

Time is short for critical action to stabilize individual market

APR 13, 2017

Kevin B. O'Reilly

News Editor

Vital funding that reduces the costs borne by 7 million Americans who purchase coverage through the health insurance exchanges will soon be endangered if Congress and the Trump administration do not act quickly to ensure it continues to be available to the low- and moderate-income patients who need it.

There is great uncertainty surrounding these cost-sharing reductions, which 60 percent of individuals who buy coverage through the health insurance exchanges rely upon to help with deductibles, co-payments or out-of-pocket limits. The payments are the subject of a lawsuit filed by members of Congress in 2014 and still pending in the federal courts.

Resolving doubts about the continued funding of the cost-sharing reductions is “the most critical action” that could be taken “to help stabilize the individual market for 2017 and 2018,” says a letter sent to the Trump administration and Congressional leaders by the AMA and seven other organizations representing family physicians, hospitals, businesses, employers and health insurers.

The funding covers consumers who earn less than 250 percent of the federal poverty level, and “Americans will be dramatically impacted” if cost-sharing reductions end, the letter says. The likely outcomes include fewer choices for health insurance consumers and higher premiums in 2018 and beyond. Analysts have estimated that the loss of cost-sharing reductions would raise premiums for all consumers in the individual market by at least 15 percent, regardless of whether they buy coverage through the exchange marketplace.

“Higher premium rates could drive out of the market those middle-income individuals who are not eligible for tax credits,” says the letter, signed by the AMA, American Academy of Family Physicians, American Hospital Association, Federation of American Hospitals, American Benefits Council, U.S. Chamber of Commerce, America’s Health Insurance Plans, and the Blue Cross Blue Shield Association.

If the funding ends and more Americans go without coverage, hospitals, clinics, physicians and other

health professionals are likely to see more of their care go uncompensated. That “will further strain their ability to meet the needs of their communities and will raise costs for everyone, including employers who sponsor group health plans for their employees,” the letter says.

“We are committed to working with you to deliver the short-term stability we all want and the affordable coverage and high-quality care that every American deserves,” the letter says. “But time is short and action is needed.”

Taking steps to strengthen and stabilize the individual insurance market is one of the nine objectives guiding the AMA’s health care reform discussions with the administration and Congress. The AMA supports measures to maximize the number of people, including healthy Americans, who sign up for coverage on the individual market.

Read more about the Association's comprehensive vision for health-system reform, refined over more than two decades by the AMA House of Delegates, which is composed of representatives of more than 190 state and national specialty medical associations.

You can further explore the AMA’s health reform objectives at Patientsbeforepolitics.org, an online platform designed to educate and engage patients and physicians on the current debate. The site makes it easy for patients and physicians to write their elected Congressional representatives and urge them to protect Americans’ access to quality care.

More on this

- | [House bill does not align with AMA health reform principles](#)
- | [Health reform: Industry experts talk funding, market uncertainty](#)
- | [Doctors against health reform? Not so fast](#)