



Statement for the Record
American College of Physicians
Hearing before the House Energy and Commerce Subcommittee on Health
"Building on the ACA: Legislation to Expand Health Coverage and Lower Costs"
March 23, 2021

The American College of Physicians (ACP) is pleased to submit this statement and appreciates that Energy and Commerce Committee Chairman Pallone and Health Subcommittee Chairwoman Eshoo are holding this hearing to examine legislation designed to build on the important advancements made by the Affordable Care Act (ACA). We are pleased to offer our perspective on this 2010 landmark law, how it was strengthened by the recently enacted American Rescue Plan (ARP) Act and share our feedback on many of the 18 legislative proposals slated for consideration during the hearing, specifically as they relate to the delivery of primary care.

The American College of Physicians is the largest medical specialty organization and the second-largest physician membership society in the United States. ACP members include 163,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness. Internal medicine specialists treat many of the patients at greatest risk from COVID-19, including the elderly and patients with pre-existing conditions like diabetes, heart disease and asthma.

REFLECTIONS ON THE AFFORDABLE CARE ACT

ACP has long endorsed policies to achieve universal health insurance coverage and supported passage of the ACA in 2010. The ACA literally transformed the U.S. health care system by expanding access to coverage, providing consumer protections and essential benefits, and improving the quality of care for millions of Americans. Before the ACA, almost 50 million people went without any health insurance coverage. Many could not afford coverage because they had a pre-existing condition, and plans sold in the individual market often had skimpy benefits that left people vulnerable to high out-of-pocket costs. The ACA addressed these problems in several ways. It established marketplaces (also called exchanges) where individuals could, during an annual open enrollment period, purchase one of four levels of coverage as well as receive progressive income-based premium subsidies (meaning the lower one's income, the higher the subsidy) if their incomes fall between 100 and 400 percent of the federal poverty level (FPL), and cost-sharing subsidies for persons with income up to 250 percent of the FPL. The ACA also established basic consumer protections including: no lifetime or annual dollar

limits on coverage; prohibits insurers from denying, cancelling, or charging higher premiums to people with pre-existing conditions; requires all health plans to cover 10 categories of essential health benefits; and prohibits insurers from charging higher premiums to women based solely on their gender.

Now more than ever, as this nation struggles through the COVID-19 pandemic, Americans need access to affordable care and coverage with all the current-law safeguards and protections in place so families do not fall into financial ruin due to a catastrophic illness, such as the coronavirus. Despite impressive improvements in insurance status, access to care, and economic security measures, the ACA is still not a perfect law, nor can it be. ACP believes the ACA needs to be further strengthened and, in May 2019, ACP released a position paper entitled, "[Improving the Patient Protection and Affordable Care Act's Insurance Coverage Provisions](#)," as published in the Annals of Internal Medicine. ACP's paper calls for efforts to bolster the ACA, including stabilizing the health insurance market, expanding Medicaid, increasing competition in the marketplace, and amplifying awareness about how the ACA works to help patients and how to enroll in coverage plans. The paper identifies common-sense approaches to improve the ACA as internists continue to advocate for universal health care for all patients and consumers.

THE AMERICAN RESCUE PLAN ACT

ACP was very [pleased](#) to see many provisions in the ARP build upon the Affordable Care Act, and in so many ways. The ARP temporarily expands eligibility and the generosity of financial subsidies for health coverage purchased through the Health Insurance Marketplace. It also enables those receiving unemployment benefits to enroll in a zero-premium health insurance plan and provides financial help (full premium subsidies from April 1 – Sept. 30, 2021) to people who have lost their job but remain enrolled in their employer's health coverage through COBRA. For the first time, middle income individuals and families with incomes at and above 400 percent FPL, or \$52,040 for a single adult and \$104,800 for a family of four, will be eligible for premiums subsidies. This means their premiums will be capped at no more than 8.5 percent of their annual household income for a benchmark Silver plan. As a result, many middle-income individuals and families could save thousands of dollars a year on their health insurance premiums. According to the [Congressional Budget Office](#) (CBO), the ARP would increase the number of people with coverage through the marketplaces by 1.7 million in 2022.

The U.S. Department of Health and Human Services estimates that 3.6 million uninsured people will be newly eligible for premium tax credits as a result of the ARP. These changes will also help to address racial and ethnic disparities in coverage access. For example, [360,000](#) uninsured Black and African Americans will now be able to receive financial subsidies to reduce the cost of marketplace-based coverage.

The ARP will also improve health care coverage via Medicaid. As noted by [Health Affairs](#), "the new legislation will, among other changes, provide higher federal matching funds to states to promote home-and community-based services, allow a new state option for 12 months of post-

partum coverage for new mothers, require the coverage of COVID-19 vaccines and treatment, and expand a prior Medicaid option for states to cover COVID-19 testing for the uninsured.”

