



Clearing Up Misperceptions Around the ACA's Current Status

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At a session during the Academy of Managed Care Pharmacy 2017 Nexus meeting, a public policy expert argued that despite all of the news surrounding the Affordable Care Act (ACA), the American healthcare system may not see fundamental changes anytime soon.

Melissa Aniel, MPP, director of health policy at the consulting company Applied Policy, began her presentation by acknowledging that her slides were current as of 2 pm Central Time on Wednesday, though she had not checked for any updates since then. That disclaimer was representative of how headlines in recent weeks and months have been dominated by breaking news about the ACA, making it difficult to keep up with the latest developments.

First, Aniel gave an overview of the status of the ACA's insurance marketplaces, which cover less than 4% of all Americans but have been a major focus of recent legislative pushes to repeal the law. While insurance coverage has increased under the ACA, mainly due to the expansion of Medicaid, she noted that there remains a struggle to connect coverage and care, since having insurance does not necessarily equate to being able to access healthcare.

As an example, she pointed to the rise in popularity of narrow networks, which were one of the few remaining cost-saving mechanisms available to insurers that had not been prohibited by the ACA. However, these plans had been criticized by patients claiming they had trouble finding doctors and hospitals who would accept their insurance. The Obama administration never finalized rules that would have required a certain number of providers in a given radius, although some states have implemented their own standards.

Next, Aniel turned to the administrative actions taken by the Trump administration since January that will affect the ACA. Here, she warned the audience to "be very, very careful" when considering the motivations behind political statements and news reports on such actions. Media outlets in particular are just trying to fill up the 24-hour news cycle and get readers to click on headlines, she said.

For instance, when President Donald Trump announced he would stop making the cost-sharing reduction (CSR) payment subsidies to insurers, initial reports suggested that low-income consumers

would now lose access to those subsidies. “That’s just false,” Andel said, because plans are required by the ACA to mitigate cost sharing for patients regardless of whether they are reimbursed.

The root of the problem, she said, was that the ACA never actually specified for the CSR payments to be made, and the process was so contentious that a technical corrections bill could not be passed to correct that omission afterward. The Obama administration had made the payments from an unappropriated source, arguing that the law required the insurance plans to be paid back. Courts sided with the Republican-controlled House of Representatives in a lawsuit on the matter, but allowed the CSR payments to continue, and they had continued up until Trump announced he would stop the payments as of October.

Still, the CSR issue is far from settled. Senators have agreed in principle on a bipartisan agreement that would fund the payments for 2 more years, but if that falls through and the payments are stopped, private plans have threatened to sue the federal government for not upholding its obligations.

Another complicating factor, according to Andel, is that the government would have to provide higher premium tax credits to make up for the lost subsidies, and these tax credits could even make gold plans less expensive, which could entice currently uninsured Americans to enroll.

Multifaceted situations like these make it hard for consumers to understand the facts about plan enrollment and the current status of the ACA, she said. Even as a health policy expert, she had believed the Internal Revenue Service would no longer enforce the individual coverage mandate, when in fact it had simply begun accepting “silent returns” that do not indicate a taxpayer’s health insurance status.

Considering the fact that plans will already start working on their rates for 2019 in just a few months, Andel considers it highly unlikely that the healthcare system will change substantially before 2020. While she believes that the fundamental situation will continue for the next few years, she refused to totally rule out the prospect of “wholesale repeal” of the ACA, as the past year had proven to her that nothing can be known for certain.