

US health-care groups voice concerns about replacing ACA

Few details have emerged regarding a replacement for the US health law. Susan Jaffe, *The Lancet's* Washington correspondent, speaks to stakeholders about the problems they foresee.

Less than 8 hours after Donald Trump took the oath of office as the 45th President of the USA, he signed an executive order reiterating a popular campaign promise: "It is the policy of my Administration to seek the prompt repeal of the Patient Protection and Affordable Care Act [ACA]." Yet 5 weeks later, the Trump Administration and the Republican-controlled Congress cannot agree on whether to repeal and replace it simultaneously—as the president desires—and what the replacement will be. Tom Price, Trump's new Health and Human Services Secretary, assured senators during his nomination hearing last month that "nobody's interested in pulling the rug out from under anybody. We believe that it's absolutely imperative that individuals that have health coverage be able to keep health coverage..."

Some 22 million Americans have health insurance under the law, including about 12 million in 32 states covered by an expanded Medicaid programme, which provides health insurance to low-income beneficiaries. Republicans say the rising cost of premiums and deductibles coupled with limited provider networks make it difficult for consumers to use their insurance. Democrats counter that the ACA has enabled people to get subsidised policies and the care they desperately need.

Jacqueline Clay is one example. Before the ACA took effect, insurers would not sell coverage to Clay, a human resource consultant in New Jersey, because she had a pre-existing health condition—breast cancer. She had to delay treatment until the ACA's health insurance marketplace began in 2014, when she finally could buy health insurance. "Without the ACA, I would not be here today", she said.

The ACA's uncertain future has rattled health insurers—initial 2018 policies are due as soon as April—and rippled through the health-care system to worried providers and patients. "Like everyone else, we are waiting for more information to be released by the Administration and Congress", said Jan Emerson-Shea, a spokeswoman for the California Hospital Association, a state with more than 1.5 million patients enrolled in ACA insurance plans.

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Meanwhile, a quick succession of extraordinary controversies have overshadowed the health-care debate in Washington, DC, including court battles over the president's immigration policy, the resignation of his national security adviser, and withdrawal of his labour secretary nominee.

A better plan?

Trump has promised to unveil replacement legislation next month, while Republicans in Congress continue to design their own plan. Democrats pledge to defend the law, one of President Barack Obama's signature legislative achievements. In his farewell address to the American people last month, Obama challenged his critics: "If anyone can put together a plan that is demonstratively better than the improvements we've made to our health-care system—that covers as many people at less cost—I will publicly support it."

Although there is not yet a consensus on how to do that, Republicans have already set the stage for repeal by approving a strategy that allows the Republican majorities in both houses of Congress to eliminate by a majority

vote some of the ACA's budget-related provisions, such as the taxes that help fund premium subsidies. Just as the ACA passed without any Republican support, Republicans are now positioned to keep their campaign promise to unravel the law—even if they have to do it without Democratic support. However, the full repeal and a complete replacement will need at least 60 votes in the Senate for approval but Republicans occupy only 52 seats in that chamber.

Last week, House speaker Paul Ryan, a Wisconsin Republican, unveiled a broad outline of what possible replacement legislation might include. The plan would limit the federal government's contribution to fund the expanded Medicaid programme, expand the use of tax-advantaged health savings accounts, provide a fixed-amount subsidy to help individuals buy insurance, and allow consumers to purchase cheaper out-of-state policies, among other things.

It would also drop the requirement for consumers to pay a penalty if they do not have health insurance. Details are scarce on how the plan would preserve some popular ACA provisions most Republicans—from the president on down—support, including the

For the Paul Ryan plan on repeal and replacement of the ACA see https://gallery.mailchimp.com/301a28247b80ab82279e92afb/files/5c7c3226-a149-4842-ab43-707b7b4720fc/Healthcare_Policy_Brief.pdf



Californians march against the repeal and replacement of the ACA, Feb 4, 2017

requirement that insurers sell policies to anyone regardless of their pre-existing health problems and another allowing young adults to stay on their parents' insurance plan up to age 26 years.

