



Federal Health Policy Outlook & HFMA National Update

Healthcare Financial Management Association

Andrew Donahue, MHA, CPA

Director, Healthcare Finance Policy

Contact Information



Andrew Donahue
Director, Healthcare Finance Policy,
Operational Initiatives

About Andrew Donahue

As HFMA's Director of Healthcare Finance Policy, Andrew is responsible for creating content and providing expertise on a broad array of healthcare finance topics, particularly areas of great relevance to senior financial executives. He champions the collaboration, communication, and translation of financial information among financial, revenue cycle, and clinical leaders. Additional focus areas include accounting, costing, healthcare business trends, payment models, federal regulations, policy, capital finance, and treasury and cash management.

Prior to joining HFMA, Andrew served on Capitol Hill as a Senior Policy Advisor and Legislative Assistant for Health Policy. After Washington, Andrew held various senior leadership positions in accounting and finance with for-profit and nonprofit health systems across the United States.

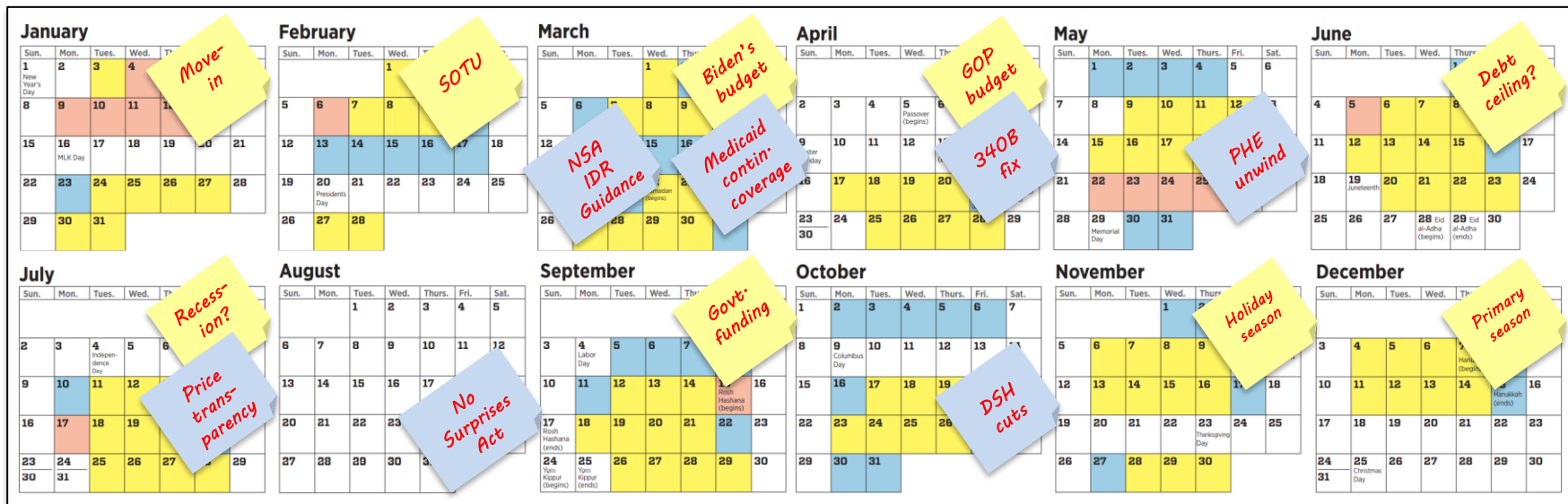
Andrew earned a bachelor's degree in Finance from Virginia Tech, a Master of Health Administration from Virginia Commonwealth University, and he is a licensed Certified Public Accountant.

