# The Future of CMS Under a Hypotheti Trump Administration: Navigating Reform and Challenges

JAN 06, 2025 • PAID



The Centers for Medicare & Medicaid Services (CMS), a critical agency responsi overseeing healthcare for millions of Americans, is often at the center of healthc reform debates. Under a potential Trump administration, CMS would likely face series of policy changes aimed at reshaping its priorities and operations. Based o Trump administration's previous healthcare policies and broader ideological sta we can anticipate several likely shifts in CMS's direction, particularly regarding control, privatization, regulatory rollback, and state-level flexibility.

## 1. Expansion of Privatization: Emphasizing Market-Based Solutions

One of the hallmarks of the Trump administration's previous healthcare strategy its preference for privatized, market-driven solutions over government-run syste returned to power, a renewed Trump administration might double down on effo expand privatization within Medicare and Medicaid.

### Medicare Advantage Expansion

- Medicare Advantage (MA), the privately managed alternative to traditional Medicare, saw significant growth during Trump's first term, driven by increa funding and relaxed regulations. A Trump administration would likely accel this trend, viewing MA as a way to control costs and improve consumer choi
- Critics might argue that while MA offers benefits like dental and vision cov it often restricts provider networks and shifts costs to patients. CMS would

to address concerns about equity and access while balancing the push for privatization.

### Medicaid Block Grants

- Block grants or per-capita caps for Medicaid were a recurring theme during Trump's first term. By granting states lump sums instead of matching federa funds, the administration hoped to control costs and give states greater flexi CMS could see its role shift toward overseeing state-level programs rather tl managing a unified Medicaid system.
- This approach, however, could lead to reduced coverage and benefits for vulnerable populations, as states under financial pressure might restrict eligibility or cut services.

## 2. Regulatory Rollbacks and Reduced Federal Oversight

A hypothetical Trump administration would likely continue its deregulatory age focusing on reducing CMS's oversight role to encourage innovation and reduce administrative burdens on providers.

### Streamlining Payment Models

- During Trump's first term, CMS worked to simplify and reduce mandatory participation in value-based payment models such as accountable care organizations (ACOs) and bundled payments. A renewed Trump administrat might further minimize these programs, favoring voluntary participation to providers more autonomy.
- This could slow progress toward value-based care, potentially reversing gair cost control and quality improvement.

### Cutbacks on Quality Reporting Requirements

- Aimed at reducing administrative burdens, CMS might roll back requireme for hospitals, physicians, and nursing homes to report on quality metrics. W this could lower costs for providers, it risks reducing accountability and transparency in care delivery.

## Relaxing Medicaid Waiver Requirements

- Section 1115 waivers allow states to experiment with Medicaid policies, sucl work requirements. Under Trump, CMS approved waivers requiring Medica recipients to meet certain employment criteria. A second Trump administra might encourage states to pursue similar waivers, sparking debates about th impact on access to care.

# 3. Cost Control Through Drug Pricing Reforms

Drug pricing was a major focus of Trump's first term, and CMS could play a pivo role in renewed efforts to control medication costs.

International Price Indexing

- Trump previously floated the idea of basing Medicare Part B drug prices on international benchmarks. While controversial, a Trump administration mig revisit this model to align U.S. drug prices with those in other countries.
- CMS would need to navigate industry pushback while designing mechanism ensure access to life-saving medications.

## Expanding Formularies

- CMS could grant Medicare Advantage and Medicaid plans more flexibility t negotiate drug prices by expanding their formularies. This might reduce cos could also restrict patient access to certain medications.

# 4. Promoting State-Level Flexibility in Medicaid

Federalism was a cornerstone of Trump's previous healthcare policies, emphasiz state-level autonomy over federal mandates. CMS would likely be tasked with facilitating even greater flexibility for states.

## Custom Medicaid Programs

- States might be encouraged to craft Medicaid programs tailored to their populations, with CMS acting as a more hands-off partner. This could inclu innovative care delivery models, but it risks creating significant disparities between states in coverage and access.

## Work Requirements

- Medicaid work requirements, a contentious policy under Trump, could resu Proponents argue that they promote self-sufficiency, while critics point to increased disenrollment among vulnerable populations. CMS would face the challenge of balancing these competing perspectives.

# 5. Continued Push for Price Transparer

Price transparency in healthcare was a major initiative of Trump's first term. CM implemented rules requiring hospitals to disclose negotiated rates with insurers second Trump administration would likely continue this focus, expanding requirements to other sectors such as pharmaceuticals and physician practices.

# Challenges to Implementation

- While transparency aims to empower consumers and foster competition, its effectiveness has been questioned. Patients often lack the tools or knowledg navigate complex pricing data. CMS would need to invest in user-friendly sy to make transparency meaningful.

# 6. Potential ACA Rollbacks and Implications for CMS

The Trump administration was a vocal opponent of the Affordable Care Act (AC seeking to dismantle key provisions. If returned to power, renewed efforts to we or repeal the ACA could significantly impact CMS's operations.

## Reduction in ACA Exchange Oversight

- CMS oversees the federal health insurance exchanges created under the AC Trump administration might reduce CMS's role in managing these exchange potentially shifting responsibility to states or private entities.

## Medicaid Expansion Reversal

- Efforts to reverse Medicaid expansion under the ACA could lead to a rollba coverage for millions. CMS would need to manage the transition, including administrative and human impact of such a change.

# 7. Technological Innovation and the Ro of CMS

Trump's first term saw an increased focus on technology in healthcare, including telehealth and electronic health records (EHRs). CMS would likely continue to promote innovation, particularly in response to lessons learned during the COV pandemic.

## Expansion of Telehealth

- CMS expanded telehealth access during the pandemic, and a Trump administration might make these changes permanent. However, questions al reimbursement rates, equity, and fraud prevention would remain key challe

## Emphasis on Artificial Intelligence

- CMS could incentivize the use of AI in areas like claims processing, populat health management, and predictive analytics. Balancing innovation with pat privacy and data security would be a critical task.

## Conclusion: Navigating a Complex Landscape

A Trump administration would likely seek to reshape CMS along the lines of ma driven policies, reduced federal oversight, and cost control measures. While thes initiatives could lead to greater efficiency and innovation, they also risk exacerb disparities in access and quality of care.

CMS, as the steward of Medicare and Medicaid, would find itself at the center o these debates, balancing competing priorities and interests. The challenge for C and for the healthcare system as a whole—will be to navigate these changes with compromising the fundamental goal of ensuring that all Americans have access t affordable, high-quality care. Whether these reforms succeed or falter will depe only on policy design but also on the ability of CMS to execute its mission in an changing healthcare landscape.

## Discussion about this post



Write a comment...