

REPORT 2 OF THE COUNCIL ON MEDICAL SERVICE (A-19)  
Covering the Uninsured under the AMA Proposal for Reform  
(Resolution 108-A-18)  
(Reference Committee A)

## EXECUTIVE SUMMARY

Expanding health insurance coverage and choice have been long-standing goals of the American Medical Association (AMA). The AMA proposal for health system reform is grounded in AMA policies concerning pluralism, freedom of choice, freedom of practice, and universal access for patients. To expand coverage and choice to all Americans, the AMA has advocated for the promotion of individually selected and owned health insurance; the maintenance of the safety net that Medicaid and the Children's Health Insurance Program provide; and the preservation of employer-sponsored coverage to the extent the market demands it. The AMA proposal for reform recognizes that many individuals are generally satisfied with their coverage, but provides affordable coverage options to those who are uninsured or are having difficulties affording coverage options, including employer-sponsored, for which they are eligible.

The Council believes that our AMA proposal for reform, based on AMA policy, is still the right direction to pursue for covering the uninsured. In this environment, the Affordable Care Act (ACA) is the vehicle through which the AMA proposal for reform can be realized. That being said, the ACA is not broken, but it is imperfect. Instead of abandoning the ACA and threatening the stability of coverage for those individuals who are generally satisfied with their coverage, the Council believes that now is the time to invest not only in fixing the law, but improving it.

Improving the ACA targets providing coverage to the uninsured population, rather than upending the health insurance coverage of most Americans. In addition, focusing the efforts of our AMA on improving the ACA helps promote physician practice viability by maintaining variety in the potential payer mix for physician practices. As such, by putting forward the following new proposals to build upon and fix the ACA, as well as reaffirming existing policies adopted by the House of Delegates, the AMA proposal for reform has the potential to make significant strides in covering the remaining uninsured and providing health insurance to millions more Americans:

- Eliminate the subsidy “cliff,” thereby expanding eligibility for premium tax credits beyond 400 percent of the federal poverty level;
- Increase the generosity of premium tax credits to improve premium affordability on ACA marketplaces and incentivize people to get covered; and
- Expand eligibility for and increase the size of cost-sharing reductions to help people with the cost-sharing obligations of the plan in which they enroll.

Importantly, the AMA proposal for reform provides a strong policy foundation to use in evaluating health reform proposals as they are introduced in the coming years, regardless of whether they are tied to the ACA. While the Council continues to believe that the AMA should not support single-payer proposals, the Council underscores that the AMA will continue to thoughtfully engage in discussions of health reform proposals, which will vary greatly in their structure and scope. Opposing single-payer proposals does not preclude that engagement, nor mean that the AMA should not evaluate health reform proposals that are introduced. Ultimately, our AMA, guided by policy, will continue forward in its efforts to advocate for coverage of the uninsured.

## REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 2-A-19

Subject: Covering the Uninsured under the AMA Proposal for Reform  
(Resolution 108-A-18)

Presented by: James G. Hinsdale, MD, Chair

Referred to: Reference Committee A  
(John Montgomery, MD, MPH, Chair)

---

1 At the 2018 Annual Meeting, the House of Delegates referred Resolution 108, “Expanding AMA’s  
2 Position on Healthcare Reform Options,” which was sponsored by the Medical Student Section.  
3 Resolution 108-A-18 asked that our American Medical Association (AMA) remove references in  
4 AMA policy to opposing single-payer health care by rescinding Policies H-165.844 and  
5 H-165.985; amending Policy H-165.888 by deletion to remove “1(b) Unfair concentration of  
6 market power of payers is detrimental to patients and physicians, if patient freedom of choice or  
7 physician ability to select mode of practice is limited or denied. Single-payer systems clearly fall  
8 within such a definition and, consequently, should continue to be opposed by the AMA. Reform  
9 proposals should balance fairly the market power between payers and physicians or be opposed;”  
10 and amending Policy H-165.838 by deletion to remove “12. AMA policy is that creation of a new  
11 single-payer, government-run health care system is not in the best interest of the country and must  
12 not be part of national health system reform.” The Board of Trustees assigned this item to the  
13 Council on Medical Service for a report back to the House of Delegates at the 2019 Annual  
14 Meeting.

15  
16 This report provides background on health care coverage and costs in the US; summarizes potential  
17 approaches to cover the uninsured and achieve universal coverage; outlines factors to evaluate in  
18 proposals to expand coverage; and presents policy recommendations.

19  
20 **BACKGROUND**  
21

22 The health insurance coverage environment in the US for the nonelderly population heavily relies  
23 on the provision of employer-sponsored insurance, with nongroup coverage, Medicaid and other  
24 public programs covering smaller shares of the population. In 2017, 57 percent of the nonelderly  
25 population was covered by employer-sponsored health insurance coverage, with Medicaid and the  
26 Children’s Health Insurance Program (CHIP) covering 22 percent, non-group plans covering eight  
27 percent, and other public plans covering three percent. Of concern, 27.4 million nonelderly  
28 individuals (10 percent) remained uninsured, an increase of 700,000 from 2016.<sup>1</sup>

29  
30 The income demographic of the uninsured population is concentrated below 400 percent of the  
31 federal poverty level (FPL), with 82 percent of the uninsured with income below that threshold in  
32 2017. Almost one-fifth of the uninsured population had incomes below the poverty line in 2017,<sup>2</sup>  
33 which in 2019 is \$12,490 for an individual and \$25,750 for a family of four.<sup>3</sup> Significantly, more  
34 than three-quarters of the nonelderly uninsured had at least one full-time worker in their family.<sup>4</sup>

1 At the same time, \$3.5 trillion was spent on health care in the US in 2017, an increase of 3.9  
2 percent from 2016 – amounting to \$10,739 per person. Hospital care made up 33 percent of total  
3 health care spending, with spending on physician and clinical services amounting to 20 percent,  
4 and retail prescription drugs 10 percent. Overall, health care spending made up 17.9 percent of the  
5 gross domestic product (GDP) in 2017.<sup>5</sup>

6  
7 Health care is financed by a variety of entities in the US, via dedicated taxes and/or general  
8 revenues, or by contributions made to health insurance premiums and out-of-pocket costs. In 2017,  
9 the federal government and households each accounted for 28 percent of health care spending.  
10 Health care spending by private businesses amounted to 20 percent of spending, with state and  
11 local spending following at 17 percent.<sup>6</sup>

12  
13 **MOVING FORWARD: APPROACHES TO COVER THE UNINSURED**

14  
15 The uptick in the uninsured rate, coupled with increasing pressures relating to health care costs, has  
16 caused momentum to build in support of action to cover the remaining uninsured. There have been  
17 two main approaches outlined in legislation and organizational policy proposals to date to improve  
18 the coverage climate in the US. First, legislation and organizational proposals have been put  
19 forward to build upon and fix the Affordable Care Act (ACA) to cover more people. As an  
20 alternative, other proposals have been introduced to use Medicare as the foundation to cover all US  
21 residents, or allow Medicare or Medicaid buy-ins.