[Contact Andrew Donahue](#)

Andrew Donahue  MHA, CPA
Healthcare Financial Management Association
Director, Healthcare Finance Policy
1015 15th St NW, Suite 600, Washington DC 20005
708.492.3341 (Direct) | adonahue@hfma.org

Calendar Year 2023

Limited time, bandwidth and political capital

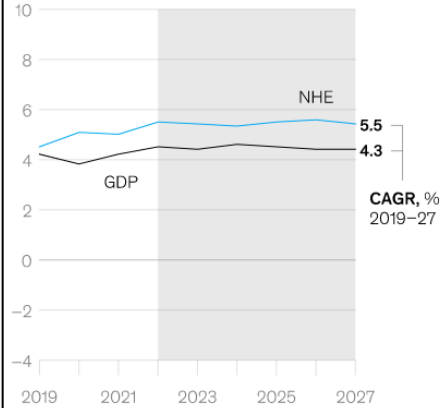


2023 CONGRESSIONAL CALENDAR CQ Roll Call

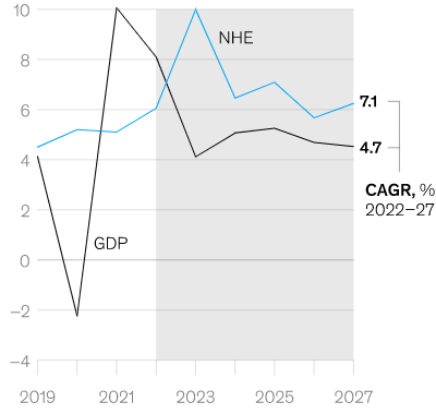
Mounting Pressure

National health expenditure growth with incremental effects could significantly outpace GDP growth over the next two to three years.

Projections of NHE and GDP growth, pre-COVID-19, % (nominal) 2019–27



Projections of NHE and GDP growth, with additional impacts, % (nominal) 2019–27



NHE growth in excess of GDP growth, percentage points

2022	2023	2024	2025	2026	2027
1.2	1.2	0.9	1.2	1.4	1.2

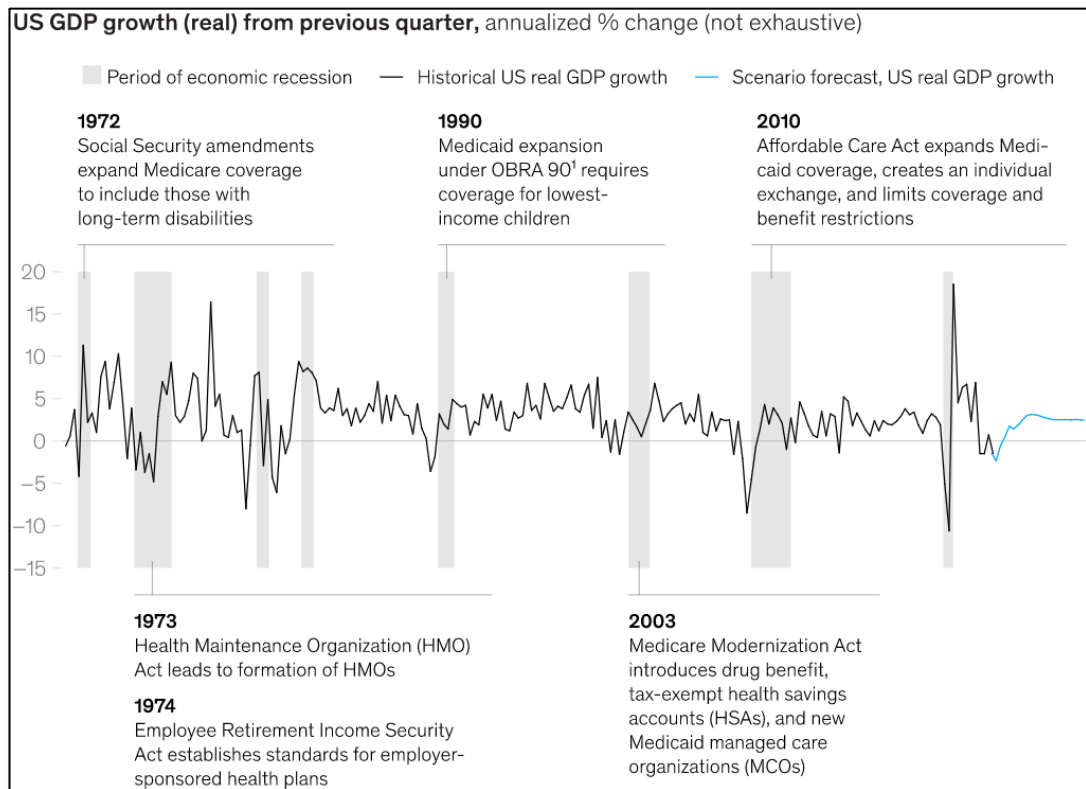
2022	2023	2024	2025	2026	2027
-2.1	5.9	1.4	1.8	1.0	1.7

