April 20, 2017: Advocacy spotlight on Time is short for critical action to stabilize individual market

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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."

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