22  
23 *The AMA Proposal for Reform*

24  
25 Expanding health insurance coverage and choice have been long-standing goals of the AMA. The  
26 approach to coverage as outlined under the AMA proposal for reform supports health system  
27 reform alternatives that are consistent with AMA policies concerning pluralism, freedom of choice,  
28 freedom of practice, and universal access for patients. Notably, the AMA health system reform  
29 proposal has been extensively deliberated by the House of Delegates over the past 20 years. Based  
30 principally on recommendations developed by the Council on Medical Service, beginning in 1998,  
31 the AMA proposal for covering the uninsured and expanding choice advocates for the promotion of  
32 individually selected and owned health insurance using refundable and advanceable tax credits that  
33 are inversely related to income so that patients with the lowest incomes will receive the largest  
34 credits (Policies H-165.920 and H-165.865). Policy H-165.920 also supports and advocates a  
35 system where individually purchased and owned health insurance coverage is the preferred option,  
36 but employer-provided coverage is still available to the extent the market demands it. AMA policy  
37 also underscores that in the absence of private sector reforms that would enable persons with low-  
38 incomes to purchase health insurance, our AMA supports eligibility expansions of public sector  
39 programs, such as Medicaid and CHIP, with the goal of improving access to health care coverage  
40 to otherwise uninsured groups (Policy H-290.974). AMA policy has long supported the creation of  
41 basic national standards of uniform eligibility for Medicaid (Policy H-290.997), and at the  
42 invitation of state medical societies, the AMA will work with state and specialty medical societies  
43 in advocating at the state level to expand Medicaid eligibility to 133 percent FPL as authorized by  
44 the ACA (Policy D-290.979). Addressing a public option, Policy H-165.838 states that insurance  
45 coverage options offered in a health insurance exchange be self-supporting; have uniform solvency  
46 requirements; not receive special advantages from government subsidies; include payment rates  
47 established through meaningful negotiations and contracts; not require provider participation; and  
48 not restrict enrollees' access to out-of-network physicians.

49  
50 Since the enactment of the ACA, the House of Delegates has been very proactive in and responsive  
51 to the evolving coverage environment to ensure that AMA policy is able to address how to best

1 cover the remaining uninsured. Under the ACA, eligible individuals and families with incomes  
2 between 100 and 400 percent FPL (between 133 and 400 percent FPL in Medicaid expansion  
3 states) are being provided with refundable and advanceable premium credits that are inversely  
4 related to income to purchase coverage on health insurance exchanges. In addition, individuals and  
5 families with incomes between 100 and 250 percent FPL (between 133 and 250 percent FPL in  
6 Medicaid expansion states) also qualify for cost-sharing subsidies if they select a silver plan, which  
7 leads them to face lower deductibles, out-of-pocket maximums, copayments and other cost-sharing  
8 amounts. At the time that this report was written, 36 states and the District of Columbia have  
9 adopted the Medicaid expansion provided for in the ACA, which extended Medicaid eligibility to  
10 individuals with incomes up to 133 percent FPL.<sup>7</sup>

11  
12 Significantly, the House of Delegates has adopted a multitude of policies that address coverage for  
13 the remaining uninsured in the ACA environment:

14

- 15     • *8.2 million individuals who are eligible for premium tax credits but remain uninsured:*<sup>8</sup>  
16         Policy H-165.824 supports adequate funding for and expansion of outreach efforts to  
17         increase public awareness of advance premium tax credits, and providing young adults  
18         with enhanced premium tax credits while maintaining the current premium tax credit  
19         structure which is inversely related to income.
- 20     • *1.9 million individuals who are ineligible for premium tax credits due to income higher*  
21         *than 400 percent FPL:*<sup>9</sup> AMA policy supports expanding eligibility for premium tax credits  
22         up to 500 percent FPL, encouraging state innovation with reinsurance (H-165.824), and  
23         establishing a permanent federal reinsurance program (H-165.842).
- 24     • *3.8 million individuals who are ineligible for premium tax credits to purchase coverage on*  
25         *health insurance exchanges because they have an offer of “affordable” employer*  
26         *coverage:*<sup>10</sup> Policy H-165.828 supports legislation or regulation, whichever is relevant, to  
27         fix the ACA’s “family glitch,” and supports lowering the threshold that determines whether  
28         an employee’s premium contribution is “affordable,” measured by comparing the  
29         employee’s share of the premium to their income.
- 30     • *6.8 million individuals who are eligible for Medicaid or CHIP but remain uninsured:*<sup>11</sup>  
31         AMA policy supports efforts to expand coverage to uninsured children who are eligible for  
32         CHIP and Medicaid through improved and streamlined enrollment mechanisms and  
33         educational and outreach activities aimed at Medicaid-eligible and CHIP-eligible children.  
34         In addition, Policy H-290.961 opposes work requirements as a criterion for Medicaid  
35         eligibility.
- 36     • *2.5 million individuals with incomes below 100 percent FPL who fall into the “coverage*  
37         *gap” due to their state’s decision not to expand Medicaid:*<sup>12</sup> Policy D-290.979 states that  
38         our AMA, at the invitation of state medical societies, will work with state and specialty  
39         medical societies in advocating at the state level to expand Medicaid eligibility to 133  
40         percent (138 percent FPL including the income disregard) of FPL as authorized by the  
41         ACA.
- 42     • *Individuals who may choose not to get covered resulting from the elimination of the federal*  
43         *individual mandate penalty:* Policy H-165.824 encourages state innovation, including  
44         considering state-level individual mandates, auto-enrollment and/or reinsurance, to

1 maximize the number of individuals covered and stabilize health insurance premiums  
2 without undercutting any existing patient protections. This policy builds upon Policy  
3 H-165.848, which supports a requirement that individuals and families who can afford  
4 health insurance be required to obtain it, using the tax structure to achieve compliance. The  
5 policy advocates a requirement that those earning greater than 500 percent FPL obtain a  
6 minimum level of catastrophic and preventive coverage. Only upon implementation of tax  
7 credits or other coverage subsidies would those earning less than 500 percent FPL be  
8 subject to the coverage requirement.  
9

10 *Building Upon and Improving the Affordable Care Act*

11  
12 Legislative and organizational proposals to build upon and fix the ACA, on both the federal and  
13 state levels, generally include one or more of the following provisions:

14

- 15 • Increasing the amount of and expanding eligibility for premium tax credits, including  
16 removing the “subsidy cliff;”
- 17 • Providing “enhanced” tax credits to young adults;
- 18 • Increasing amounts of cost-sharing reductions received by individuals who qualify for  
19 them;
- 20 • Extending eligibility for cost-sharing reductions beyond 250 percent FPL;
- 21 • Establishing a reinsurance program;
- 22 • Fixing the “family glitch;”
- 23 • Establishing a state individual mandate and/or auto-enrollment program; and
- 24 • Restricting the availability of short-term limited duration insurance (STLDI) plans and  
25 association health plans.

26  
27 These proposals are generally targeted at the populations that remain uninsured under the law, as  
28 well as to address the reasons individuals are uninsured or underinsured in the current environment.  
29 For example, in 2017, 45 percent of uninsured nonelderly adults reported that they were uninsured  
30 because the cost was too high.<sup>13</sup> Increasing the amount of and expanding eligibility for premium  
31 tax credits and cost-sharing reductions addresses concerns with both high premiums and cost-  
32 sharing requirements.

33  
34 *Expanding Medicare or Medicaid to Cover the Uninsured*

35  
36 Legislation has also been introduced to use Medicare or Medicaid as vehicles to expand coverage.  
37 “Medicare-for-All” legislation has been introduced in the US House of Representatives and the  
38 Senate: S 1129, the Medicare for All Act of 2019 (Senator Bernie Sanders, I-VT), and HR 1384,  
39 the Medicare for All Act of 2019 (Representative Pramila Jayapal, D-WA). These bills call for the  
40 replacement of employer-sponsored insurance, individual market coverage, and most public  
41 programs, including Medicaid, Medicare and CHIP, with Medicare-for-All. The new Medicare-for-  
42 All program would have no premiums, and in general no cost-sharing, with the exception of S 1129  
43 giving the Secretary of Health and Human Services (HHS) the authority to allow for cost-sharing  
44 for prescription drugs, up to \$200 per year. The new Medicare-for-All program would cover all  
45 medically necessary services in outlined benefit categories, dental and vision services, with  
46 coverage of long-term services and supports varying based on the legislation. These proposals  
47 would establish a global budget for all health spending. A fee schedule would be established for  
48 physicians, guided by Medicare rates.<sup>14,15,16</sup>

