

## TCIV: Trump health policy hasn't shaken the market

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When major policy changes are in the forecast, they often make the market jittery, said Dexter Braff, president of the Braff Group speaking at the Treatment Center Investment & Valuation Retreat in Scottsdale, Ariz., on Tuesday. However, he also noted that from his view, not a single deal transaction has been delayed in response to the incoming Trump administration so far.

“We are extremely bullish on the behavioral health market,” he said.

Braff outlined the ongoing merger and acquisition (M&A) trends, which remain on the rise, as well as the predictions for 2017. Between the recent surgeon general's report on addiction and the bipartisan legislative support for prevention, treatment and recovery, the market will likely have a good outlook, based on the existing tailwinds.

For example, parity laws are gaining traction at last, and they aren't going to be dismantled by the new administration, Braff said.

“The market on addiction treatment is stable, and M&A risk is extremely low,” he said. “Even a rollback of Medicaid expansion or the exchange products will not have that much impact.”

The GOP tool for recasting health policy will be tax credits in place of subsidies that were a key part of the Affordable Care Act (ACA). Although the credits will still represent an expense for the federal government, according to Braff, they are more palatable within the GOP's “theology.”

One variable to watch: how Trump and a GOP-led Congress will keep the provision to prevent health insurers from denying coverage of pre-existing conditions for plan enrollees. Under ACA, the offset to balance out the cost of such a model is the mandate that all Americans have health coverage. Without an offset, premium costs could soar even higher.

Knowing that Republicans have vowed to dissolve the mandate in ACA, stakeholders will need to watch for some type of incentives instead.

“It's not really repeal and replace,” Braff said. “It's repackage and reposition. It's going to be enough of a reposition so ACA is covered politically, but also so the fallout doesn't happen.”



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