

Trump Announces Picks for HHS Secretary & CMS Administrator

President-elect Donald Trump has tapped House Representative Tom Price (R-GA) to lead the Department of Health and Human Services (HHS). Rep. Price, an orthopedic surgeon, has been a longtime opponent of the Affordable Care Act (ACA), was one of the first Republicans to introduce an alternative to the law when Democrats were debating health care reform in 2009 and 2010. The current Chairman of the House Budget Committee, many expect that Price will be a key player in helping the House pass an ACA replacement plan. Price also shares a close relationship with Vice President-elect Mike Pence – both former chairmen of the House's Republican Study Committee.

Additionally, Trump announced that he will nominate Indiana-based healthcare consultant Seema Verma as the next administrator of CMS. Verma may be best known for her work on Medicaid issues and her close ties to Mike Pence. She designed Pence's Medicaid expansion model – known as Healthy Indiana Plan 2.0 – and has advised several Republican states on how to add conservative elements to their programs, such as health savings accounts and employment requirements.

Both picks indicate Pence's strong influence in leading Trump's transition efforts. Moreover, the selections would install a pair of conservative and "wonkish" policy thinkers at the helm of the administration's most significant healthcare agencies.

Price's Healthcare Background

The healthcare plan introduced by Price has similarities to both the "Better Way" plan put forward this year by House Speaker Paul Ryan (R-WI) and the plan Trump outlined during his campaign. Price's bill – which also includes traditional GOP ideas such as health savings accounts, high-risk insurance pools, and allowing interstate insurance sales – also happens to be the most detailed, and is the only one that has been put into legislative language.

As HHS Secretary, Price would have opportunities to undermine the ACA through the regulatory process, such

as loosening restrictions for the states on Medicaid or not enforcing the individual mandate. Price and his team would have to decide how aggressively to peel back the health law through the regulatory process while Congress works on repeal legislation. Price has also been a leading voice on health IT issues in Congress, fighting for a more provider-friendly version of the meaningful use EHR incentive program. Last year, he helped collect 116 House signatures supporting a slowdown in the process.

Leading Democrats, meanwhile, have indicated that Price could face a nomination fight in the Senate next year. "Congressman Price has proven to be far out of the mainstream of what Americans want when it comes to Medicare, the Affordable Care Act, and Planned Parenthood," incoming Senate Minority Leader Chuck Schumer (D-NY) said in a statement. "Nominating Congressman Price to be the HHS secretary is akin to asking the fox to guard the hen house."

Verma's Healthcare Background

Through her consulting firm SVC Inc., Verma has worked on several high-profile Medicaid expansion proposals for Republican governors. Prior to consulting, Verma worked for the Health and Hospital Corporation of Marion County, Indiana and the Association of State and Territorial Health Officials in Washington, D.C.

Verma's close ties to Republican governors who have backed conservative versions of Medicaid expansion could be a boon to some stakeholders who have expressed concern that the Trump Administration might walk back the ACA's enhanced federal matching rate for Medicaid expansion. So far, 31 states and the District of Columbia have expanded the Medicaid program, and many Republican governors have expressed a desire to keep the enhanced federal contribution even as other parts of the ACA are repealed. Verma's selection could signal an interest from the Trump Administration in offering more flexibility for states to pursue "private option" models, impose work requirements, and add other conservative elements to the program.