

## REPORT OF THE BOARD OF TRUSTEES

B of T Report 11-JUN-21

Subject: Redefining AMA's Position on ACA and Healthcare Reform

Presented by: Russ Kridel, MD, Chair

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1 At the 2013 Annual Meeting of the House of Delegates (HOD), the HOD adopted Policy  
2 D-165.938, "Redefining AMA's Position on ACA and Healthcare Reform," which called on our  
3 American Medical Association (AMA) to "develop a policy statement clearly outlining this  
4 organization's policies" on several specific issues related to the Affordable Care Act (ACA) as well  
5 as repealing the SGR and the Independent Payment Advisory Board (IPAB). The adopted policy  
6 went on to call for our AMA to report back at each meeting of the HOD. Board of Trustees Report  
7 6-I-13, "Redefining AMA's Position on ACA and Healthcare Reform," accomplished the original  
8 intent of the policy. This report serves as an update on the issues and related developments  
9 occurring since the most recent meeting of the HOD.

### 10 IMPROVING THE AFFORDABLE CARE ACT 11

12 Our AMA continues to engage policymakers and advocate for meaningful, affordable health care  
13 for all Americans to improve the health of our nation. Our AMA remains committed to the goal of  
14 universal coverage, which includes protecting coverage for the 20 million Americans who acquired  
15 it through the ACA. Our AMA has been working to fix the current system by advancing solutions  
16 that make coverage more affordable and expanding the system's reach to Americans who fall  
17 within its gaps. Our AMA also remains committed to improving health care access so that patients  
18 receive timely, high quality care, preventive services, medications and other necessary treatments.

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20 Our AMA continues to advocate for policies that would allow patients and physicians to be able to  
21 choose from a range of public and private coverage options with the goal of providing coverage to  
22 all Americans. Specifically, our AMA has been working with Congress, the Administration, and  
23 states to advance our plan to cover the uninsured and improve affordability as included in the  
24 [“2021 and Beyond: AMA’s Plan to Cover the Uninsured.”](#) The current COVID-19 pandemic has  
25 led to many people losing their employer-based health insurance. This has only increased the need  
26 for significant improvements to the Affordable Care Act. We also continue to examine the pros and  
27 cons of a broad array of approaches to achieve universal coverage as the policy debate evolves.

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30 *Our AMA has been advocating for the following policy provisions:*

#### 31 32 Cover Uninsured Eligible for ACA’s Premium Tax Credits

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- 34 • Our AMA advocates for increasing the generosity of premium tax credits to improve premium  
35 affordability and incentivize tax credit eligible individuals to get covered. Currently, eligible  
36 individuals and families with incomes between 100 and 400 percent federal poverty level  
37 (FPL) (133 and 400 percent in Medicaid expansion states) are being provided with refundable  
38 and advanceable premium tax credits to purchase coverage on health insurance exchanges.
- 39 • Our AMA has been advocating for enhanced premium tax credits to young adults. In order to  
40 improve insurance take-up rates among young adults and help balance the individual health

1 insurance market risk pool, young adults ages 19 to 30 who are eligible for advance premium  
2 tax credits could be provided with “enhanced” premium tax credits—such as an additional  
3 \$50 per month—while maintaining the current premium tax credit structure which is inversely  
4 related to income, as well as the current 3:1 age rating ratio.

5 • Our AMA also is advocating for an expansion of the eligibility for and increasing the size of  
6 cost-sharing reductions. Currently, individuals and families with incomes between 100 and  
7 250 percent FPL (between 133 and 250 percent FPL in Medicaid expansion states) also  
8 qualify for cost-sharing subsidies if they select a silver plan, which leads to lower deductibles,  
9 out-of-pocket maximums, copayments and other cost-sharing amounts. Extending eligibility  
10 for cost-sharing reductions beyond 250 percent FPL, and increasing the size of cost-sharing  
11 reductions, would lessen the cost-sharing burdens many individuals face, which impact their  
12 ability to access and afford the care they need.

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14 **Cover Uninsured Eligible for Medicaid or Children’s Health Insurance Program**

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16 Before the COVID-19 pandemic, in 2018, 6.7 million of the nonelderly uninsured were eligible for  
17 Medicaid or Children’s Health Insurance Program (CHIP). Reasons for this population remaining  
18 uninsured include lack of awareness of eligibility or assistance in enrollment.

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20 • Our AMA has been advocating for increasing and improving Medicaid/CHIP outreach and  
21 enrollment.

22 • Our AMA has been opposing efforts to establish Medicaid work requirements. The AMA  
23 believes that Medicaid work requirements would negatively affect access to care and lead to  
24 significant negative consequences for individuals’ health and well-being.

