Patients pay price for ending cost-sharing reduction payments

Federal cost-sharing reductions (CSR) payments, which helped lower health insurance deductibles and co-payments for millions of low-income Americans obtaining coverage in the Affordable Care Act (ACA) marketplace, will be discontinued this month, the Department of Health and Human Services (HHS) announced Oct. 12.

The move followed the White House's statement that referred to CSRs as "unlawful payments" and a "bailout of insurance companies" that were being funded without a Congressional appropriation.

AMA President David O. Barbe, MD, MHA, said the AMA "is deeply discouraged" by the president's decision because it "creates more uncertainty" in the individual insurance marketplace and threatens "access to meaningful health insurance coverage for millions of Americans" just as an abbreviated open-enrollment period is about to begin.

"Republicans and Democrats alike have expressed concern about the affordability of health care coverage under the Affordable Care Act, and bipartisan efforts have been underway in Congress to provide the specific authorization and funding for CSR payments to address the legal issues involved," Dr. Barbe (@DBarbe_MD) said. "Our patients will ultimately pay the price. We urge Congress to accelerate its efforts to reinstate these payments before further damage is done."

It is estimated that at least 6 million people had their costs of care lowered by a CSR, at an annual cost to the federal government of around $7 billion. The AMA joined a coalition of organizations representing family physicians, hospitals, health insurers and employers in urging Congressional leaders to "take action now to fund" CSR benefits. The joint letter notes the Congressional Budget Office's determination that ending the funding that supports CSR benefits will:

- Drive up premiums, increasing average premiums for benchmark silver plans—the most popular plans on the exchanges—by 20 percent in 2018, and by 25 percent in 2020.
- Deny choices for consumers and greatly increase the risk that some places will have no coverage options at all.
- Increase the federal budget deficit by $194 billion over the next 10 years.
Bipartisan efforts in the Senate, led by Health, Education, Labor and Pensions Committee Chair Lamar Alexander, R-Tenn., and Ranking Member Patty Murray, D-Wash., have produced an agreement to restore the CSRs. The legislative pathway for Congressional approval, however, remains uncertain.

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