1 As an alternative to the traditional Medicare-for-All proposals, “Medicare for America” legislation  
2 was expected to be reintroduced this session of Congress at the time that this report was written. Of  
3 note, there may be differences between the legislation introduced this Congress and that introduced  
4 last Congress. Unlike Medicare-for-All, Medicare for America as introduced during the 115<sup>th</sup>  
5 Congress would allow large employers to continue providing health insurance to their employees,  
6 if they provide gold-level coverage (80 percent of benefits costs covered). Alternatively, they can  
7 direct their contributions toward paying for premiums for Medicare for America. If employers  
8 continue to offer health insurance to their employees, employees would have the ability to choose  
9 Medicare for America coverage instead of their employer coverage. There would also be premiums  
10 and cost-sharing under Medicare for America. Premiums would be on a sliding scale based on  
11 income, with individuals with incomes below 200 percent FPL having no premium, deductible or  
12 out-of-pocket costs. Premiums overall would be capped at no more than 9.69 percent of monthly  
13 income. Individuals and families with incomes between 200 and 600 percent FPL would be eligible  
14 to receive subsidies to lower their premium contributions, with current Medicare beneficiaries  
15 either paying the premium for which they are responsible under Medicare, or that of Medicare for  
16 America, whichever is less expensive. Out-of-pocket maximums would also be applied on a sliding  
17 scale based on income, with the caps being \$3,500 for an individual and \$5,000 for families.  
18 Provider payment under Medicare for America would be based largely on Medicare rates, with  
19 increases in payment for primary care, mental and behavioral health, and cognitive services, and  
20 the Secretary being given the authority to establish a rate schedule for services currently not paid  
21 for under Medicare. Participating providers under Medicare or Medicaid would be considered to be  
22 participating providers under Medicare for America. Notably, as a condition of participation in the  
23 program, providers would accept Medicare for America rates paid by employer-sponsored  
24 insurance plans and Medicare Advantage plans.<sup>17,18</sup>

25  
26 Smaller scale proposals have also been introduced to allow older individuals to buy in to Medicare  
27 starting at age 50; establish a public option that would be offered through the exchanges based on  
28 Medicare; and allow individuals to buy in to Medicaid. Senator Debbie Stabenow (D-MI) has  
29 introduced S 470, the Medicare at 50 Act, and Representative Brian Higgins (D-NY) has  
30 introduced HR 1346, the Medicare Buy-In and Health Care Stabilization Act of 2019, which would  
31 enable individuals to buy in to Medicare at age 50. Premiums would be based on estimating the  
32 average, annual per capita amount for benefits and administrative expenses that would be payable  
33 under Parts A, B, and D for the buy-in population. Notably, individuals enrolled in the buy-in  
34 would receive financial assistance similar to that which they would have received had they  
35 purchased a qualified health plan through the marketplace.<sup>19,20</sup>

36  
37 Senator Brian Schatz (D-HI) and Representative Ben Ray Luján (D-NM) introduced S 489/HR  
38 1277, the State Public Option Act. If enacted into law, the legislation which would give states the  
39 option to establish a Medicaid buy-in plan for residents regardless of income. Interestingly, for  
40 individuals ineligible for premium tax credits, their premiums cannot exceed 9.5 percent of  
41 household income. If these individuals were to enroll in other plans on state ACA marketplaces,  
42 their premiums would not be capped as a percentage of their income. In terms of physician  
43 payment rates, the State Public Option Act would make permanent a payment increase to Medicare  
44 levels for a range of primary care providers.<sup>21,22</sup> In addition, several states are considering a  
45 Medicaid buy-in or public option, including New Mexico, Colorado, Minnesota, New Jersey,  
46 Connecticut, Washington and Maine.<sup>23</sup> Some state proposals would use Medicaid provider rates as  
47 the basis for payment levels, whereas others would use Medicare or other approaches.

48  
49 Legislative proposals have also been put forward in Congress to establish a public option on the  
50 exchanges that rely on components of the Medicare program in program structure and to keep plan  
51 costs down. The public option, available to individuals and/or small employers eligible to purchase

1 such coverage, would require Medicare participating providers to participate in the public option.  
2 Proposals differ in their approaches to provider opt-out provisions, and whether providers in  
3 Medicaid would also be required to participate in the public option. Such public option proposals  
4 would also base provider payment rates on Medicare, either extending Medicare payment rates or  
5 using Medicare rates as a guide to establish payment levels. Individuals who qualify for premium  
6 tax credits and cost-sharing subsidies could use such subsidies to purchase the public option. All  
7 public option proposals would at a minimum cover essential health benefits as required under the  
8 ACA, with some proposals covering more benefits.  
9

10 *International Approaches to Universal Coverage*

11  
12 Countries that have achieved universal coverage show that there is no “one-size-fits-all” approach  
13 to covering the uninsured and health system financing. Health system financing varies from  
14 country to country. While some countries can fall into one overarching financing model, others  
15 may incorporate multiple financing models in their health systems. Such models include a single-  
16 payer system financed through taxes, and employer-sponsored insurance and coverage provided by  
17 nonprofit, private insurers.  
18

19 Many countries finance their health systems generally through taxes, with the government serving  
20 as single-payer. For example, in Denmark, health care is financed predominantly through a national  
21 health tax, equal to eight percent of taxable income. In the United Kingdom, the majority of  
22 financing for the National Health Service comes from general taxation and a payroll tax. Partly as a  
23 result of the level of health care benefits provided by the government, countries with single-payer  
24 systems tend to have higher tax rates and social insurance contributions. Overall, taxes that fund  
25 social insurance programs are often higher in other developed countries than in the United States.  
26

27 Other countries have employer-sponsored insurance and coverage provided through nonprofit,  
28 private insurers. For example, health insurance in Germany is mandatory for all citizens and  
29 permanent residents, and is primarily provided by competing “sickness funds,” not-for-profit,  
30 nongovernmental health insurance funds. Sickness funds are financed by mandatory contributions  
31 imposed as a percentage of employees’ gross wages up to a ceiling. High-income individuals can  
32 choose to opt out and instead purchase substitutive private coverage. Switzerland requires residents  
33 to purchase mandatory statutory health insurance, which is offered by competing nonprofit  
34 insurers. Direct financing for health care providers, predominantly for hospitals providing inpatient  
35 acute care, comes from tax-financed government budgets. Residents pay premiums for statutory  
36 health insurance coverage; premiums are redistributed among insurers by a central fund, adjusted  
37 for risk. In the Netherlands, all residents are required to purchase statutory health insurance from  
38 private insurers. Its statutory health insurance is financed through a combination of a nationally  
39 defined, income-related contribution; a government grant for insured individuals under the age of  
40 18; and community-rated premiums set by each insurer. Such contributions are collected centrally  
41 and allocated to insurers according to a risk-based capitation formula.<sup>24</sup>  
42

43 In its analysis of international health systems, the Council noted that private insurance can play a  
44 supplementary and/or substitutive role to public health insurance options. Based on the country,  
45 premiums for private coverage can be paid by individuals and/or employers, unions or other  
46 organizations. Supplementary insurance, available in several countries, covers services that are  
47 excluded or not fully covered in the statutory plan, which could include prescription drug, dental  
48 and/or vision coverage. It can also build off the statutory coverage provided to improve coverage  
49 and can provide increased choice of or faster access to providers. For example, private health  
50 insurance in Australia and Norway offers more choice of providers, as well as expedited access to  
51 nonemergency care. Substitutive insurance is duplicative of coverage offered in the statutory plan,

1 and could be available to populations not covered by or those who opt out of the statutory plan. In  
2 Germany, many young adults with higher incomes take advantage of substitutive private health  
3 insurance, because health insurers offer them coverage for a more extensive range of services, as  
4 well as lower premiums.<sup>25</sup>