Note: For pre-COVID-19 projection, nominal NHE growth and nominal GDP growth based on March 2020 NHE release; nominal NHE growth, with additional impacts, is based on March 2020 NHE release for 2019–21 and March 2020 NHE release, plus additional modeled impacts for 2022–27; nominal GDP growth is actuals through 2021 and projections from 2022–27 based on McKinsey analysis in partnership with Oxford Economics, scenario 3B.
Source: National health expenditure projections 2019–28, US Centers for Medicare & Medicaid Services, Mar 24, 2020; McKinsey analysis

Mounting Pressure

Growth in national health expenditure (NHE) above GDP, % (not exhaustive)					
	7.6	7.9	6.0	6.5	5.5
	1970	1982	1990	2002	2009
Fiscal intervention	1971 President Nixon's executive order forced freeze of health-care prices and wages	1983 Introduction of Medicare diagnosis-related group payment system	1997 Balanced Budget Act enacted, introducing sustainable growth rate	2005 Medicaid modifications included in Deficit Reduction Act	2010 Medicare productivity cuts in Affordable Care Act 2011 Medicare sequestration included in Budget Control Act
NHE growth in following years	Growth in NHE fell below GDP growth by 1973; returned to elevated levels in 1974–77	Growth in NHE fell below GDP growth by 1984; began to rise again in 1985	Growth in NHE fell below GDP growth by 1994 during the 1990s managed-care era, and the second-longest period of low growth from 1994–2000 was sustained by Balanced Budget Act	Growth in NHE returned to near level of GDP growth by 2004 and stayed low through 2006	Growth in NHE fell below GDP growth by 2011, the longest period of sustained low growth from 2011–19