Health insurance coverage

"One of the major challenges we have seen is that we haven't had as many people buying coverage as had been hoped", said Kristine Grow, a spokeswoman for America's Health Insurance Plans (AHIP), a trade association. People who have health problems are motivated to buy insurance because they need care. "We haven't seen as many healthy people do the same thing", she said, even though the ACA requires all adults to have health insurance coverage or else pay a penalty added to their taxes. (Although the penalty is still required under current law, the Trump administration announced last week that taxpayers would not have to indicate whether they have health insurance when they file their taxes. A negative response would have triggered the penalty.)

Monthly premiums for policies have increased along with deductibles because too few healthy beneficiaries have signed up to offset the costs of caring for people with illnesses. "Because we have not seen [enough] healthy people participate, there is pressure on the system and those costs have been going up", she said.

AHIP wants Congress to consider creating incentives for people to stay enrolled by perhaps borrowing some of the enrolment strategies in Medicare, the national health insurance programme for 57 million older or disabled Americans. For example, a late enrolment penalty added to the monthly premium could encourage people to avoid delays in signing up.

The ACA's premium subsidies and financial assistance to help patients pay their out-of-pocket costs are essential to keep consumers enrolled in health insurance, Grow continued. The law also promised federal re-insurance payments for some very high-cost

beneficiaries for the first 3 years of the programme. Grow said insurers are worried that payments for 2016 will not be made. They also want to eradicate a tax on health insurance plans expected to take effect later this year so that the cost is not passed on to consumers in the form of higher premiums.

These and other measures are needed to stabilise the insurance market so companies can afford to sell policies consumers want to buy, said Grow. In some parts of the country, consumers have a choice of only one plan. And earlier this month, two popular health insurers announced they would not be offering policies next year.

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Hospitals and physicians

Reversing the Medicaid expansion—and its accompanying federal money—would strain hospital budgets, said Betsy Ryan, president and CEO of the New Jersey Hospital Association, which represents 71 hospitals. Federal law requires hospitals to provide emergency treatment and stabilise patients, regardless of their ability to pay, but New Jersey requires its hospitals to go beyond emergency care and provide any medically necessary surgery, post-operative care, and other services in all settings.

Before the ACA, Ryan said the state's hospitals provided US\$1 billion annually in unpaid or charity care. A portion of those costs was offset by increased Medicaid and Medicare reimbursements but when the ACA took effect, it reduced those payments because lawmakers expected more patients to gain insurance. But those cuts followed by the withdrawal of federal money for Medicaid expansion would cause a spike in uncompensated charity care, said Ryan. "We are a safety net for people who can't afford or don't have health insurance."

Earlier this month, the association met with the state's congressional representatives in Washington, DC. "Some feel like the ACA is unsustainable and needs to be replaced", she said. "We just tried to inform them about the impact of repeal without replacement and what that would mean for the communities they represent."

About 2 million people in New York could lose coverage if funding to expand Medicaid eligibility ended, said David Reich, president and chief operating officer of the Mount Sinai Hospital in New York City's East Harlem neighbourhood. If that happens, Reich said "we lose our ability to use the new and innovative programmes" the ACA facilitates. The ACA has started to move the health-care delivery system "toward one that's preventive in nature rather than reactive and disease-based", he said. Provided in outpatient settings, preventive care saves money and keeps patients healthy.

"The ACA has driven a lot of innovation", said Gregory Lam, a cardiologist at the Berger Health System in the farming community of Circleville, OH, and a fellow of the National Physicians Alliance. "It really forced us to come up with innovative ways to take better care of our patients, and reduce rehospitalisations, over-utilisation, and medical costs."

The American Medical Association (AMA) would like to expand the ACA's innovative programmes and alternative payment models "to allow as many physicians as possible to participate", said Andrew Gurman, AMA president. The organisation also opposes repealing the ACA without a replacement, wants to keep the requirement that insurers sell plans to anyone regardless of pre-existing health conditions, and does not want anyone to lose insurance and access to care under an ACA replacement. "We have to insist that people not be condemned to live sicker and die younger", said Gurman.

Susan Jaffe