AMA backs new approaches to cover more of the uninsured

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There is true potential to make significant strides in covering the uninsured by pursuing auto-enrollment as a strategy to cover many of the remaining uninsured who have coverage options available to them at no cost after any applicable subsidies. In addition, a public option has the potential to provide patients with more health plan choice.

Before either of these approaches to cover the uninsured and improve coverage affordability are implemented, however, safeguards need to be developed to protect patients, physicians and their practices, according to an AMA Council on Medical Service report adopted at the November 2020 AMA Special Meeting.

“A public option should not be seen as a panacea to cover the uninsured,” said AMA President Susan R. Bailey, MD. “It should not be used to replace private insurance; rather, it can be used to maximize competition. With appropriate guardrails, the AMA will examine proposals that would provide additional coverage options to our patients.”

Regarding auto-enrollment, the report says that in 2018, 57% of the nonelderly uninsured population was eligible for financial assistance either through Medicaid, the Children’s Health Insurance Program (CHIP), or via premium tax credits to purchase marketplace coverage. Automatic enrollment could maximize coverage rates and cover millions of the uninsured. When patients able to secure affordable and meaningful coverage, they are increasingly able to access the care that they need.

Details on what these safeguards must include were incorporated into new policies adopted by the AMA House of Delegates.

The policy states that the AMA will advocate that any public option to expand health insurance coverage must meet the following standards:

- The primary goals of establishing a public option are to maximize patient choice of health plan and maximize health plan marketplace competition.
Eligibility for premium tax credit and cost-sharing assistance to purchase the public option is restricted to individuals without access to affordable employer-sponsored coverage that meets standards for minimum value of benefits.

Physician payments under the public option are established through meaningful negotiations and contracts. Physician payments under the public option must be higher than prevailing Medicare rates and at rates sufficient to sustain the costs of medical practice.

Physicians have the freedom to choose whether to participate in the public option. Public option proposals should not require provider participation or tie physician participation in Medicare, Medicaid or any commercial product to participation in the public option.

The public option is financially self-sustaining and has uniform solvency requirements.

The public option does not receive advantageous government subsidies in comparison to those provided to other health plans.

The public option shall be made available to uninsured individuals who fall into the “coverage gap” in states that do not expand Medicaid—having incomes above Medicaid eligibility limits but below the federal poverty level, which is the lower limit for premium tax credits—at no or nominal cost.

The council’s report notes tremendous potential in the use of auto-enrollment to improve the coverage reach of the AMA proposal for reform, especially amid the COVID-19 pandemic.

The policy adopted by the House of Delegates laid out the following standards to guide states and the federal government as they pursue auto-enrollment initiatives:

- Individuals must provide consent to the applicable state and/or federal entities to share their health insurance status and tax data with the entity with the authority to make coverage determinations.
- Individuals should only be auto-enrolled in health insurance coverage if they are eligible for coverage options that would be of no cost to them after the application of any subsidies. Candidates for auto-enrollment would, therefore, include individuals eligible for Medicaid/CHIP or zero-premium marketplace coverage.
- Individuals should have the opportunity to opt out from health insurance coverage into which they are auto-enrolled.
- Individuals should not be penalized if they are auto-enrolled into coverage for which they are not eligible or remain uninsured despite believing they were enrolled in health insurance coverage via auto-enrollment.
- Individuals eligible for zero-premium marketplace coverage should be randomly assigned among the zero-premium plans with the highest actuarial values.
- Health plans should be incentivized to offer pre-deductible coverage including physician services in their bronze and silver plans, to maximize the value of zero-premium plans to plan enrollees.
Individuals enrolled in a zero-premium bronze plan who are eligible for cost-sharing reductions should be notified of the cost-sharing advantages of enrolling in silver plans. There should be targeted outreach and streamlined enrollment mechanisms promoting health insurance enrollment, which could include raising awareness of the availability of premium tax credits and cost-sharing reductions, and establishing a special enrollment period.

“The AMA believes that now is the time to build upon the ACA to cover more of the uninsured. We look forward to being at the table to represent physicians and our patients to ensure that our patients are able to secure affordable and meaningful coverage, and access the care that they need,” Dr. Bailey said.