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26 **Make Coverage More Affordable for People Not Eligible for ACA’s Premium Tax Credits**

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28 Before the COVID-19 pandemic, in 2018, 5.7 million of the nonelderly uninsured were ineligible  
29 for financial assistance under the ACA, either due to their income, or because they have an offer of  
30 “affordable” employer-sponsored health insurance coverage. Without the assistance provided by  
31 ACA’s premium tax credits, this population can continue to face unaffordable premiums and  
32 remain uninsured.

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34 • Our AMA advocates for eliminating the subsidy “cliff,” thereby expanding eligibility for  
35 premium tax credits beyond 400 percent FPL.

36 • Our AMA has been advocating for the establishment of a permanent federal reinsurance  
37 program, and the use of Section 1332 waivers for state reinsurance programs. Reinsurance  
38 plays a role in stabilizing premiums by reducing the incentive for insurers to charge higher  
39 premiums across the board in anticipation of higher-risk people enrolling in coverage. Section  
40 1332 waivers have also been approved to provide funding for state reinsurance programs.

41 • Our AMA also is advocating for lowering the threshold that determines whether an employee’s  
42 premium contribution is “affordable,” allowing more employees to become eligible for  
43 premium tax credits to purchase marketplace coverage.

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45 **EXPAND MEDICAID TO COVER MORE PEOPLE**

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47 Before the COVID-19 pandemic, in 2018, 2.3 million of the nonelderly uninsured found  
48 themselves in the coverage gap — not eligible for Medicaid, and not eligible for tax credits because  
49 they reside in states that did not expand Medicaid. Without access to Medicaid, these individuals  
50 do not have a pathway to affordable coverage.

1     • Our AMA has been encouraging all states to expand Medicaid eligibility to 133 percent FPL.  
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3     TEXAS VS. AZAR SUPREME COURT CASE  
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5     The Supreme Court agreed on March 2, 2020 to address the constitutionality of the ACA for the  
6     third time, granting the petitions for certiorari from Democratic Attorneys General and the House  
7     of Representatives. Oral arguments were presented on November 10, 2020 and a decision is  
8     expected before June 2021. The decision to hear the case now will avoid several years of delay  
9     while the case worked its way through the lower courts. The AMA filed an amicus brief in support  
10    of the Act and the petitioners in this case.  
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12    On February 10, 2021, the Department of Justice under the new Biden Administration submitted a  
13    letter to the Supreme Court arguing that the ACA's individual mandate remains valid, and, even if  
14    the court determines it is not, the rest of the law can remain intact.  
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16    This action reversed the Trump Administration's brief it filed with the Court asking the justices to  
17    overturn the ACA in its entirety. The Trump Administration had clarified that the Court could  
18    choose to leave some ACA provisions in place if they do not harm the plaintiffs, but as legal  
19    experts point out, the entire ACA would be struck down if the Court rules that the law is  
20    inseparable from the individual mandate—meaning that there would be no provisions left to  
21    selectively enforce.  
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23     AMERICAN RESCUE PLAN OF 2021  
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25    On March 11, 2021, President Biden signed into law the American Rescue Plan of 2021. This  
26    legislation included the following ACA-related provisions that will:  
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28     • Provide a temporary (two-year) 5 percent increase in the Medicaid FMAP to states that enact  
29       the Affordable Care Act's (ACA) Medicaid expansion and covers the new enrollment period  
30       per requirements of the ACA.  
31     • Invest nearly \$35 billion in premium subsidy increases for those who buy coverage on the  
32       ACA marketplace.  
33     • Expand the availability of ACA advanced premium tax credits (APTCs) to individuals whose  
34       income is above 400 percent of the federal poverty line (FPL) for 2021 and 2022; and  
35     • Give an option for states to provide 12-month postpartum coverage under State Medicaid and  
36       CHIP.  
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38     ACA SPECIAL ENROLLMENT PERIOD  
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40    President Biden, during his first weeks in office, opened a new ACA special enrollment period,  
41    citing an increased need for coverage during the current economic and health crises. On  
42    March 23, 2021, the Biden administration announced its decision to lengthen the ACA special  
43    enrollment period from May 15 to August 15.  
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45     SGR REPEAL  
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47    The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 repealing and replacing  
48    the SGR was signed into law by President Obama on April 16, 2015.

1 INDEPENDENT PAYMENT ADVISORY BOARD (IPAB) REPEAL

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3 The Bipartisan Budget Act of 2018 signed into law by President Trump on February 9, 2018  
4 included provisions repealing the Independent Payment Advisory Board (IPAB). Currently, there  
5 are not any legislative efforts in Congress to replace the IPAB.

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7 CONCLUSION

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9 Our AMA will remain engaged in efforts to improve the health care system through policies  
10 outlined in Policy D-165. 938 and other directives of the House of Delegates.