5  
6 The role of patient out-of-pocket payments in contributing to health care financing varies from  
7 country to country. In Canada, there is no patient cost-sharing for publicly insured physician,  
8 diagnostic and hospital services. In the United Kingdom, there is limited cost-sharing for publicly  
9 covered services. In countries where for many services patients have no cost-sharing, patients may  
10 have out-of-pocket responsibilities for outpatient prescription drugs, dental care and vision care. In  
11 many cases, vulnerable groups in these countries are either exempt from or face lower prescription  
12 drug copayments.<sup>26</sup>

13  
14 Residents of Switzerland have similar types of cost-sharing exposures as privately insured  
15 individuals in the US. Insured adults are responsible for deductibles for statutory health insurance  
16 coverage, which can be lower, closer to \$235, or higher, more than \$1,900, depending on patient  
17 choice. After the deductible is met, individuals pay 10 percent coinsurance for all services, up to an  
18 annual maximum of approximately \$550 for adults, with the cap for children being roughly half of  
19 that for adults. Low-income individuals are eligible for premium subsidies, and regional  
20 governments or municipalities cover the health insurance expenses of individuals receiving social  
21 assistance benefits or supplementary old age and disability benefits.<sup>27</sup>

22  
23 Overall, several other countries, while requiring deductibles and/or copayments, also impose caps  
24 on cost-sharing, which limit patient out-of-pocket responsibilities. There are also exemptions from  
25 cost-sharing for vulnerable populations. For example, in Germany, there is an annual cap on cost  
26 sharing for adults equal to two percent of household income; the cap is equal to one percent of  
27 household income for chronically ill individuals. In Sweden, annual out-of-pocket payments for  
28 health care visits are capped below \$200.<sup>28</sup>

29  
30 Finally, approaches to paying providers vary, and are not wholly dependent on a country's health  
31 care financing model. Physicians can be salaried, or be paid via fee-for-service and capitation.  
32 Payments to physicians can also depend on whether patients have registered with and/or received a  
33 referral from their primary care physician. Physician fee schedules can be regulated or set by  
34 national, regional or local health authorities, negotiated between national medical  
35 societies/physician trade unions and the government, or negotiated/set by sickness funds or health  
36 plans. Physicians in some countries can also receive performance-based payments. Patient out-of-  
37 pocket payments contribute varying levels to physician payment, depending on cost-sharing  
38 responsibilities.

39  
40 CONSIDERATIONS IN EVALUATING PROPOSALS TO EXPAND COVERAGE

41  
42 *Coverage Impacts*

43  
44 None of the legislative proposals to expand coverage highlighted in this report have been formally  
45 scored by the Congressional Budget Office to assess their impacts on coverage. That being said,  
46 proposals that would establish a single-payer system that would enroll all US residents into a single  
47 plan would be expected to lead to universal coverage. The coverage impacts of other proposals to  
48 expand coverage via a public plan available to all lawfully present individuals in the US would  
49 depend on whether individuals are able to opt out of the coverage, and what other provisions are  
50 included to maximize coverage rates. Some proposals would achieve universal coverage for legal

1 residents, but not for undocumented individuals. Others, including public option proposals, would  
2 be expected to increase coverage, but at much lower rates.  
3

4 The coverage impacts of proposals that aim to build upon and fix the ACA will depend on whether  
5 provisions to improve upon and/or expand premium tax credits and cost-sharing reductions;  
6 improve access to premium tax credits and cost-sharing reductions for those who find their  
7 employer-sponsored coverage unaffordable; and/or establish a federal reinsurance program are  
8 coupled with mechanisms to maximize coverage rates, such as meaningful individual mandate  
9 penalties or an auto-enrollment mechanism. Also, additional states expanding their Medicaid  
10 programs would positively impact coverage rates, as 2.5 million of the nonelderly uninsured have  
11 incomes below 100 percent FPL and fall into the “coverage gap” due to their state’s decision not to  
12 expand Medicaid.<sup>29</sup> Of note, certain policy options to improve the ACA have been evaluated to  
13 assess their potential impacts on overall coverage rates. For example, researchers from RAND  
14 Corporation modeled the impact of increasing the generosity of premium tax credits and extending  
15 eligibility for premium tax credits beyond 400 percent FPL, and concluded that implementing those  
16 policy options would increase the number of total insured by 2.4 million people in 2020. In  
17 addition, RAND modeled the impact of a generous reinsurance program, estimated to lead to an  
18 additional 2 million individuals having health insurance coverage in 2020.<sup>30</sup>  
19

20 The Urban Institute also estimated the coverage impacts of reform proposals to build upon and fix  
21 the ACA, including:  
22

- 23 • Reinstating the ACA’s individual mandate penalties and cost-sharing reduction payments  
24 and prohibiting the expanded availability of STLDI plans;
- 25 • Expanding Medicaid eligibility in all remaining states, with full federal financing of the  
26 Medicaid expansion for all states; and
- 27 • Improving marketplace assistance, including the enhancement of the ACA’s premium tax  
28 credit and cost-sharing subsidy schedules; tying ACA financial assistance to gold instead  
29 of silver level coverage; and establishing a permanent federal reinsurance program.  
30

31 The Urban Institute assumed that 32.2 million nonelderly people would be uninsured in 2020. If  
32 these proposals to build upon and fix the ACA were enacted into law, the Urban Institute projected  
33 that number would drop to 21.1 million people in 2020 – a decrease of 11.1 million.<sup>31</sup>  
34

### 35 *Patient Choice of Health Plan*

36

37 The ability of and degree to which patients would be able to choose their health plan would vary  
38 greatly under proposals put forth to cover the uninsured. Some Medicare-for-All proposals would  
39 not allow individuals with employer-sponsored coverage to keep their coverage; other proposals,  
40 including Medicare for America and proposals that build upon the ACA, would, to varying  
41 degrees. Depending on the proposal that builds upon Medicare to cover all US residents, patient  
42 choice of health plan would depend on whether the structure of the public plan is indeed a singular  
43 public plan in which everyone enrolls, or if it would follow a structure similar to Medicare  
44 Advantage. Under Medicare buy-in proposals, individuals starting at age 50 would have a choice  
45 between their existing mode of coverage and buying in to Medicare. Medicaid buy-in and other  
46 public option proposals are generally adding another plan to pick from on the marketplaces. The  
47 Council notes that if Medicaid buy-in and other public options are able to offer coverage at much  
48 lower premiums than existing marketplace plans, that could impact the size of premium tax credits  
49 available to individuals, which are pegged to the second lowest cost silver plan on the marketplace.  
50 If premium tax credit amounts are lower, individuals may have a choice of health plan, but may be  
51 able to afford fewer coverage options on the marketplaces.

1     *Scope of Benefits*

2  
3     The scope of benefits under proposals introduced to cover the uninsured vary in terms of  
4     comprehensiveness of benefits and cost-sharing. Medicare-for-All proposals that have been  
5     introduced at the time that this report was written would cover medically necessary services in  
6     outlined benefit categories, dental and vision services, and long-term services and supports.  
7     Generally, there would be no cost-sharing for these services, with the exception of S 1129, the  
8     Medicare for All Act of 2019, introduced by Senator Sanders, which would give the Secretary of  
9     HHS the authority to allow for cost-sharing for prescription drugs, up to \$200 per year. Medicare  
10    for America would cover benefits determined to be medically necessary, including long-term  
11    services and supports for the elderly and individuals with disabilities, with cost-sharing  
12    responsibilities varying by income. Under the Medicare buy-in proposal for older individuals  
13    starting at age 50, such individuals would be entitled to the same benefits under Medicare Parts A,  
14    B and D as current Medicare beneficiaries. Public option proposals, including Medicaid buy-ins,  
15    generally follow the ACA's essential health benefits requirements, with cost-sharing dependent on  
16    income.