For the past year, due to the COVID-19 pandemic, the health of Americans and that of the health care system have suffered. The health-related provisions in the ARP will provide considerable relief to both patients and physicians. There are still gaps, and ACP's goal of universal coverage has not yet been reached, but this represents great progress that builds on the ACA. Physicians also play a key role in helping the public understand what is in the new law and how it will help them. Physicians know which patients have insurance and which ones do not, and they know which ones are struggling to afford coverage. Physicians can help educate their patients, let them know that help is available, and encourage them to sign up for marketplace plans. ACP is undertaking this effort now with its member physicians.

LEGISLATION TO BUILD UPON THE AFFORDABLE CARE ACT

ACP appreciates efforts by this subcommittee to expand and build upon achievements in the ACA through the various legislative proposals being considered at this hearing today. ACP is pleased to offer its feedback and support on many of these proposals, as outlined in detail below, and hopes this hearing will lead to bipartisan solutions that focus on the needs of consumers and patients both now and in the future.

H.R. 340, the Incentivizing Medicaid Expansion Act of 2021

H.R. 340, the Incentivizing Medicaid Expansion Act of 2021, would provide the same level of Federal matching assistance for every State that chooses to expand Medicaid coverage to newly eligible individuals, regardless of when such expansion takes place. It would expand Medicaid by providing states with 100 percent FMAP for expansion beneficiaries for the first three years and gradually declines the FMAP to 93 percent by year six of expansion. The FMAP would eventually drop to 90 percent for year seven and beyond. The bill was introduced by Rep. Veasey (D-TX).

ACP reaffirms its support for Medicaid expansion. All states should fully expand Medicaid eligibility and should not apply financially burdensome premiums or cost-sharing requirements, lock-out periods, benefit cuts, or mandatory work or community engagement policies that have the effect of reducing enrollment among vulnerable individuals. ACP has long supported the Medicaid program as vital in the effort to ensure that this nation's most vulnerable population has access to health coverage. ACP's advocacy has focused on protecting the Medicaid program, encouraging states to expand their programs, and opposing efforts by federal lawmakers to cut/cap the program, or otherwise imposing mandatory work requirements, premiums and cost-sharing for vulnerable individuals, and benefit cuts. According to the [KFF](#), 39 states and the District of Columbia have elected to expand Medicaid. It is further [estimated](#) that two million individuals, who are currently uninsured, would gain coverage, if the remaining states were to expand Medicaid eligibility.

H.R. 1878, the State Health Care Premium Reduction Act of 2021

H.R. 1878, the State Health Care Premium Reduction Act of 2021, would establish a health insurance affordability fund, with \$10 billion made available annually for states to establish a state reinsurance program or use the funds to provide financial assistance to reduce out-of-pocket costs. The bill would also require the Centers for Medicare and Medicaid Services (CMS) to establish and implement a reinsurance program in states that do not apply for federal funding. The bill was introduced by Reps. Craig (D-MN) and Peters (D-CA).

Many good things came out of the ACA, but it is also the case that the health insurance marketplace has been struggling over the past few years, due to a confluence of many factors. In some areas of the country, premiums have increased, and insurer participation is limited. In addition, efforts by some in Congress and the past administration have led to a further destabilization of the market by undermining patient protections, resulting in “adverse selection” among persons obtaining coverage in the individual market. ACP policy states that the federal government should stabilize the marketplace by establishing a permanent reinsurance program. Reinsurance can help ensure that patients get to keep the coverage they have while protecting insurers from high costs.

H.R. 1025, the Kids’ Access to Primary Care Act of 2021

H.R. 1025, the Kids’ Access to Primary Care Act of 2021, would require that Medicaid programs pay physicians no less than the Medicare rate for primary care services. The bill was introduced by Reps. Schrier (D-WA), Castor (D-FL), and Fitzpatrick (R-PA).

ACP strongly supports H.R. 1025. Primary care clinicians commit themselves to a long-term relationship with all their patients — including Medicaid beneficiaries — and provide not only first-contact and preventive services, but also the long-term care for chronic conditions that minimizes hospital admissions and reduces costs to the system. Increasingly inadequate Medicaid payments impede the ability of clinicians and other providers to accept more Medicaid patients, particularly among small practices, and threatens the viability of practices serving areas with a higher proportion of Medicaid coverage. Lower payment rates in Medicaid have historically created substantial barriers to accessing various health care services. Ensuring parity with Medicare payment rates will help eliminate these barriers and increase access to care for people with Medicaid coverage.

Congress took action to raise Medicaid primary care payment rates to Medicare levels in 2013 and 2014, with the federal government paying 100 percent of the increase. Access improved as a result: for example, the policy change led office-based primary care pediatricians to increase their participation in the Medicaid program. Unfortunately, lawmakers failed to reauthorize the payment increase after 2014. The Kids’ Access to Primary Care Act would bring Medicaid payments for primary care services back in line with Medicare payment levels, while also expanding the list of eligible clinicians to ensure that people with Medicaid can access the care they need.

