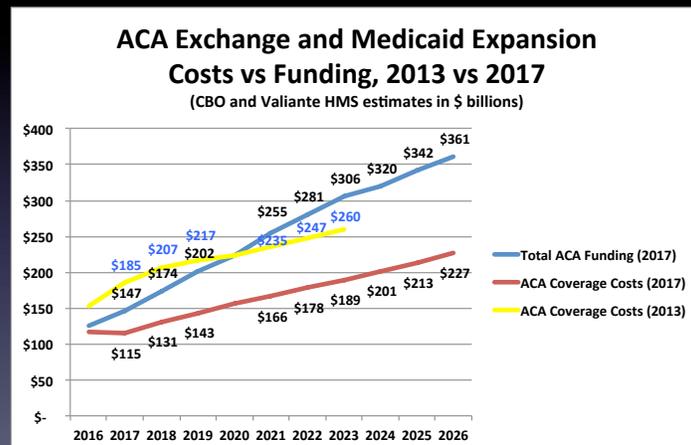
## CBO Cost Estimates 2013, 2017, 2019

- Exchange subsidies in 2020:
  - 2013: \$147b
  - 2017: \$77b
  - 2019: \$44b
- Medicaid Expansion expenditures in 2020:
  - 2013: \$75b
  - 2017: \$79b
  - 2019: \$66b
- Total ACA Costs:
  - 2013: \$222b
  - 2017: \$156
  - 2019: \$110

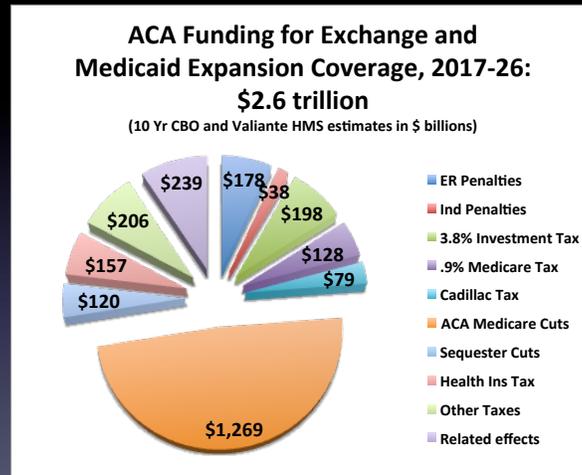
## ACA Funding Sources

- Medicare payment reductions:
  - Multi-factor “productivity” (MFP) adjustments—1.1%/yr
  - ACA-mandated adjustments—up to .75%/yr
  - Sequester—2%/yr thru 2029
- Taxes
  - Investment tax—3.8%
  - Medicare payroll tax increase—0.9%
  - Health insurance tax
- Penalties—ER and Individual
- Other taxes and effects

ACA Funding >2X Program Costs in 2020  
\$230b vs \$110b!



## Medicare reductions = Total ACA Funding



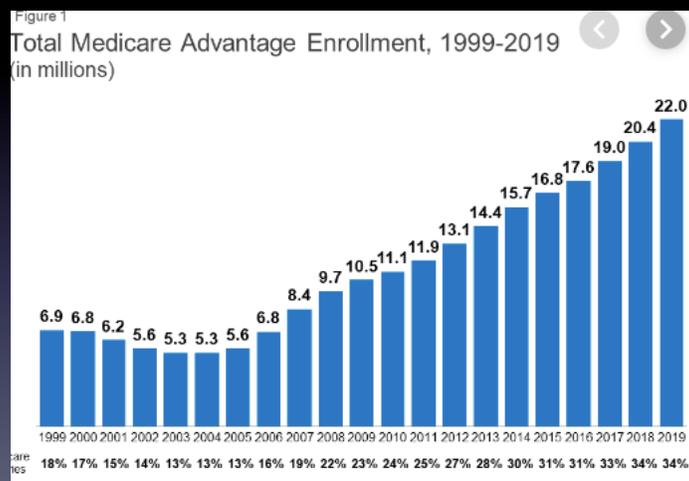
## Your Predictions for 2020

- How will the economy perform during 2020?
  - S&P 500 Index? Currently 3230, up 27.5% from 2532 on Jan 1, 2019
  - Unemployment rate? Currently 3.5%, down from 4.0% Jan, 2019
  - Crude Oil Prices? Currently \$61/bbl, up from \$48/bbl in Jan, 2019
  - 10-Year Treasury bond yield? Currently 1.795%, down from 2.67% Jan, 2019
  - GDP growth? Currently 2.1% annual rate, down from 3.1% 1Q19
- How will politicians perform during 2020?
  - Democratic nominee for President?
  - Democratic nominee for Vice President?
  - Presidential election outcome, Trump or ?
  - AZ senatorial seat outcome, McSalley or ?
  - Republicans gain or lose seats in House of Representatives?

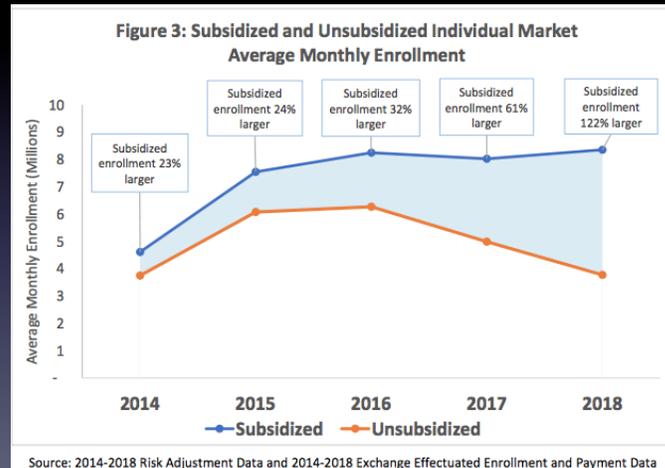
## Your Predictions for 2020

- How will healthcare industry perform during 2020?
  - Medicare Advantage market share? 34% in 2019 (see next page)
  - Exchange enrollment in 2020? 8m subsidized, 4m non-subsidized in 2018 (see later page)
  - Hospital admissions in 2020? 34.3m in 2018
  - UHG share price at end of 2020? Currently \$290 up from \$240 a yr ago
  - Your big surprise prediction for healthcare in 2020?

## Medicare Advantage Enrollment



## ACA Exchange Enrollment, 2014-18



## CEO Forum New Year's Resolutions

- 1) Professional goals
  - Business plan
  - Professional development
  - Hobbies and interests
- 2) Family
  - Travel
  - Celebrations
- 3) Health and Fitness
  - Stress reduction
  - Conditioning
  - Sport

## Forum Approach

- Goals
  - Become a stronger leader...with others you respect
  - Learn new leadership skills, tools...validate existing ones
  - Reinforce commitment to work/life balance
- Meetings
  - Presentation/Discussion format
  - MITs
  - Occasional speakers
  - Handouts, books, homework
  - Blueberry muffins

## Invitees

- Mark Hansen
- Debbie Shumway
- Lance Donkerbrook
- Seth Bacon
- Shane Armstrong
- Ken Levin
- Adam Sabbath
- Luke Lee
- Brent Cope
- Walt Cooper
- Steve Little