

# Improving Health Insurance Affordability: *Helping Low- and Moderate-Income Individuals Get Covered*

As millions of Americans have gained coverage resulting from the Affordable Care Act (ACA), progress has been made on a long-time policy priority of the American Medical Association (AMA) – expanding access to affordable, quality health insurance coverage. However, the AMA believes that additional steps must be taken to improve health insurance affordability and ensure that low- and moderate-income patients are able to secure affordable and meaningful coverage. The AMA supports numerous policy options to improve health insurance affordability, which could be achieved at the federal and/or state levels.

## Steps to Make Coverage More Affordable for Patients

- Expand eligibility for premium tax credits up to 500 percent of the federal poverty level (FPL). (FL, SL)
- Provide young adults with enhanced premium tax credits while maintaining the current premium tax credit structure which is inversely related to income. (FL, SL)
- Fix the ACA’s “family glitch.” (FL, FR)
- Expand Medicaid eligibility to 133 percent FPL. (SL)
- Lower the threshold that determines whether an employee’s premium contribution is “affordable,” which impacts eligibility to receive subsidies to purchase marketplace coverage. (FL)
- Develop demonstration projects to fund health savings accounts (HSAs) to help individuals eligible for cost-sharing subsidies who enroll in bronze plans afford plan cost-sharing requirements, at a level determined to be equivalent to the cost-

sharing subsidy they would have received had they enrolled in a silver plan. (FL, FR, SL)

- Support innovative benefit designs, which could allow certain physician services and prescription drugs to be provided pre-deductible. (FL, FR, SL, SR)

## Steps to Improve the Individual Market Risk Pool

- Reinststitute federal individual mandate penalty. (FL)
- Enact individual mandates on the state level. (SL)
- Provide adequate funding for and expand outreach efforts to increase public awareness of advance premium tax credits. (FL, SL)

## Steps to Stabilize and Strengthen the Individual Market

- Establish a permanent federal reinsurance program. (FL)
- Promote the use of Section 1332 waivers for state reinsurance programs. (FL, FR, SL, SR)
- Oppose the sale of health insurance plans in the individual and small group markets that do not guarantee: a) pre-existing condition protections; and b) coverage of essential health benefits and their associated protections against annual and lifetime limits, and out-of-pocket expenses, except in the limited circumstance of short-term limited duration insurance offered for no more than three months. (FL, FR, SL, SR)

**FL** – Proposal could be enacted in federal legislation. **FR** – Proposal could be achieved through federal regulatory action.

**SL** – Proposal could be enacted in state legislation. **SR** – Proposal could be achieved through state regulatory action.