

The Future of the ACA and Prospects for Further Reform in California

CHEAC Annual Meeting
October 17, 2018

Larry Levitt

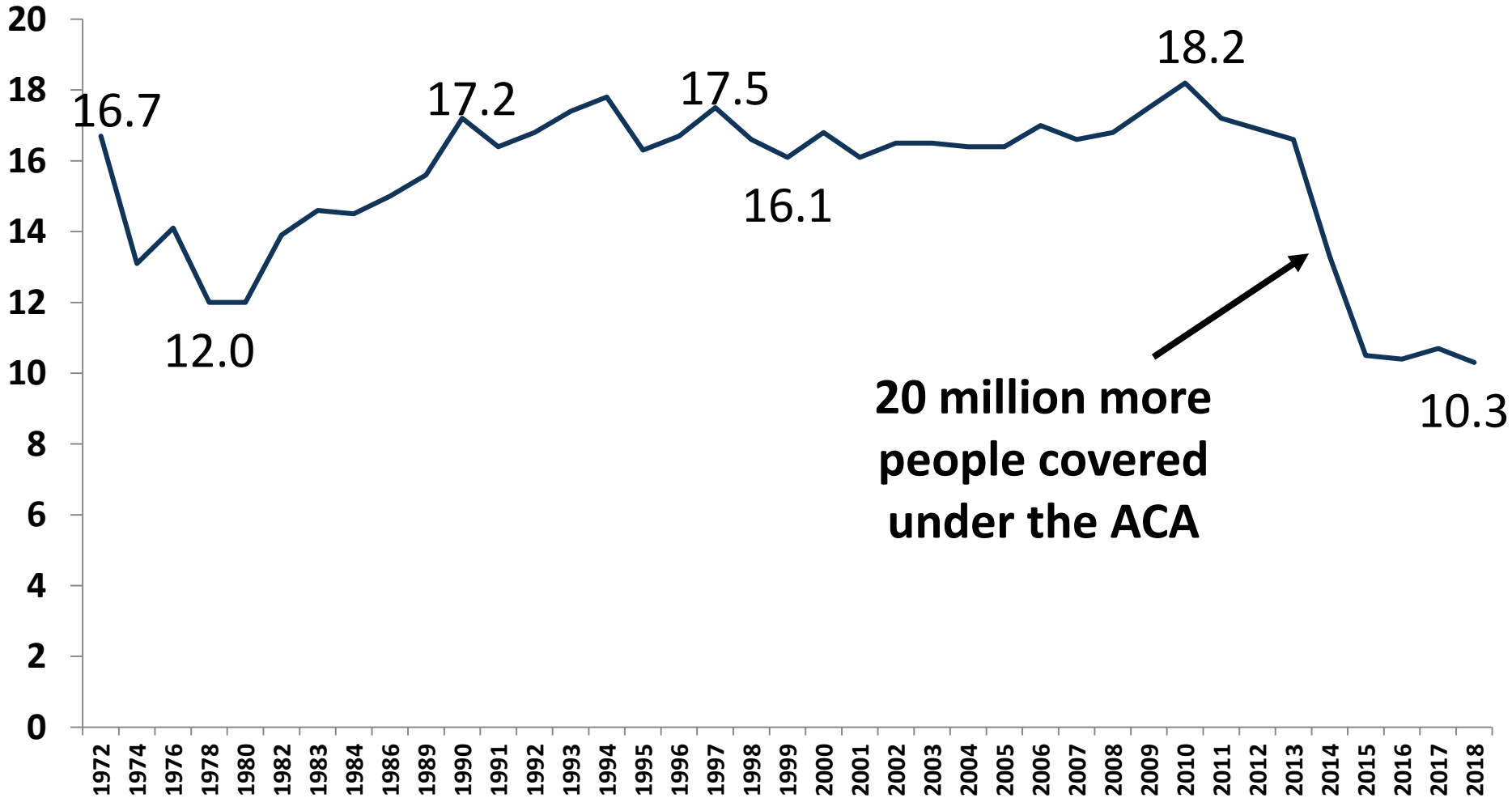
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Filling the need for trusted information on national health issues.

The ACA has reduced the non-elderly uninsured rate to the lowest level ever, but progress stalled



**20 million more
people covered
under the ACA**

Note: 2018 data is for Q1 only.

Source: CDC/NCHS, National Health Interview Survey.