Mounting Pressure



Mounting Pressure

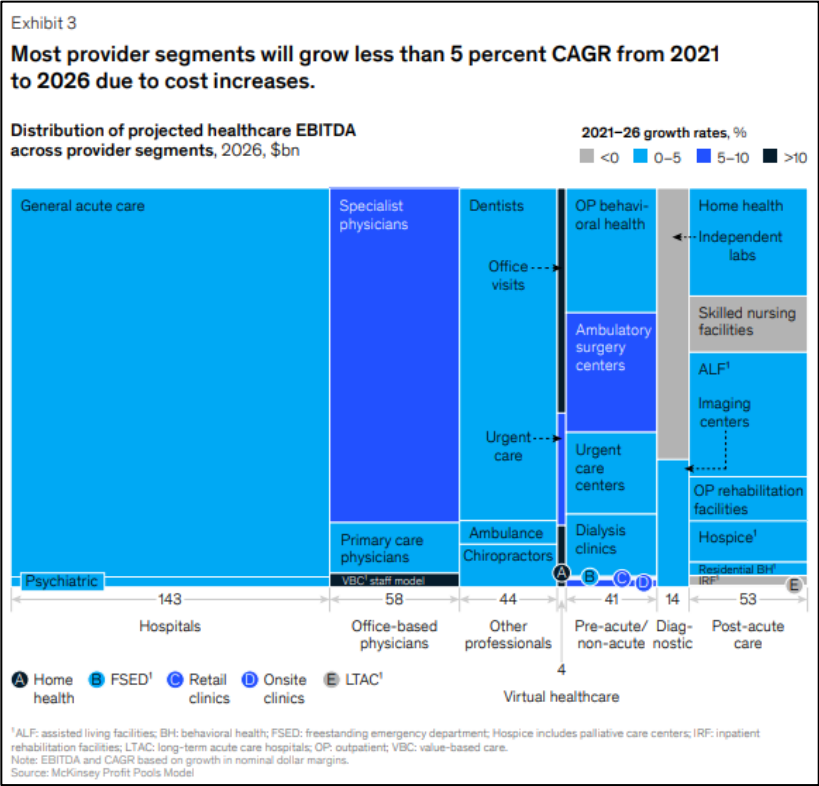


Crisis