17

18     *Impacts on Patient Access*

19

20     Proposals to expand health insurance coverage can be expected to vary also in their impacts on  
21     patient access to care. Overall, increased demand for services would depend on how many  
22     individuals would become insured under the proposal. In addition, patient demand for services  
23     would vary based on the level of cost-sharing required under the proposal in question. For example,  
24     under traditional Medicare-for-All proposals, cost-sharing would generally be eliminated, which  
25     would be expected to lead to an increased utilization of medical services, as well as those services  
26     not typically covered under traditional health insurance (e.g. dental, vision, hearing). On the other  
27     hand, individuals use less care if cost-sharing is higher. As such, if patients were still responsible  
28     for a certain level of cost-sharing, the effect on demand for services would be expected to be more  
29     modest.

30

31     Provider supply and participation in any new public health insurance option can be expected to be  
32     impacted by the level at which providers are paid (e.g., Medicare or some variation thereof,  
33     Medicaid, new negotiated rates). For Medicare and Medicaid buy-in proposals as well as others  
34     that would create a public option, requiring provider participation could also impact whether  
35     providers continue to participate in traditional Medicare and/or Medicaid, potentially impacting  
36     current beneficiary access to care. In assessing the Medicare for All Act of 2017 as introduced by  
37     Senator Bernie Sanders, a working paper released by the Mercatus Center at George Mason  
38     University stated that "it is not precisely predictable how hospitals, physicians, and other health  
39     care providers would respond to a dramatic reduction in their reimbursements under M4A, well  
40     below their costs of care for all categories of patients combined."<sup>32</sup> In addition, RAND Corporation  
41     recently analyzed a single-payer plan for the state of New York, and an assumption incorporated  
42     into its modeling was that "providers reduce supply of services when payment levels decrease or  
43     financial risk increases."<sup>33</sup> Another RAND report assessing national health spending estimates  
44     under Medicare-for-All stated that "providers' willingness and ability to provide health care  
45     services including the additional care required by the newly insured and those benefiting from  
46     lower cost sharing would likely be limited."<sup>34</sup>

47

48     Of concern to the Council are those proposals that would greatly increase demand for services,  
49     while containing provisions expected to negatively impact provider supply. In detailing its methods  
50     for assessing the presidential campaign proposal of Senator Sanders in 2016, Urban Institute stated  
51     that "the Sanders plan would increase demand for health services by eliminating individuals' direct

1 contributions to care (i.e., by eliminating deductibles, copayments, and coinsurance), but not all  
2 increased demand could be met because provider capacity would be insufficient.”<sup>35</sup> The Mercatus  
3 Center study of the Medicare for All Act of 2017 stated that while some practices and facilities  
4 would be able to continue to operate, others would not, “thereby reducing the supply of health care  
5 services at the same time M4A sharply increases health care demand. It is impossible to say  
6 precisely how much the confluence of these factors would reduce individuals’ timely access to  
7 health care services, but some such access problems almost certainly must arise.”<sup>36</sup> RAND’s report  
8 on national health spending estimates under Medicare-for-All stated “[t]he extent and distribution  
9 of unmet care would depend on providers’ payer mix under current law and their responses to  
10 Medicare-for-All payment levels. For example, some providers may elect to not participate in a  
11 Medicare-for-All plan (and instead enter in private contracts with individuals, an arrangement  
12 permitted in some single-payer bills), providers may alter when they retire, and potential medical  
13 students and trainees could change their career choices. As a result, some patients might experience  
14 longer wait times for care or face unmet needs.”<sup>37</sup>

15  
16 Concerns regarding wait times also echo data comparing health systems of different countries. For  
17 example, while 51 percent of patients in the United States were able to get an appointment the  
18 same or next day, that number falls to 49 percent in Sweden and 43 percent in Canada, and is 57  
19 percent in the United Kingdom. Only six percent of patients in the US had a wait time of two  
20 months or longer to access a specialist, whereas wait times to see a specialist were significantly  
21 longer in countries with systems classified in the study as national health service and single-payer.  
22 Thirty-nine percent of patients in Canada had wait times of two-months or longer to see a  
23 specialist, with 19 percent of patients in the United Kingdom and Sweden facing such specialist  
24 wait times. Health systems in countries classified to be “insurance-based” (e.g. Germany,  
25 Switzerland, Netherlands, France) have more comparable wait times to the US.<sup>38</sup>

26  
27 *Other Impacts on Physician Practices*  
28

29 Health reform proposals that have been introduced have the potential to impact physicians and their  
30 practices in a multitude of ways, based on factors that include practice size and specialty; physician  
31 employment status; geography; and the payer mix of patients. As previously noted, transitioning  
32 the entire US population to a plan that pays Medicare rates, or has rates closely tied to that of  
33 Medicare, is expected to negatively impact practices that cannot cover their costs of care based on  
34 Medicare rates. Importantly, the Council notes innovation and practice enhancements can be  
35 undermined if practices were solely to rely on Medicare payment rates, therefore stifling delivery  
36 reform that promises to lower costs and improve care while maintaining access. Some Medicaid  
37 buy-in proposals raise similar concerns, especially those that use Medicaid payment rates in the  
38 buy-in program. On the other hand, proposals to build upon and fix the ACA would maintain the  
39 variety in the potential payer mix for physician practices.

40  
41 The choices physicians currently have in their practice of medicine would be more limited under  
42 proposals that would enroll all US residents in a single public health insurance plan. That being  
43 said, it will be important to monitor if supplemental or substitutive private insurance would be  
44 allowed in such proposals, which would either replace the statutory coverage, or build off of the  
45 statutory coverage provided to improve coverage and provide increased choice of or faster access  
46 to providers. The Council notes that there may be an additional opportunity for physicians to  
47 participate in a parallel private market if it is allowed under such proposals.

48  
49 Requirements for provider participation must be assessed in any proposal that would establish a  
50 public option or allow individuals to buy into Medicare or Medicaid. Such proposals assume  
51 physician participation in these plans if they participate in traditional Medicare and/or Medicaid.

1 Under such proposals, if there is no provider opt-out provision, physicians would be expected to  
2 differ in their willingness to continue their participation in the existing traditional Medicare and  
3 Medicaid programs, as well as in their decisions on whether to accept new patients. Any proposal  
4 that ties physician participation in Medicare and/or Medicaid to a new public insurance option  
5 would also have the potential to significantly impact the payer mix of physician practices. The  
6 Council notes that Policies H-285.989 and D-383.984 oppose “all products” clauses or linking a  
7 physician’s participation in one insurance product to that physician’s participation in any other  
8 insurance product.

9

10 Health reform proposals that drastically impact physician practice payer mix could also impact  
11 practice efficiency. While proposals that build upon the ACA would continue the practice of  
12 physicians interacting with a variety of health plans, transitioning all US residents into one public  
13 health insurance plan could mean that physicians only interact with one plan, with the same  
14 benefits package and payment rates, as well with one set of rules governing the use of utilization  
15 management practices.