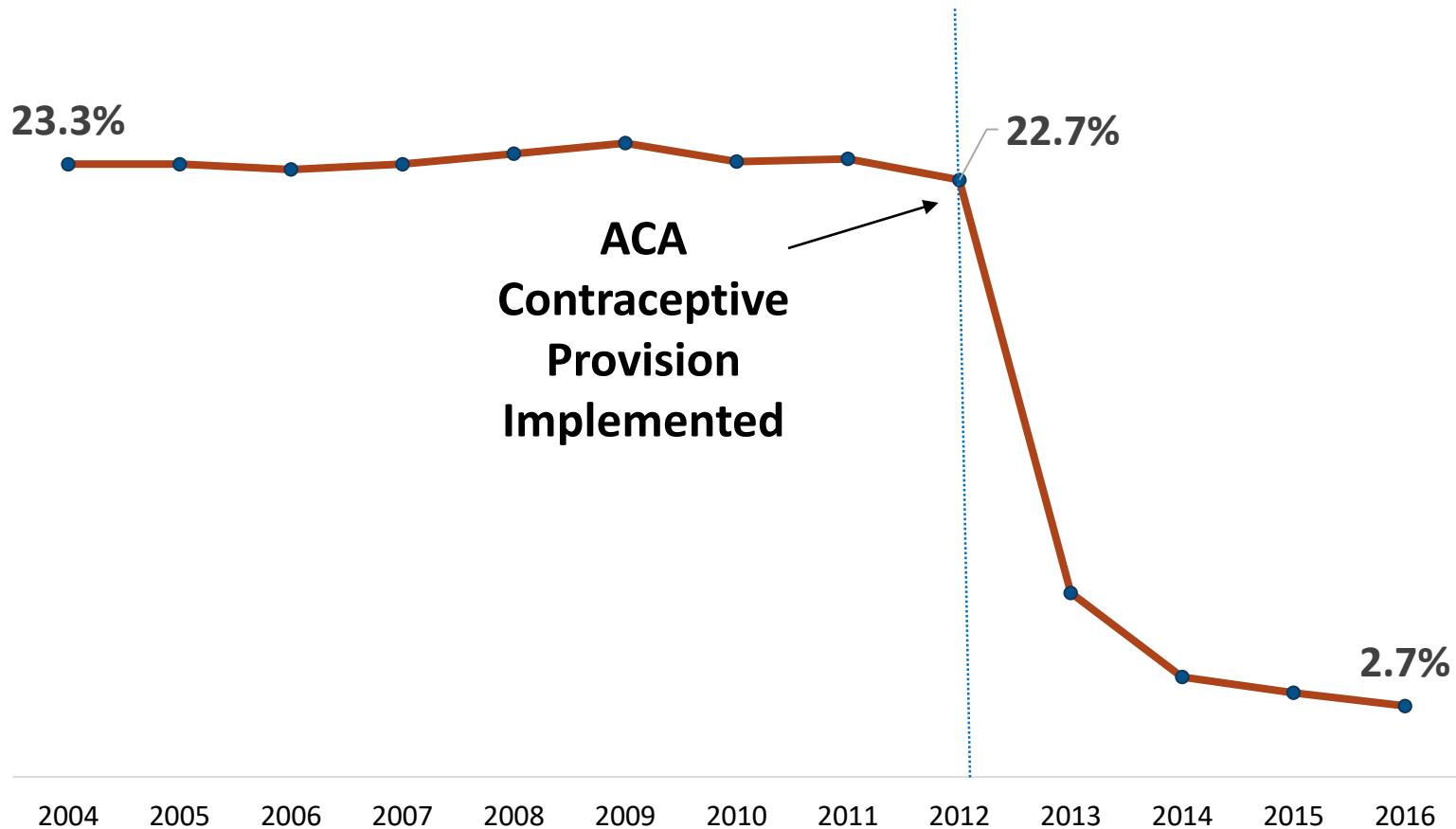
27% of non-elderly adults have a condition that would have led to an insurance denial pre-ACA

AIDS/HIV	Lupus
Alcohol abuse/ Drug abuse with recent treatment	Mental disorders (severe, e.g. bipolar, eating disorder)
Alzheimer's/dementia	Multiple sclerosis
Arthritis (rheumatoid), fibromyalgia, other inflammatory joint disease	Muscular dystrophy
Cancer within some period of time (e.g. 10 years, often other than basal skin cancer)	Obesity, severe
Cerebral palsy	Organ transplant
Congestive heart failure	Paraplegia
Coronary artery/heart disease, bypass surgery	Paralysis
Crohn's disease/ ulcerative colitis	Parkinson's disease
Chronic obstructive pulmonary disease (COPD)/emphysema	Pending surgery or hospitalization
Diabetes mellitus	Pneumocystic pneumonia
Epilepsy	Pregnancy or expectant parent
Hemophilia	Sleep apnea
Hepatitis (Hep C)	Stroke
Kidney disease, renal failure	Transsexualism