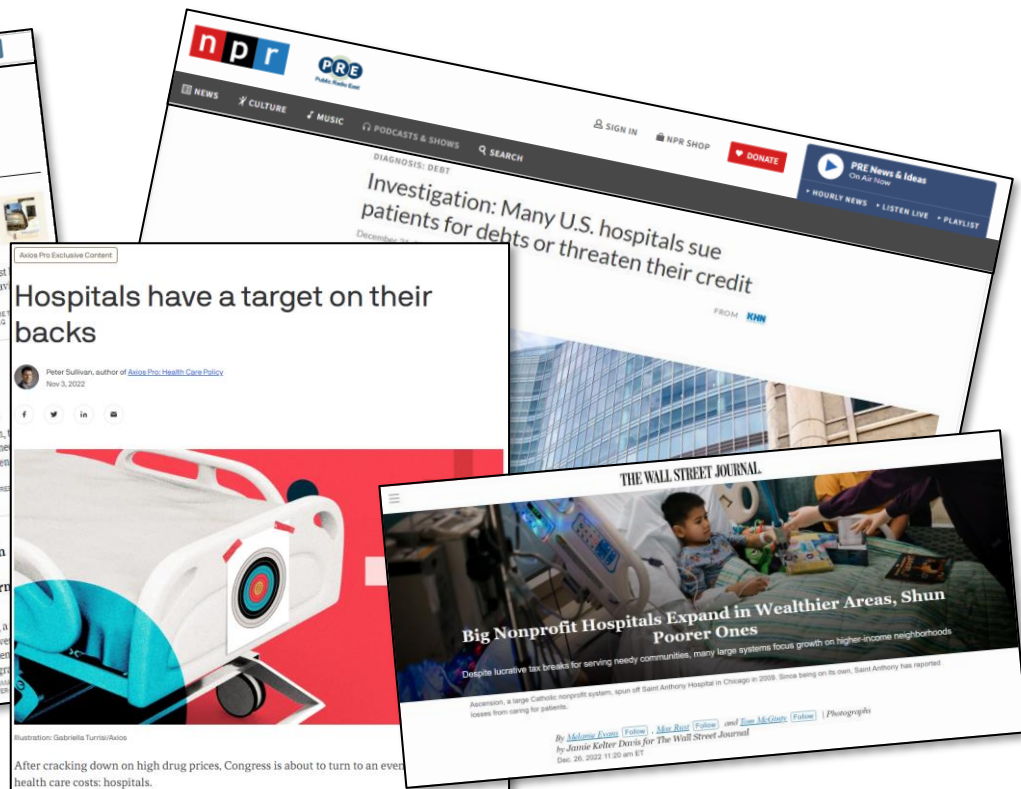
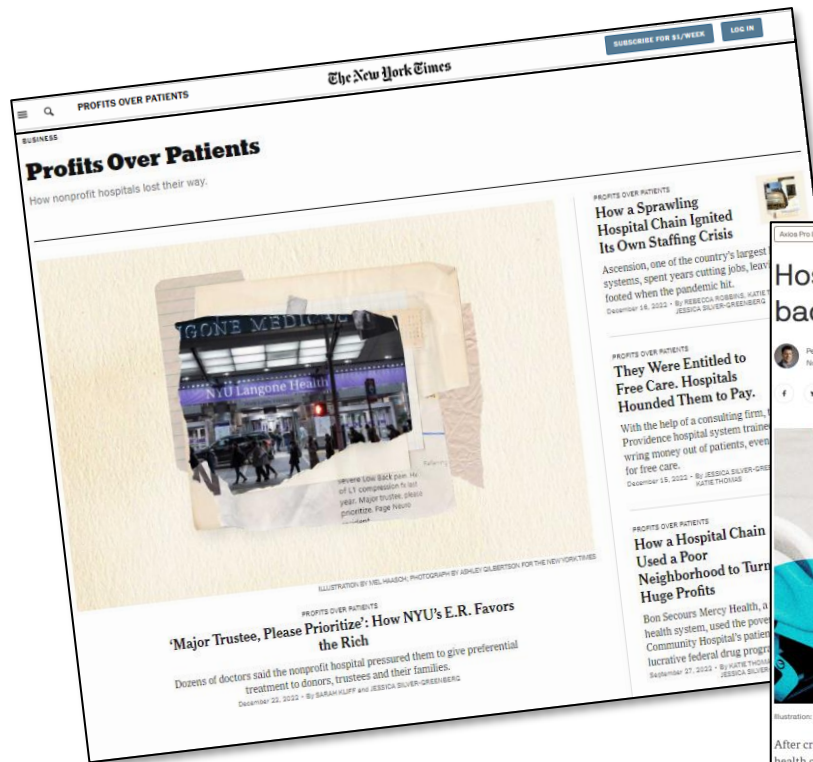
Stabilization

