

Statement for the Record

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for the

**House Energy and Commerce Health Subcommittee Hearing
entitled**

“Health Care Lifeline: The Affordable Care Act and the COVID-19 Pandemic”

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The Association for Community Affiliated Plans¹ (ACAP) would like to thank Chairwoman Eshoo, Ranking Member Burgess and the members of the Energy and Commerce Health Subcommittee for the opportunity to submit this statement for the record for the Subcommittee hearing entitled, “Health Care Lifeline: The Affordable Care Act and the COVID-19 Pandemic.”

The COVID-19 pandemic is an unprecedented event in the history of our nation’s health care and public health systems, and as such it has and will continue to result in an unprecedented and unpredictable strain on the resources for all stakeholders of the United States health care system. To date, more than 6.7 million Americans have contracted the virus and nearly 200,000 Americans have died from it. Unfortunately, the virus has had a disproportionate impact on low-income populations, communities of color, and those Americans with multiple comorbidities – the exact people that Safety Net Health Plans are dedicated to serving.

At the same time, the Affordable Care Act (ACA) has provided tens of millions of Americans with access to health coverage through the health insurance marketplaces, the Medicaid expansion, and other coverage options. ACAP was proud to support the ACA and continues to work to ensure that the legislation works for all Americans.

¹ The Association for Community Affiliated Plans (ACAP) is a national trade association representing 77 not-for-profit Safety Net Health Plans (SNHP). Collectively, ACAP plans serve more than 20 million people through Medicaid, Medicare, the individual Marketplaces, and other publicly-supported coverage programs, including one-third of all individuals covered in Medicaid managed care. Our mission is to support our member plans’ efforts to improve the health and well-being of people with low incomes and with significant health care needs.



Medicaid has Protected Millions of Americans During the Pandemic

The pandemic has shown exactly why the ACA is so vitally necessary and why Congress, the states, and the Administration need to protect it at all costs. According to a study published in *Health Affairs*² based on research from the University of Minnesota, more than 2.3 million adult Americans in 26 states turned to the Medicaid program for coverage between March and May of this year. This growth in coverage comes from people losing jobs as well as a general uptake in coverage. It should be noted that this is not a “blue state” phenomenon – among “Medicaid expansion states,” Kentucky and Indiana showed the biggest per capita increases in Medicaid enrollment. Among non-Medicaid expansion states, Florida had the largest per capita increase in new Medicaid enrollees. In short, Medicaid coverage protects Americans in all states.

And there is little doubt that enrollment has increased significantly in the four additional months since May. Many of these newly covered Americans would have no coverage options at all were it not for the ACA’s Medicaid expansion. Likewise, the refusal of some states to take up the Medicaid expansion has now left millions of unemployed residents of those states uninsured and unable to access coverage and, in many cases *care*, in the midst of a health care emergency. This is an unnecessary tragedy that risks exacerbating and prolonging the pandemic, including threatening the fragile health care infrastructure (including safety net and rural hospitals) in these states.

² Frenier, Nikpay, and Golberstein, “COVID-19 Has Increased Medicaid Enrollment, But Short-Term Enrollment Changes Are Unrelated To Job Losses,” *Health Affairs*. October 2020.



FFCRA's Maintenance of Effort Requirement Eliminated Medicaid "Churn" That Would Have Cost Americans Coverage during the Pandemic

ACAP was strongly supportive of Congress providing continuous Medicaid eligibility as part of the *Families First Coronavirus Response Act* (FFCRA) passed in March of this year. As a condition for receiving an enhanced federal matching rate (FMAP) bump, states had to commit to maintaining coverage for people on Medicaid through the duration of the public health emergency. This is exactly the right thing to do. In fact, this protection should be extended permanently to all Medicaid and CHIP enrollees in the program on a year-to-year basis. By providing 12-month continuous eligibility, Congress can reduce Medicaid and CHIP eligibility "churn" – the loss of coverage due to slight changes in income (for example, from working overtime) or bureaucratic paperwork often intended to disenroll eligible enrollees for state budgetary purposes. Eligibility churn is a consistent barrier to stable coverage and care in Medicaid and CHIP. This year several state Medicaid directors have said that the FFCRA continuous eligibility provision has prevented them from reducing Medicaid rolls – meaning that the FFCRA protected low-income people's coverage when they needed it most. ACAP urges Congress to oppose any efforts to undermine that maintenance of effort requirement as long as Americans are suffering under this pandemic.

More Can be Done to Stabilize Medicaid Coverage



While the Affordable Care Act was an excellent start in providing needed health care protections for Americans, ACAP believes it's well past time to build on that excellent foundation. That is why ACAP applauds the House of Representatives for passing the *Patient Protection and Affordable Care Enhancement Act* (ACEA) earlier this year. Among other things, this legislation would provide 12-month continuous eligibility for all Americans in Medicaid and CHIP thanks to the leadership and support of two members of this Subcommittee – Representatives Joe Kennedy and Debbie Dingell –who sponsored H.R. 1879, the *Stabilize Medicaid and CHIP Coverage Act*. We thank them for their efforts on behalf of this important policy.

