

# Taking Steps Forward to Cover the Uninsured:

## *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-standing policy priority of the American Medical Association (AMA) – expanding access to and choice of affordable, quality health insurance coverage. Instead of abandoning the ACA and threatening the stability of coverage for those individuals who are generally satisfied with their coverage, the AMA believes that now is the time to invest not only in fixing the law, but also in improving it. Improving the ACA appropriately targets providing coverage to the uninsured population, rather than upending the health insurance coverage of most Americans. Modifications to the law could also improve the coverage options for many who are underinsured and/or cite costs as a barrier to accessing the care they need.

### Steps to Make Coverage More Affordable for Patients

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- Eliminate the subsidy “cliff,” thereby expanding eligibility for premium tax credits beyond 400 percent of the federal poverty level (FPL).
- Increase the generosity of premium tax credits.
- Expand eligibility for and increase the size of cost-sharing reductions.
- Provide young adults with enhanced premium tax credits while maintaining the current premium tax credit structure, which is inversely related to income.
- Fix the ACA’s “family glitch,” and lower the threshold that determines whether an employee’s premium contribution is “affordable,” which impact eligibility to receive subsidies to purchase marketplace coverage.

- Expand Medicaid eligibility to 133 percent FPL. To incentivize expansion decisions, states that newly expand Medicaid should be made eligible for three years of full federal funding.
- 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.

### Steps to Improve the Individual Market Risk Pool

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- Enact individual mandates on the state level.
- Provide adequate funding for and expand outreach efforts to increase public awareness of advance premium tax credits.

### Steps to Stabilize and Strengthen the Individual Market

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- Establish a permanent federal reinsurance program. In the interim, promote the use of Section 1332 waivers for state reinsurance programs.
- 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.

## Benefits of Improving the ACA vs. Pursuing Medicare-for-All

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- **Targets covering the uninsured, versus upending the health insurance coverage options of most Americans.** Medicare-for-All would discontinue Medicare, Medicaid, the Children's Health Insurance Program, TRICARE, FEHBP, ACA marketplace coverage and employer-sponsored coverage as we know it.
- **Preserves patient choice of health plan.** Medicare-for-All would remove the ability that patients currently have to choose their health plan.
- **Maintains the role of employer-sponsored coverage.** Medicare-for-All would prohibit the offering of employer-sponsored coverage that is duplicative of Medicare-for-All benefits.
- **Costs and financing remain viable and sustainable.** Under Medicare-for-All, nearly all current national spending on health care by households, private businesses, and state and local governments would shift to the federal government. It has been estimated that Medicare-for-All would increase federal spending by at least \$32 trillion over ten years.
- **Maintains the variety in the potential payer mix for providers, essential to cover the costs of providing care, as well as support payment and delivery reforms.** Basing provider payment levels on Medicare, and implementing global budgets, raise significant questions as to whether physicians and other health care providers would be able to sustain their practices under Medicare-for-All. Innovation and practice enhancements could also be undermined if practices were solely to rely on Medicare payment rates, thereby stifling delivery reform that promises to lower costs and improve care.

## Questions to Consider with Medicare/Medicaid Buy-Ins and Public Options

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- How will the new coverage options be financed? Will they be required to be financially self-sustaining? *Proposals that rely on the Medicare Trust Fund for financing can jeopardize the Fund's solvency.*
- How will such new coverage options impact overall individual market plan affordability? *If a buy-in or a public option becomes the lowest-cost silver plan available on the exchange, the size of premium tax credits – tied to the second-lowest-cost silver plan – may decrease. This could in turn diminish the purchasing power of premium tax credit recipients on the ACA marketplaces.*
- Will buy-ins be more affordable than existing marketplace coverage options? *If a Medicare buy-in is required to be financially self-sustaining and not depend on existing Medicare program financing, it may not be cheaper than other marketplace options. Plus, enrollees still may need supplemental coverage.*
- How will such proposals impact the access to care of current program (Medicare/Medicaid) beneficiaries? *Requiring provider participation could adversely impact whether providers continue to participate in traditional Medicare and/or Medicaid, potentially impacting beneficiary access to care.*
- Will provider payment be based on Medicare/Medicaid rates, or newly negotiated rates? *Basing provider payment on Medicare and/or Medicaid will likely adversely impact provider participation and patient access to care, and would be insufficient to support payment and delivery reforms.*
- What are the costs of establishing and administering a buy-in or public option? *If significant resources are required for buy-in or public option establishment and administration, fewer resources would arguably be available for priority policy options to improve health insurance affordability, including expanding eligibility for premium tax credits.*