Normalization?

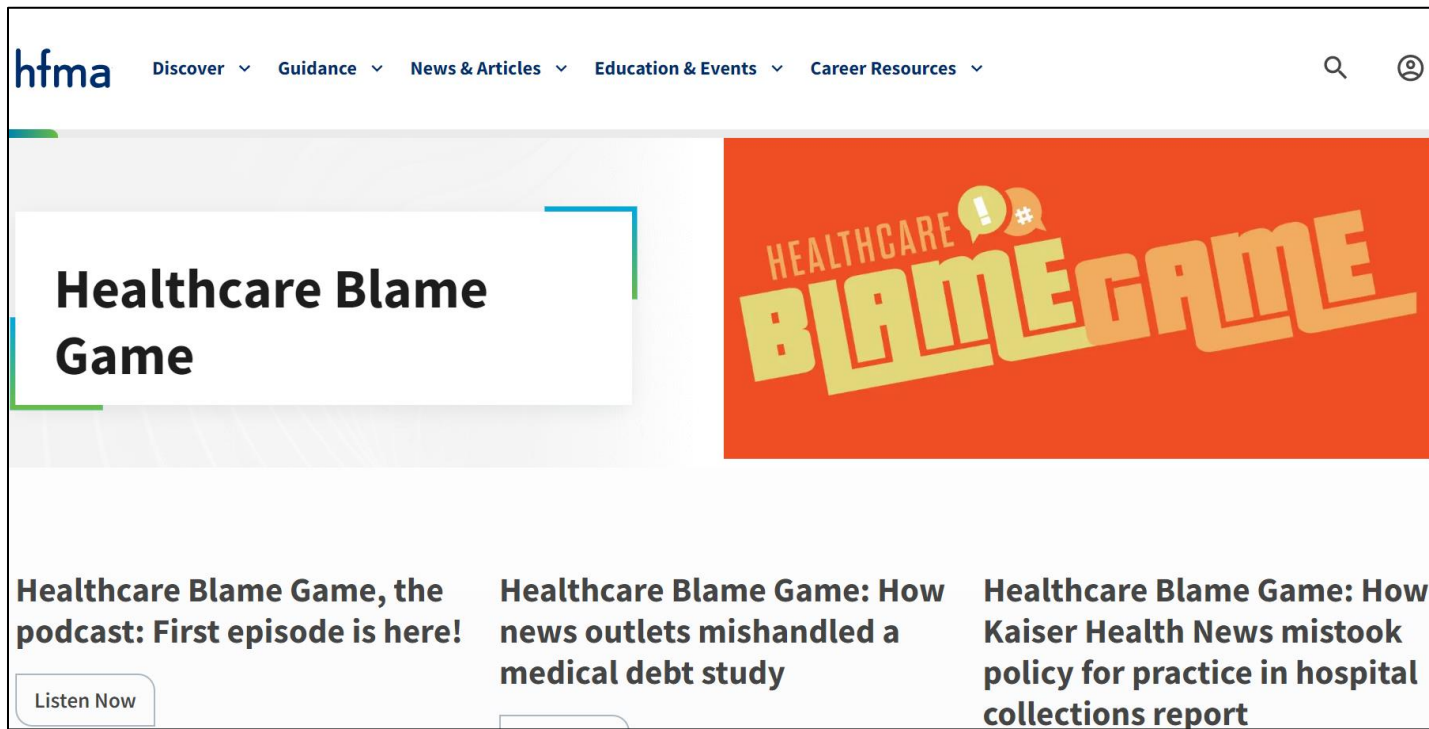
Mounting Pressure



Anti-Hospital Sentiment Rising

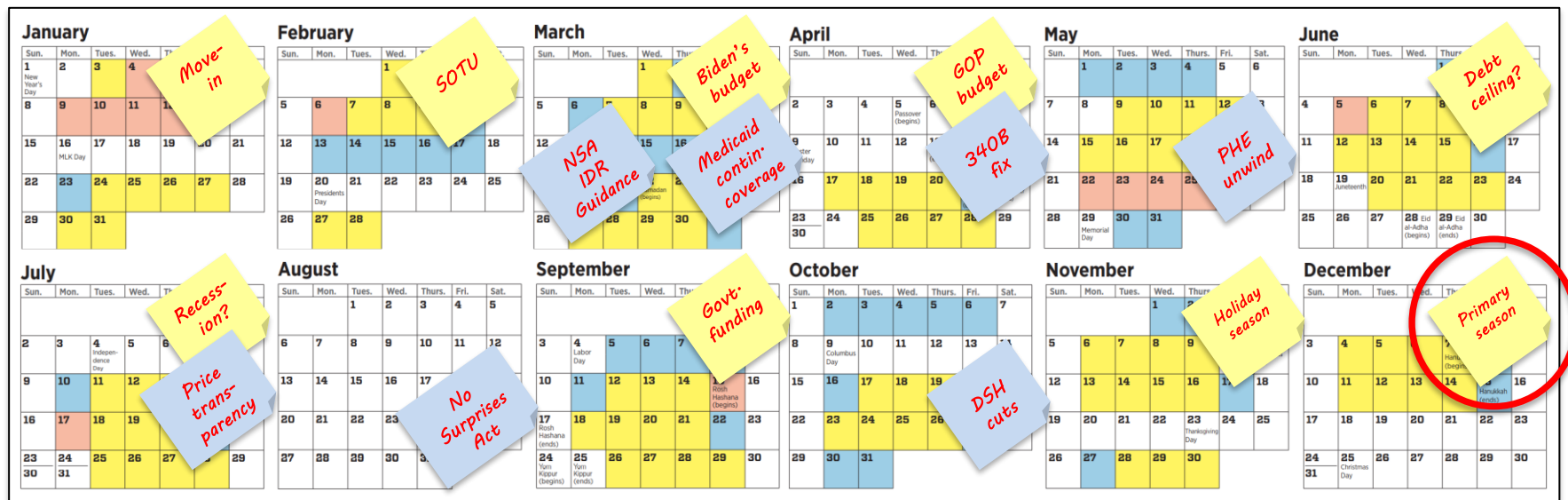


Anti-Hospital Sentiment Rising



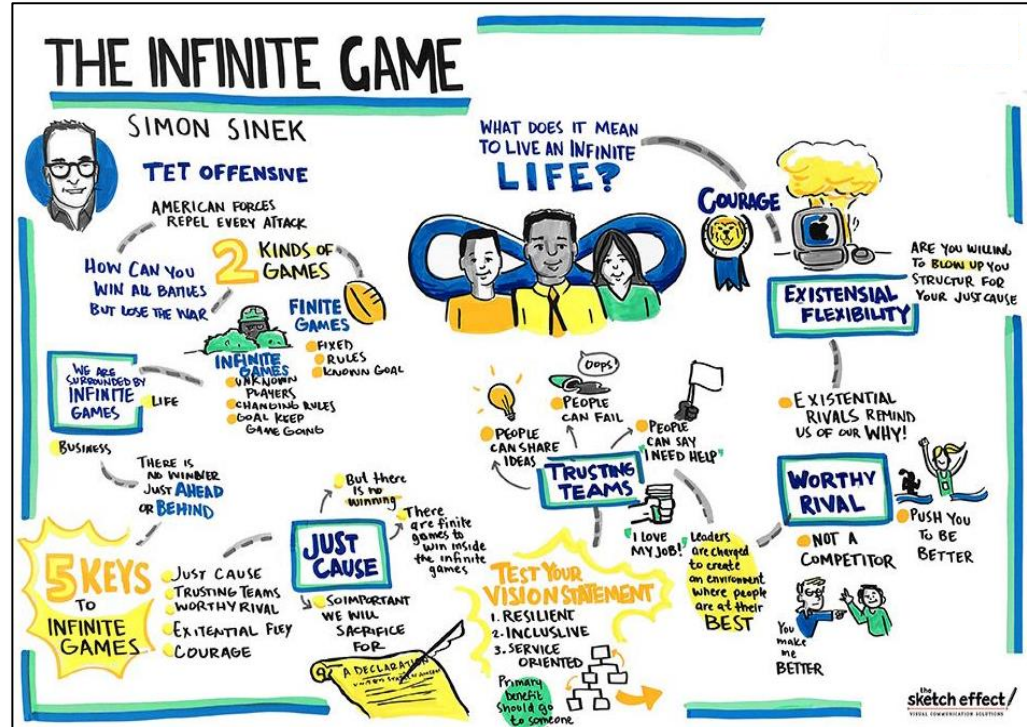