H.R. 1791, the Children’s Health Insurance Program Permanency Act or the “CHIPP” Act

H.R. 1791, the Children’s Health Insurance Program Permanency Act or the “CHIPP Act”, would permanently authorize funding for CHIP, and provide states the option to increase Medicaid and CHIP eligibility levels for children up to 300 percent of FPL without receiving a waiver. The bill was introduced by Rep. Barragan (D-CA).

ACP has been a staunch supporter of CHIP over the years and has advocated for a long-term extension of funding for the program. Since its inception in 1997, CHIP, together with Medicaid, has helped to reduce the number of uninsured children by a remarkable 68 percent. CHIP has a proven track record of providing high-quality, cost-effective coverage for low-income children and pregnant women in working families.

H.R. 1875, a bill to amend title XXVII of the Public Health Service Act to eliminate the short-term limited duration insurance exemption with respect to individual health insurance coverage

H.R. 1875 would eliminate the exemption for short-term limited duration insurance with respect to the definition of individual health insurance coverage beginning January 1, 2023. The bill would further require such plans to comply with the ACA’s market reforms, such as the bans on pre-existing conditions exclusions, the practice of rescissions, and charging individuals with pre-existing conditions or women more for health insurance coverage. The bill was introduced by Reps. Castor (D-FL) and Higgins (D-NY).

ACP fully supports H.R. 1875 because short-term plans are not mandated to include all of the essential health benefits currently required of all plans sold in the individual insurance market and allow insurers to charge more for plans needed by individuals with pre-existing conditions. Such short-term plans typically do not cover prescription drugs, maternity care, mental health, and substance use disorder treatments, putting individuals and families that enroll in such plans at risk if they develop a condition requiring such services. Because these plans also may attract people who are healthier, people who remain in the ACA-qualified plans are likely to be sicker, resulting in double-digit premium increases for qualified health plans, more uninsured persons, and increased federal spending, according to independent researchers.

H.R. 1890, the Health Care Consumer Protection Act

H.R. 1890, the Health Care Consumer Protection Act, would require Exchanges to establish network adequacy standards, as promulgated by CMS, for qualified health plans and amend the Public Health Service Act to provide protections for consumers against excessive, unjustified, or unfairly discriminatory increases in premium rates. The bill was introduced by Rep. Schakowsky (D-IL).

ACP has long advocated for Congress to examine network adequacy and how the (un)fair payment of services for physicians may contribute to the increase in patients receiving out-of-

network care, especially in the emergency setting. Health plans also have an affirmative obligation to pay fairly and appropriately for services provided in- and out-of-network, and regulators should ensure network adequacy in all fields, including emergency care. It is important to apply network adequacy standards that ensure beneficiaries have access to a sufficient network of physicians and other providers, including a means for beneficiaries to access out-of-network physicians and other providers at no additional cost if they are unable to receive medically necessary care through their existing network.

ACP is also concerned about the proliferation of plans with narrow “provider” networks and has recommended that the Centers for Medicare and Medicaid Services (CMS) establish quantitative network adequacy measures and additional oversight to ensure patients have access to their preferred physician. Further, ACP is concerned about recent 1332 waivers and proposed rulemaking that would allow states to reject the well-established and effective health insurance exchange in favor of private direct enrollment mechanisms. ACP supports establishing a federal public option in health insurance marketplace. The 1332 State Innovation Waiver process could be a vehicle for state-based public option plans.

ADDITIONAL RECOMMENDATIONS

ACP also applauds other legislative proposals being considered by this subcommittee today that restore and increase funding for Healthcare.gov Navigators, in-person assisters, and open enrollment outreach and promotion activities for the ACA marketplaces; establish grants to states to facilitate greater enrollment in health insurance coverage in the individual and small group markets, including automatic enrollment and re-enrollment. ACP also urges Congress and the administration to work jointly to further expand health coverage and increase access to care by establishing a federal public option in the health insurance marketplace and by fixing the “family glitch” in the ACA that bases eligibility for a family’s premium subsidies on whether available employer-sponsored insurance is affordable for the employee only, even if it is not actually affordable for the whole family. ACP, along with five other frontline physician organizations, provided joint [recommendations](#) to the new Biden Administration on additional policies that can and should be adopted to build upon the ACA. We stand ready to work with both Congress and the administration to advance those policies.

In conclusion, we appreciate this opportunity to offer our insights on the legislative proposals under consideration by the subcommittee to build upon the ACA. It is important to reflect on the astounding achievements of this landmark law as well as its shortcomings so that we can move toward implementing even greater efficiencies in the health care system, ideally on a bipartisan basis. Should you have any additional questions, please contact Jonni McCrann at jmccrann@acponline.org.