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Chairman Pitts, Ranking Member Green, and members of this subcommittee: Thank you for the opportunity to participate in today's hearing about patient choice and health plan innovation. My name is Sabrina Corlette. I am a research professor at Georgetown University's Center on Health Insurance Reforms. However, the views I share here today are my own and do not represent those of the university, its faculty or staff.

Having affordable, adequate health insurance coverage is essential to the health and financial vitality of American families. People without health insurance are significantly less likely to receive necessary care, and a lack of meaningful coverage has resulted in medical debt being a primary cause of personal bankruptcies.[1]

In my testimony today I'll make two primary points: (1) The Affordable Care Act (ACA) has led to an unprecedented expansion in access to affordable, comprehensive health insurance and (2) Six years in, we have new opportunities to build on and strengthen the law in order to ensure its benefits can reach all citizens.

The Affordable Care Act has expanded access to affordable, comprehensive coverage

The last time I sat before you, in November 2013, it was just after the launch of the ACA's health insurance marketplaces. Many were questioning whether the law's reforms would work.

What a difference two years makes. Since the roll out of the ACA's reforms and the marketplaces in January 2014, we have strong evidence of:

- *Improved access.* The ACA has expanded health coverage to 20 million people.[2] As a result, the number of uninsured Americans is at its lowest level in five decades, with almost 90 percent of people now covered.[3] This has been an amazing success story, especially given that 19 states have not yet expanded Medicaid.[4]
- *End of health status discrimination.* Up to 122 million Americans with a "pre-existing condition" now have peace of mind that if they need to leave work to care for a loved one, start a new business, or go back to school, they will no longer be denied access to affordable health insurance.[5]
- *Improved quality of coverage.* The ACA's reforms have improved not only access to coverage, but the quality of that coverage. The vast majority (86 percent) of people newly enrolled in marketplace or Medicaid coverage are satisfied with their new health insurance plan. And 91 percent with marketplace or Medicaid coverage are satisfied with the doctors in their plan.[6]
- *Improved financial wellbeing.* The ACA is improving the financial wellbeing of low-income families. Recent research has shown that new Medicaid enrollees have been able to reduce their medical debt by approximately $600 to $1,000 each year.[7]
- *Improved economy.* The ACA has also been good for the economy. The health care sector is reporting record job growth, accounting for over 500,000 new jobs in the last year and ¼ of all new jobs in the Department of Labor's April jobs report.[8]

- *Bending the cost curve.* The ACA has contributed to an unprecedented slowdown in health care cost growth. Since the ACA was enacted, health care prices have grown at the slowest rate for any comparable period in the last half century.[9] Further, several of the payment and delivery system reform experiments launched by the ACA are offering hope that we can reduce waste, lower costs *and* maintain the quality of care for patients.

To understand how far we have come, it's helpful to pause and remember where we were, before the ACA was enacted. As *Business Insider* magazine put it at the time, the insurance market was a "basket case."[10] Until the ACA ushered in sweeping insurance reforms, the individual insurance market suffered from:

- *Lack of access to coverage because of health status discrimination.* Before the ACA, if you wanted health insurance, in most states you had to fill out a voluminous application that included detailed information about your health history and status.[11] As many as 40 percent of applicants were denied coverage because of a pre-existing condition.[12]
- *Inadequate coverage*. Before the ACA, the insurance coverage available to individuals buying on their own fell far short of the coverage available to people with employer-sponsored insurance. In most states, insurers were permitted to permanently exclude from coverage any pre-existing conditions, and many excluded from coverage maternity benefits, mental health services and prescription drugs as a matter of course.[13]

Deductibles of $10,000 or more were not uncommon, and many policies came with annual or lifetime caps on benefits.[14]

- *Unaffordable coverage.* Before the ACA, coverage was the least affordable for people who needed it the most. Seventy percent of people with health problems reported it "very difficult" or "impossible" to find an affordable plan, compared with 45 percent of people in better health.[15] A Kaiser Family Foundation study of rating practices found rate variation of more than nine-fold for the same policy based on age and health status.[16]

At the same time, none of the nightmare scenarios that some ACA opponents predicted have come to pass. The ACA has not caused employers to drop coverage for their workers, nor has it resulted in reductions in employment. On the contrary, the employment-to-population ratio in 2015 was higher than expected.[17] Companies are also not shifting full-time workers to part-time status.[18] And on the whole, coverage trends for employer-based plans have remained stable under the ACA.[19]

Building on and Strengthening the ACA

No law is perfect, and the ACA is not perfect. Six years in, I would encourage members of this Committee to consider some pragmatic improvements that could ensure the benefits of the law are extended to more people, particularly individuals of low- and moderate-income. My suggestions include:

- *Provide incentives to states to expand Medicaid.* In 19 states, families just below the poverty line are often denied access to coverage because they do not make enough money to be eligible for marketplace tax credits. Congress should adopt the President's proposal to allow any state that expands Medicaid to receive a 100 percent match for the first three years, consistent with the policy envisioned when the ACA was enacted.
- *Fix the family glitch.* Although I believe the Treasury Department has the authority to do this administratively, Congress can and should clarify the law to ensure that working families are able to access the marketplace tax credits. Doing so could help ensure that 4.7 million Americans have access to affordable coverage.
- *Improve affordability.* Even with the ACA's premium tax credits and cost-sharing reductions, many low- and moderate-income Americans face very high costs when they purchase insurance. For some, given their incomes, the marketplace subsidies are not sufficient to prompt them to enroll or to maintain coverage. I encourage Congress to consider proposals from the Urban Institute and others to reduce the amount of income families are expected to contribute to premiums, and to improve cost-sharing support.[20]
- *Support outreach and enrollment assistance*. As many as 16 million Americans are eligible for but not enrolled in either Medicaid or subsidized marketplace insurance.[21] Many lack information about the availability of coverage options and financial help and need assistance with the eligibility and enrollment process. A relatively small investment in funds could ensure that more people are enrolled in the coverage that's right for them.

- *Make the plan shopping experience as easy as possible*. The marketplaces need a stronger infrastructure to support eligibility determinations and the plan shopping experience. This should include improved call centers and appeals processes, as well as better web-based tools to support informed decision-making.

Conclusion

The ACA has ushered in much needed reforms that have dramatically improved access to affordable, high-quality coverage. In just two short years these changes have helped to reduce the percentage of uninsured to its lowest point in over a generation – a huge accomplishment. However, we are also beginning to see areas in which we can build on and improve the law to make it work better for more people. I look forward to the discussion of how best to achieve that. Thank you.

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