16

17 *Cost and Financing*

18

19 The Council notes that none of the outlined legislative proposals to expand coverage have been  
20 formally scored by the Congressional Budget Office to assess their costs. That being said, think  
21 tanks and other entities have provided estimates of certain proposals. Medicare-for-All proposals  
22 that cover a comprehensive set of benefits with no cost-sharing are expected to incur the largest  
23 increases in federal spending. Recent analyses of Medicare-for-All proposals have been based on  
24 the Medicare for All Act of 2017 as introduced by Senator Sanders, his 2016 Medicare-for-All  
25 presidential campaign proposal, or a general Medicare-for-All proposal that would provide  
26 comprehensive health coverage, including long-term care benefits, with no-cost sharing. Of note,  
27 none of these analyses specifically measure the effects of S 1129, the Medicare for All Act of 2019,  
28 introduced by Senator Sanders in April of 2019. These analyses, published by the Urban Institute,  
29 the Mercatus Center at George Mason University, Kenneth Thorpe of Emory University and  
30 RAND Corporation, projected that Medicare-for-All proposals would require a large increase in  
31 federal spending. However, there are important differences among the analyses; as a result, they are  
32 not directly comparable. First, while Mercatus estimated the effects of the Medicare for All Act of  
33 2017 as introduced, Urban Institute and Kenneth Thorpe evaluated Senator Sanders’ 2016  
34 presidential campaign proposal. As a result, the Mercatus Center assumed a four-year phase in of  
35 Medicare-for-All, but did not include an expansion in long-term services and supports – both  
36 differences between the 2017 version of the legislation and the campaign proposal. RAND, on the  
37 other hand, provided estimates of a more generic Medicare-for-All proposal. Of note, all of these  
38 studies made their cost projections over different time periods. The studies also did not have the  
39 same assumptions of the level at which providers would be paid under Medicare-for-All.<sup>39,40</sup>

40

41 The Mercatus Center estimated that the Medicare for All Act of 2017 would increase federal  
42 spending by approximately \$32.6 trillion from 2022 to 2031, assuming a four-year phase-in period  
43 beginning in 2018.<sup>41</sup> The Urban Institute projected that federal spending under the 2016  
44 presidential campaign proposal would increase by \$32 trillion between 2017 and 2026.<sup>42</sup> The  
45 estimate of the campaign proposal put forth by Kenneth Thorpe was lower – closer to \$25 trillion  
46 over the period from 2017 to 2026.<sup>43</sup> After the release of the Mercatus Center estimate, the Urban  
47 Institute noted that its estimates would differ if it were to standardize the assumptions between the  
48 two estimates. For example, Urban stated that if its estimate were over the same period as the  
49 Mercatus Center, and still included expansion of long-term services and supports, its estimate  
50 would be closer to \$40 trillion.<sup>44</sup> RAND Corporation estimated that Medicare-for-All would

1 increase federal health spending in 2019, rather than projecting a 10-year estimate, by 221 percent,  
2 from \$1.09 trillion to approximately \$3.5 trillion.<sup>45</sup>

3  
4 All analyses estimating the cost of Medicare-for-All note that it would necessitate a complete  
5 change in how health care is financed in the US. Nearly all current national spending on health care  
6 by households, private businesses, and state and local governments would shift to the federal  
7 government. How these entities fare after a transition to Medicare-for-All would ultimately depend  
8 on the pay-fors of the proposal. For example, in introducing the Medicare for All Act of 2019,  
9 Senator Sanders also released a white paper that laid out potential funding options, which included:

10

- 11 • Creating a 4 percent income-based premium paid by employees, exempting the first  
\$29,000 in income for a family of four;
- 12 • Imposing a 7.5 percent income-based premium paid by employers, exempting the first \$2  
million in payroll to protect small businesses;
- 13 • Eliminating health tax expenditures;
- 14 • Making the federal income tax more progressive, including a marginal tax rate of up to  
70 percent on those making above \$10 million, taxing earned and unearned income at the  
same rates, and limiting tax deductions for filers in the top tax bracket;
- 15 • Making the estate tax more progressive, including a 77 percent top rate on an inheritance  
above \$1 billion;
- 16 • Establishing a tax on extreme wealth;
- 17 • Closing the “Gingrich-Edwards Loophole;”
- 18 • Imposing a fee on large financial institutions; and
- 19 • Repealing corporate accounting gimmicks.<sup>46</sup>

20  
21  
22  
23  
24  
25 Transitioning to the Medicare for America proposal, the Council notes that while the exact cost of  
26 the legislation is not yet known, it is expected to be significant, but cost less than the  
27 aforementioned Medicare-for-All proposals due to differences in plan premiums and cost-sharing  
28 requirements, and the role of employers. Of note, the sponsors of the bill put forward the following  
29 options to pay for the proposal as introduced during the 115<sup>th</sup> Congress:

30

- 31 • Sunsetting the Republican tax bill;
- 32 • Imposing a 5 percent surtax on adjusted gross income (including on capital gains) above  
\$500,000;
- 33 • Increasing the Medicare payroll tax and the net investment income tax;
- 34 • Increasing the excise taxes on all tobacco products, beer, wine, liquor, and sugar-sweetened  
drinks; and
- 35 • Incentivizing states to make maintenance of effort payments equal to the amounts they  
36 currently spend on Medicaid and CHIP.<sup>47</sup>

37  
38  
39  
40 The cost of proposals to build upon the ACA depends on the comprehensiveness of the proposal,  
41 and whether provisions are coupled with a mechanism to maximize coverage rates, such as an  
42 individual mandate or auto-enrollment system, as well as restrictions on short-term limited duration  
43 plans and association health plans. RAND Corporation estimated the impact on the federal deficit  
44 in 2020 of some potential proposals to improve coverage in the individual market under the ACA:

45

- 46 • Providing young adults with enhanced premium tax credits: \$1.1 billion;
- 47 • Increasing the generosity of premium tax credits: \$6.4 billion;
- 48 • Extending eligibility for premium tax credits beyond 400 percent FPL: \$9.9 billion;
- 49 • Increasing and extending eligibility for premium tax credits: \$18.8 billion; and

1        • Establishing a reinsurance program: Savings of \$2.3 billion to \$8.8 billion depending on  
2        generosity.<sup>48</sup>

3

4        The Urban Institute also estimated the impact of proposals to build upon and fix the ACA on  
5        federal spending on acute health care for the nonelderly in 2020:

6

7        • Reinstating the ACA's individual mandate penalties and cost-sharing reduction payments  
8        and prohibiting the expanded availability of STLDI plans: Savings of \$11.4 billion;  
9        • Expanding Medicaid eligibility in all remaining states, with full federal financing of the  
10       Medicaid expansion for all states (when added to the previous bullet): \$68.1 billion; and  
11       • Improving marketplace assistance, including enhancing the ACA's premium tax credit and  
12       cost-sharing subsidy schedules; tying ACA financial assistance to gold instead of silver  
13       level coverage; and establishing a permanent federal reinsurance program (added to the  
14       two previous bullets): \$131 billion.<sup>49</sup>

15

16       The cost of public option proposals, as well as Medicare and Medicaid buy-ins, depends on several  
17       factors. First, the rate upon which provider payments are based will impact the cost, whether  
18       provider rates are tied to Medicare or a variation thereof, Medicaid, or another payment mechanism  
19       entirely. The cost of such proposals will also depend on whether they would be required to be  
20       financially self-sufficient and not depend on the traditional Medicare or Medicaid programs for  
21       parts of their financing. It will be paramount to assess the impact of any proposal that builds upon  
22       the Medicare program, or relies on Medicare program financing in part, on the solvency of the  
23       Medicare Trust Fund.

24

25       DISCUSSION

26

27       The AMA has long supported health system reform alternatives that are consistent with AMA  
28       policies concerning pluralism, freedom of choice, freedom of practice, and universal access for  
29       patients. To expand coverage to all Americans, the AMA has advocated for the promotion of  
30       individually selected and owned health insurance; the maintenance of the safety net that Medicaid  
31       and CHIP provide; and the preservation of employer-sponsored coverage to the extent the market  
32       demands it. On the whole, the AMA proposal for reform recognizes that many individuals are  
33       generally satisfied with their coverage, but provides affordable coverage options to those who are  
34       uninsured or are having difficulties affording coverage options, including employer-sponsored, for  
35       which they are eligible.