Importantly, 12-month continuous eligibility aligns Medicaid and CHIP with private and Medicare coverage that provides continuous coverage without constantly screening for coverage eligibility. Such efforts, commonplace in the Medicaid program, create unnecessary hurdles for low-income Americans struggling with limitations of time, limited access to transportation, health literacy, and other challenges. It also is important to recognize that 12-month continuous eligibility would protect children in Medicaid and CHIP. A recent working paper by the George Washington University³ found that Medicaid continuous eligibility would reduce unmet need for specialty care and increase the use of vital preventive care among children, a critical protection to protect them and reduce health care costs in the future.

³ “Continuous Medicaid Eligibility for Children,” Ku, Leighton PhD, MPH and Erin Brantley, PhD, MPH. Working Paper, Milken Institute for Public Health, The George Washington University, May 2020.



Exchange Coverage is a Lifeline during a Public Health Crisis

The ACA also created a new set of market rules for “Exchange” coverage, which have been a lifeline for millions of consumers with preexisting conditions. Such coverage is of paramount importance in the midst of a public health crisis—ensuring consumers with incomes above Medicaid eligibility, or in states that have not expanded Medicaid, are able to purchase coverage that will protect them should they contract COVID-19. ACAP believes so strongly in the crucial role of health coverage in protecting Americans from the ill effects of COVID-19 that we embarked on a six-figure campaign directing people to find health coverage at healthcare.gov; we sent more than 100,000 people to the site as a result.

The House, and this Committee in particular, has considered various policies that would help mitigate the Administration’s efforts to undermine the ACA, and we applaud you for bringing continued light to such issues in today’s hearing. Specifically, we have long supported the need for a Special Enrollment Period (SEP) for uninsured and underinsured consumers—something which many State Based Exchanges moved forward with to great success and which the Administration has historically implemented for individual states during emergencies, yet chose not to do during a declared National Public Health Emergency. We still believe an SEP is appropriate and furthermore we believe a longer Open Enrollment for the 2021 period is appropriate. This will give plans adequate time and resources to enroll the millions of newly uninsured consumers as well as to ensure that any consumers who are struggling financially and terminated for nonpayment of



premiums during the last month of the year are able to purchase new insurance for 2021. While this Administration did provide flexibility for issuers to allow consumers longer than the usual 90 day grace period during the emergency, as a result many consumers may lose their coverage after the auto-reenrollment process for 2021 – ultimately ending their coverage after open enrollment – thus leaving them uninsured for 2021. We believe an extended open enrollment period, or SEP for consumers in this situation, is warranted to address the unintended consequences of the grace period delays.

Additionally, we applaud this Committee’s continued focus on the harms posed to consumers by short-term, limited-duration insurance (STLDI). The Committee’s Oversight and Investigations report⁴ and a recent GAO investigation⁵ detailed the harms posed by such plans and unscrupulous brokers that promote them, oftentimes deceiving consumers into purchasing coverage that will not protect their pre-existing condition needs. As lead plaintiff challenging the Administration’s 2018 rule expanding STLDI coverage to compete with individual market Qualified Health Plans, we support the House’s efforts to ensure such plans are used only for their intended purpose—filling short gaps in coverage. We have already seen examples of STLDI plans trying to get out of paying for potential COVID-related services, and COVID simply presents yet another pre-

⁴ “Shortchanged: How the Trump Administration’s Expansion of Junk Short-Term Health Insurance Plans is Putting Americans at Risk,” US House of Representatives House Committee on Energy and Commerce Subcommittee on Health and Subcommittee on Oversight and Investigations Democratic Staff Report, June 2020.

⁵ “Private Health Coverage: Results of Covert Testing for Selected Offerings,” US Government Accountability Office, August 24, 2020.



existing condition for which such plans can deny future coverage to the millions of people with long-term COVID-related illness or complications. We thank this Committee and the House of Representatives for their continued efforts to limit the duration of STLDI offerings and ensure consumers with STLDI coverage are not left holding the bag when it comes to COVID-related testing and treatment.

Conclusion

As this pandemic is showing, strong and stable coverage is essential to combat the coronavirus and provide Americans with the coverage they need to stay healthy and be productive members of society. ACAP applauds House passage of both the *Health and Economic Recovery Omnibus Emergency Solutions Act* (HEROES Act) and the ACEA, which address so many of the important issues raised above that would protect millions of Americans during the COVID-19 crisis.

In short, the ACA in general, and the Medicaid expansion for low-income adults in particular, has been a lifeline to people with low incomes, communities of color, and the suddenly-unemployed and uninsured during this pandemic. Now is not the time to pull back on the commitments of the ACA, including the Administration's unconscionable support of the *Texas v. California* lawsuit that could repeal the ACA in its entirety. We appreciate the efforts the House has made to protect the vital strides that the ACA has made. Now it is time for Congress to take the next steps toward



protecting that coverage and making it stable for those who need it the most—both during the COVID-19 pandemic and beyond.

Again, thank you for the opportunity to submit this statement for the record. We are happy to respond to any questions the Subcommittee may have.