



STATEMENT

of the

American Medical Association

to the

**U.S. House of Representatives
Committee on Ways and Means**

Re: Pathways to Universal Health Coverage

June 12, 2019

**Division of Legislative Counsel
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The American Medical Association (AMA) appreciates the opportunity to present our views to the U.S. House of Representatives Committee on Ways & Means as you examine “Pathways to Universal Health Coverage.” Expanding health insurance coverage and choice have been long-standing goals of the AMA. The AMA has long supported health system reform alternatives that are consistent with AMA policies concerning pluralism, freedom of choice, freedom of practice, and universal access for patients. While millions of Americans have gained coverage following the enactment of the Affordable Care Act (ACA), which the AMA supported, more work needs to be done to improve health insurance affordability and ensure that all Americans are able to secure affordable and meaningful coverage.

Physicians recognize and share the frustrations of millions of Americans with the escalating costs of health insurance coverage. For many, coverage is too expensive to obtain without subsidies—and escalating premiums push coverage farther and farther beyond their reach. Those with coverage face rapidly growing out-of-pocket costs as insurance companies shift enormous costs on to the backs of their policy holders through huge deductibles and copays, vanishing out-of-network benefits, and confusing utilization management techniques that are seemingly designed to frustrate patient efforts to access care which they believed would be covered when they purchased their plan. The most recent [Kaiser Family Foundation polling](#) on the public’s experiences with and worries about health care costs found that at least one-fourth of insured adults reported it is difficult to afford to pay their premiums and deductibles, the cost of health insurance each month (28 percent), or their co-pays for doctor visits and prescription drugs (24 percent). About half of U.S. adults say they or a family member put off or skipped some sort of health care or dental care in the past year because of the cost. The solution to these challenges is not, as many believe, to eliminate private health insurance coverage in the United States. The better approach is to preserve the current system which provides coverage to the vast majority of Americans, directly address the abuses of the insurance industry, and work together to extend coverage to those for whom it is now out of reach.

Since the enactment of the ACA, the AMA’s policy-making body, our House of Delegates, has been very proactive in and responsive to the evolving coverage environment and policy gaps to ensure that AMA policy is able to address how to best cover the remaining uninsured and to improve affordability. Of concern, in 2017, according to the Kaiser Family Foundation, 27.4 million nonelderly individuals (10 percent) remained uninsured, an increase of 700,000 from 2016. Significantly, the AMA has adopted a multitude of policies that address coverage for the remaining uninsured and improve affordability, and we offer the following recommendations based on these policies.

To expand coverage for the 8.2 million individuals who are eligible for premium tax credits but remain uninsured, and to improve the individual market risk pool, the AMA supports adequate funding for and expansion of outreach efforts to increase public awareness of advance premium tax credits and providing young adults with enhanced premium tax credits while maintaining the current premium tax credit structure which is inversely related to income. We also support increasing the generosity of premium tax credits to improve premium affordability on ACA marketplaces and incentivize people to get covered.

To address the 1.9 million individuals who are ineligible for premium tax credits due to income higher than 400 percent of the Federal Poverty Level (FPL), the AMA supports eliminating the subsidy “cliff,” thereby expanding eligibility for premium tax credits beyond 400 percent of FPL. We also support encouraging state innovation with reinsurance, and establishing a permanent federal reinsurance program. This would help to stabilize and strengthen the individual market.

Another way to improve affordability and thereby expand coverage is to fix the ACA’s “family glitch,” and support lowering the threshold that determines whether an employee’s premium contribution is “affordable,” measured by comparing the employee’s share of the premium to their income. This would address the 3.8 million individuals who are ineligible for premium tax credits to purchase coverage on health insurance exchanges because they have an offer of “affordable” employer coverage.

Significantly, some individuals enrolled in marketplace coverage are underinsured and/or cite costs as a barrier to accessing the care they need. In response, the AMA supports expanding eligibility for and increasing the size of cost-sharing reductions to help lower-income individuals with the cost-sharing obligations of the marketplace plan in which they enroll.

In addition, the AMA would support the development of 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. The AMA also supports the exploration of innovative benefit designs, which could allow certain physician services and prescription drugs to be provided pre-deductible.

To address those individuals who are eligible for Medicaid or the Children’s Health Insurance Program (CHIP) but remain uninsured (6.8 million), the AMA supports efforts to expand coverage to uninsured children who are eligible for CHIP and Medicaid through improved and streamlined enrollment mechanisms and educational and outreach activities aimed at Medicaid-eligible and CHIP-eligible children. In addition, the AMA opposes work requirements as a criterion for Medicaid eligibility. For the 2.5 million individuals with incomes below 100 percent FPL who fall into the “coverage gap” due to their state’s decision not to expand Medicaid, the AMA supports working with state and specialty medical societies, at their invitation, to continue to advocate for their states to expand Medicaid eligibility to 133 percent (138 percent FPL including the income disregard) of FPL as authorized by the ACA. To incentivize expansion decisions, states that newly expand Medicaid should be made eligible for three years of full federal funding.

As a result of the elimination of the federal individual mandate penalty, individuals may choose not to get covered. In response, the AMA encourages state innovation, including considering state-level individual mandates, auto-enrollment and/or reinsurance, to maximize the number of individuals covered and stabilize health insurance premiums without undercutting any existing patient protections.

Improving the ACA targets providing coverage to the uninsured population, rather than upending the health insurance coverage of most Americans. We think it is important to recognize that many individuals are satisfied with their coverage. In addition, the AMA believes that improving the ACA will help

promote physician practice viability by maintaining variety in the potential payer mix for physician practices.

We believe these recommendations will help to fill the gaps that exist currently in coverage and help to advance our shared goal that all American have access to affordable and meaningful health care coverage. Our advocacy for coverage for all Americans will continue and we look forward to working with the Committee on Ways and Means and all members of Congress in pursuit of that objective.