36

37       While the ACA has made great strides in covering the uninsured, the Council is concerned with the  
38       recent uptick in the uninsured rate, as well as future coverage impacts of zeroing out the federal  
39       individual mandate penalty, the expanded provision of STLDI, and other proposals put forward that  
40       could likely undermine the progress made to date. That being said, the ACA is not broken, but it is  
41       imperfect. Instead of abandoning the ACA and threatening the stability of coverage for those  
42       individuals who are generally satisfied with their coverage, the Council believes that now is the  
43       time to invest not only in fixing the law, but improving it. Improving the ACA appropriately targets  
44       providing coverage to the uninsured population, rather than upending the health insurance coverage  
45       of most Americans. Modifications to the law could also improve the coverage options for many  
46       who are underinsured and/or cite costs as a barrier to accessing the care they need. In addition,  
47       focusing the efforts of our AMA on improving the ACA helps promote physician practice viability  
48       by maintaining the variety in the potential payer mix for physician practices. Importantly, the  
49       Council is concerned about the cost of proposed Medicare-for-All proposals, and how the  
50       proposals' pay-fors would impact patients and physicians.

1 The AMA proposal for reform, based on AMA policy, is still the right direction to pursue in order  
2 to cover the uninsured. The Council is cognizant that, in this environment, the ACA is the vehicle  
3 through which the AMA proposal for reform can be realized. As such, by putting forward new  
4 proposals to build upon and fix the ACA, as well as reaffirming existing policies adopted by the  
5 House of Delegates, the AMA proposal for reform as follows has the potential to make significant  
6 strides in covering the remaining uninsured and providing health insurance to millions more  
7 Americans:

8

- 9 • Premium tax credits would be available to all individuals without an offer of “affordable”  
10 employer coverage.
- 11 • Individuals currently caught in the “family glitch” and unable to afford coverage offered  
12 through their employers for their families would become eligible for ACA financial  
13 assistance based on the premium for family coverage of their employer plan.
- 14 • To help people currently having difficulties affording coverage, the threshold used to  
15 determine the affordability of employer coverage would be lowered, which would make  
16 more people eligible for ACA financial assistance based on income.
- 17 • The generosity of premium tax credits would be increased to improve premium  
18 affordability, by tying premium tax credit size to gold-level instead of silver-level plan  
19 premiums, and/or lowering the cap on the percentage of income individuals are required to  
20 pay for premiums of the benchmark plan.
- 21 • Young adults facing high premiums would be eligible for “enhanced” tax credits based on  
22 income.
- 23 • Eligibility for cost-sharing reductions would be increased to help more people with the  
24 cost-sharing obligations of the plan in which they enroll.
- 25 • The size of cost-sharing reductions would be increased to lessen the cost-sharing burdens  
26 many individuals with low incomes face, which impacts their ability to access and afford  
27 the care they need.
- 28 • A permanent federal reinsurance program would be established, to address the impact of  
29 high-cost patients on premiums.
- 30 • State initiatives to expand their Medicaid programs will continue to be supported. To  
31 incentivize expansion decisions, states that newly expand Medicaid would still be eligible  
32 for three years of full federal funding.
- 33 • To maximize coverage rates, the AMA would continue to support reinstating a federal  
34 individual mandate penalty, as well as state efforts to maximize coverage, including  
35 individual mandate penalties and auto-enrollment mechanisms.
- 36 • To improve coverage rates of individuals eligible for either ACA financial assistance or  
37 Medicaid/CHIP but who remain uninsured, the AMA would support investments in  
38 outreach and enrollment assistance activities.
- 39 • States would continue to have the ability to test different innovations to cover the  
40 uninsured, provided such experimentations a) meet or exceed the projected percentage of  
41 individuals covered under an individual responsibility requirement while maintaining or  
42 improving upon established levels of quality of care, b) ensure and maximize patient  
43 choice of physician and private health plan, and c) include reforms that eliminate denials  
44 for pre-existing conditions.

45

46 Importantly, the Council stresses that our AMA proposal for reform provides a strong policy  
47 foundation to use in evaluating health reform proposals as they get introduced in the coming years,  
48 regardless of whether they are tied to the ACA. As such, the Council does not support the policy  
49 rescissions proposed in referred Resolution 108-A-18. While the Council continues to believe that  
50 AMA should not support single-payer proposals, there is the potential for other health reform

1 proposals to be put forward in the future that could be consistent with AMA policy. The Council  
2 underscores that the AMA will continue to thoughtfully engage in discussions of health reform  
3 proposals, which will vary greatly in their structure and scope. Opposing single-payer proposals  
4 does not preclude that engagement, nor mean that the AMA will not evaluate health reform  
5 proposals that are introduced. Ultimately, our AMA, guided by policy, will continue forward in its  
6 efforts to advocate for coverage of the uninsured.

7

## 8 RECOMMENDATIONS

9

10 The Council on Medical Service recommends that the following be adopted in lieu of Resolution  
11 108-A-18, and that the remainder of the report be filed.

12

- 13 1. That our American Medical Association (AMA) support eliminating the subsidy “cliff”,  
14 thereby expanding eligibility for premium tax credits beyond 400 percent of the federal poverty  
15 level (FPL). (New HOD Policy)
- 16 2. That our AMA support increasing the generosity of premium tax credits. (New HOD Policy)
- 17 3. That our AMA support expanding eligibility for cost-sharing reductions. (New HOD Policy)
- 18 4. That our AMA support increasing the size of cost-sharing reductions. (New HOD Policy)
- 19 5. That our AMA reaffirm Policy H-165.828, which supports legislation or regulation, whichever  
20 is relevant, to fix the Affordable Care Act (ACA’s) “family glitch”; and capping the tax  
21 exclusion for employment-based health insurance as a funding stream to improve health  
22 insurance affordability. (Reaffirm HOD Policy)
- 23 6. That our AMA reaffirm Policy H-165.842, which supports the establishment of a permanent  
24 federal reinsurance program. (Reaffirm HOD Policy)
- 25 7. That our AMA reaffirm Policy H-165.824, which supports providing young adults with  
26 enhanced premium tax credits while maintaining the current premium tax credit structure  
27 which is inversely related to income; encourages state innovation, including considering state-  
28 level individual mandates, auto-enrollment and/or reinsurance, to maximize the number of  
29 individuals covered and stabilize health insurance premiums without undercutting any existing  
30 patient protections; and supports adequate funding for and expansion of outreach efforts to  
31 increase public awareness of advance premium tax credits. (Reaffirm HOD Policy)
- 32 8. That our AMA reaffirm Policy D-290.979, which states that our AMA, at the invitation of state  
33 medical societies, will work with state and specialty medical societies in advocating at the state  
34 level to expand Medicaid eligibility to 133 percent [(138 percent federal poverty level (FPL)  
35 including the income disregard)] FPL as authorized by the ACA. (Reaffirm HOD Policy)
- 36 9. That our AMA reaffirm Policy H-290.965, which supports extending to states the three years  
37 of 100 percent federal funding for Medicaid expansions that are implemented beyond 2016.  
38 (Reaffirm HOD Policy)
- 39 10. That our AMA reaffirm Policies H-290.976, H-290.971, H-290.982 and D-290.982, which  
40 support educational and outreach efforts targeted at those eligible for Medicaid and Children’s  
41 Health Insurance Program, as well as improved and streamlined enrollment mechanisms for  
42 those programs. (Reaffirm HOD Policy)

1 11. That our AMA reaffirm Policy D-165.942, which advocates that state governments be given  
2 the freedom to develop and test different models for covering the uninsured, provided that their  
3 proposed alternatives a) meet or exceed the projected percentage of individuals covered under  
4 an individual responsibility requirement while maintaining or improving upon established  
5 levels of quality of care, b) ensure and maximize patient choice of physician and private health  
6 plan, and c) include reforms that eliminate denials for pre-existing conditions. (Reaffirm HOD  
7 Policy)

Fiscal Note: Less than \$500

## REFERENCES

<sup>1</sup> Kaiser Family Foundation. State Health Facts: Health Insurance Coverage of Nonelderly 0-64. 2017 and 2016 Timeframes. Available at: <https://www.kff.org/other/state-indicator/nonelderly-0-64/?dataView=0&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

<sup>2</sup> Kaiser Family Foundation. Key Facts about the Uninsured Population. December 2018. Available at: <https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/>.