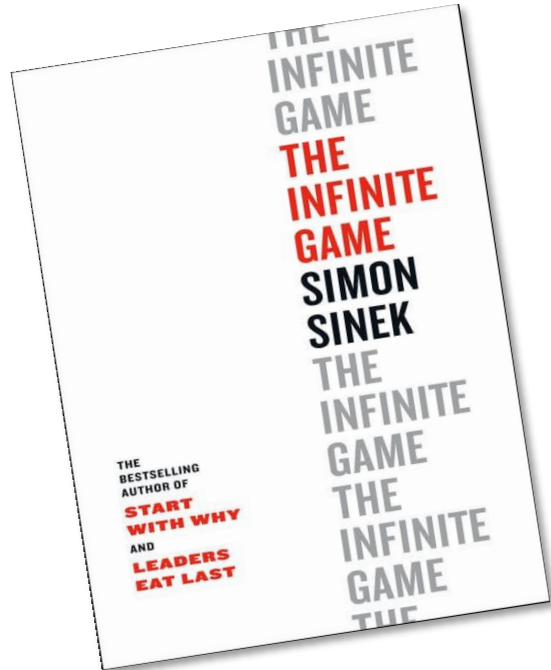
Calendar Year 2023

Limited time, bandwidth and political capital



2023 CONGRESSIONAL CALENDAR CQ Roll Call

Infinite Players



Source: Simon Sinek, "The Infinite Game"; thesketcheffect.com.

hfmaTM

hfma.org