<sup>3</sup> Office of the Secretary for Planning and Evaluation, US Department of Health and Human Services. U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs. January 11, 2019. Available at: <https://aspe.hhs.gov/poverty-guidelines>.

<sup>4</sup> KFF, *supra* note 2.

<sup>5</sup> Centers for Medicare & Medicaid Services. National Health Expenditures 2017 Highlights. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/highlights.pdf>.

<sup>6</sup> *Ibid.*

<sup>7</sup> Kaiser Family Foundation. Status of State Action on the Medicaid Expansion Decision. January 23, 2019. Available at: <https://www.kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

<sup>8</sup> Garfield, R, Orgera, K, and Damico, A. The Uninsured and the ACA: A Primer. Kaiser Family Foundation. January 2019. Available at: <http://files.kff.org/attachment/The-Uninsured-and-the-ACA-A-Primer-Key-Facts-about-Health-Insurance-and-the-Uninsured-amidst-Changes-to-the-Affordable-Care-Act>.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*

<sup>13</sup> KFF, *supra* note 2.

<sup>14</sup> Kaiser Family Foundation. Side-by-Side Comparison of Medicare-for-all and Public Plan Proposals Introduced in the 116th Congress. April 11, 2019. Available at: <http://files.kff.org/attachment/Table-Side-by-Side-Comparison-Medicare-for-all-Public-Plan-Proposals-116th-Congress>.

<sup>15</sup> S. 1129, the Medicare for All Act of 2019. Available at: <https://www.sanders.senate.gov/download/medicare-for-all-act-of-2019?id=0DD31317-EF09-4349-A0D4-0510991EF748&download=1&inline=file>.

<sup>16</sup> HR 1384, the Medicare for All Act of 2019. Available at: <https://www.congress.gov/116/bills/hr1384/BILLS-116hr1384ih.pdf>.

<sup>17</sup> Summary: The Medicare for America Act of 2018. Available at: [https://delauro.house.gov/sites/delauro.house.gov/files/Medicare\\_for\\_America\\_Summary.pdf](https://delauro.house.gov/sites/delauro.house.gov/files/Medicare_for_America_Summary.pdf).

<sup>18</sup> HR 7339, the Medicare for America Act of 2018. Available at: <https://www.congress.gov/115/bills/hr7339/BILLS-115hr7339ih.pdf>.

<sup>19</sup> S 470, the Medicare at 50 Act. Available at: <https://www.congress.gov/116/bills/s470/BILLS-116s470is.pdf>.

<sup>20</sup> HR 3748, the Medicare Buy-In and Health Care Stabilization Act of 2017. Available at: <https://www.congress.gov/115/bills/hr3748/BILLS-115hr3748ih.pdf>.

<sup>21</sup> S 489, the State Public Option Act. Available at: <https://www.congress.gov/116/bills/s489/BILLS-116s489is.pdf>.

<sup>22</sup> HR 1277, the State Public Option Act. Available at: <https://www.congress.gov/116/bills/hr1277/BILLS-116hr1277ih.pdf>.

<sup>23</sup> Howard, H. Map: State Efforts to Develop Medicaid Buy-In Programs. State Health & Value Strategies. March 20, 2019. Available at: <https://www.shvs.org/state-efforts-to-develop-medicaid-buy-in-programs/>.

<sup>24</sup> The Commonwealth Fund. International Profiles of Health Care Systems. May 2017. Available at: [https://www.commonwealthfund.org/sites/default/files/documents/\\_media\\_files\\_publications\\_fund\\_report\\_2017\\_may\\_mossialos\\_intl\\_profiles\\_v5.pdf](https://www.commonwealthfund.org/sites/default/files/documents/_media_files_publications_fund_report_2017_may_mossialos_intl_profiles_v5.pdf).

<sup>25</sup> *Ibid.*

<sup>26</sup> *Ibid.*

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

<sup>29</sup> Garfield, *supra* note 8.

<sup>30</sup> Liu, J and Eibner, C. Expanding Enrollment Without the Individual Mandate: Options to Bring More People into the Individual Market. The Commonwealth Fund. August 2018. Available at: [https://www.commonwealthfund.org/sites/default/files/2018-08/Liu\\_expanding\\_enrollment\\_without\\_mandate.pdf](https://www.commonwealthfund.org/sites/default/files/2018-08/Liu_expanding_enrollment_without_mandate.pdf).

<sup>31</sup> Blumberg, L et al. A Path to Incremental Health Care Reform: Improving Affordability, Expanding Coverage, and Containing Costs. Urban Institute. December 2018. Available at: [https://www.urban.org/sites/default/files/publication/99530/qs\\_incremental\\_reform\\_final\\_2.pdf](https://www.urban.org/sites/default/files/publication/99530/qs_incremental_reform_final_2.pdf).

<sup>32</sup> Blahous, C. The Costs of a National Single-Payer Healthcare System. Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, July 2018. Available at: [https://www.mercatus.org/system/files/blahous-costs-medicare-mercatus-working-paper-v1\\_1.pdf](https://www.mercatus.org/system/files/blahous-costs-medicare-mercatus-working-paper-v1_1.pdf).

<sup>33</sup> Liu, J et al. An Assessment of the New York Health Act: A Single-Payer Option for New York State. Santa Monica, CA: RAND Corporation, 2018. Available at: [https://www.rand.org/pubs/research\\_reports/RR2424.html](https://www.rand.org/pubs/research_reports/RR2424.html).

<sup>34</sup> Liu, J and Eibner, C. National Health Spending Estimates under Medicare for All. RAND Corporation, April 2019. Available at: [https://www.rand.org/pubs/research\\_reports/RR3106.html](https://www.rand.org/pubs/research_reports/RR3106.html).

<sup>35</sup> Holahan, J et al. The Sanders Single-Payer Health Care Plan: The Effect on National Health Expenditures and Federal and Private Spending. Urban Institute. May 2016. Available at: <https://www.urban.org/sites/default/files/publication/80486/200785-The-Sanders-Single-Payer-Health-Care-Plan.pdf>.

<sup>36</sup> Blahous, *supra* note 32.

<sup>37</sup> Liu, *supra* note 34.

<sup>38</sup> Papanicolas, I et al. Health Care Spending in the United States and Other High-Income Countries. *JAMA*. 2018; 319(10): 1024-1039.

<sup>39</sup> Holahan, J and Blumberg, L. Estimating the Cost of a Single-Payer Plan. Urban Institute. October 2018. Available at: [https://www.urban.org/sites/default/files/publication/99151/estimating\\_the\\_cost\\_of\\_a\\_single-payer\\_plan\\_0.pdf](https://www.urban.org/sites/default/files/publication/99151/estimating_the_cost_of_a_single-payer_plan_0.pdf).

<sup>40</sup> Liu, *supra* note 34.

<sup>41</sup> Blahous, *supra* note 32.

<sup>42</sup> Holahan, *supra* note 35.

<sup>43</sup> Thorpe, K. An Analysis of Senator Sanders Single Payer Plan. Emory University. January 27, 2016. Available at: <https://www.healthcare-now.org/296831690-Kenneth-Thorpe-s-analysis-of-Bernie-Sanders-single-payer-proposal.pdf>.

<sup>44</sup> Holahan, *supra* note 39.

<sup>45</sup> Liu, *supra* note 34.

<sup>46</sup> Senator Bernie Sanders. Financing Medicare for All. April 2019. Available at: <https://www.sanders.senate.gov/download/medicare-for-all-2019-financing?id=860FD1B9-3E8A-4ADD-8C1F-0DEDC8D45BC1&download=1&inline=file>.

<sup>47</sup> Medicare for America, *supra* note 17.

<sup>48</sup> Liu, *supra* note 33.

<sup>49</sup> Blumberg, *supra* note 31.