Source: KFF review of pre-ACA underwriting manuals

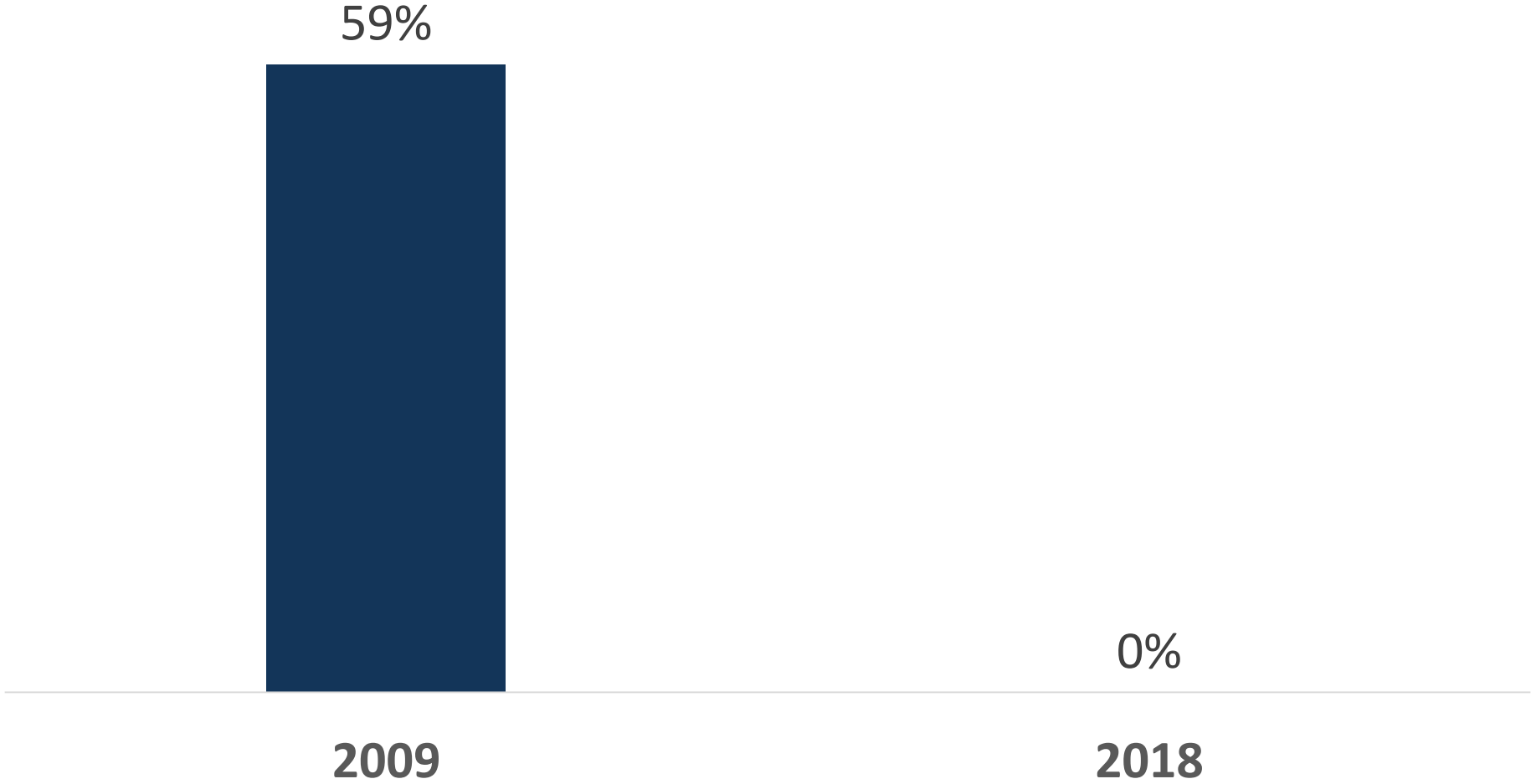
ACA coverage of contraceptives has dramatically reduced out-of-pocket costs for women

Share of women with any out-of-pocket spending on oral contraceptives:



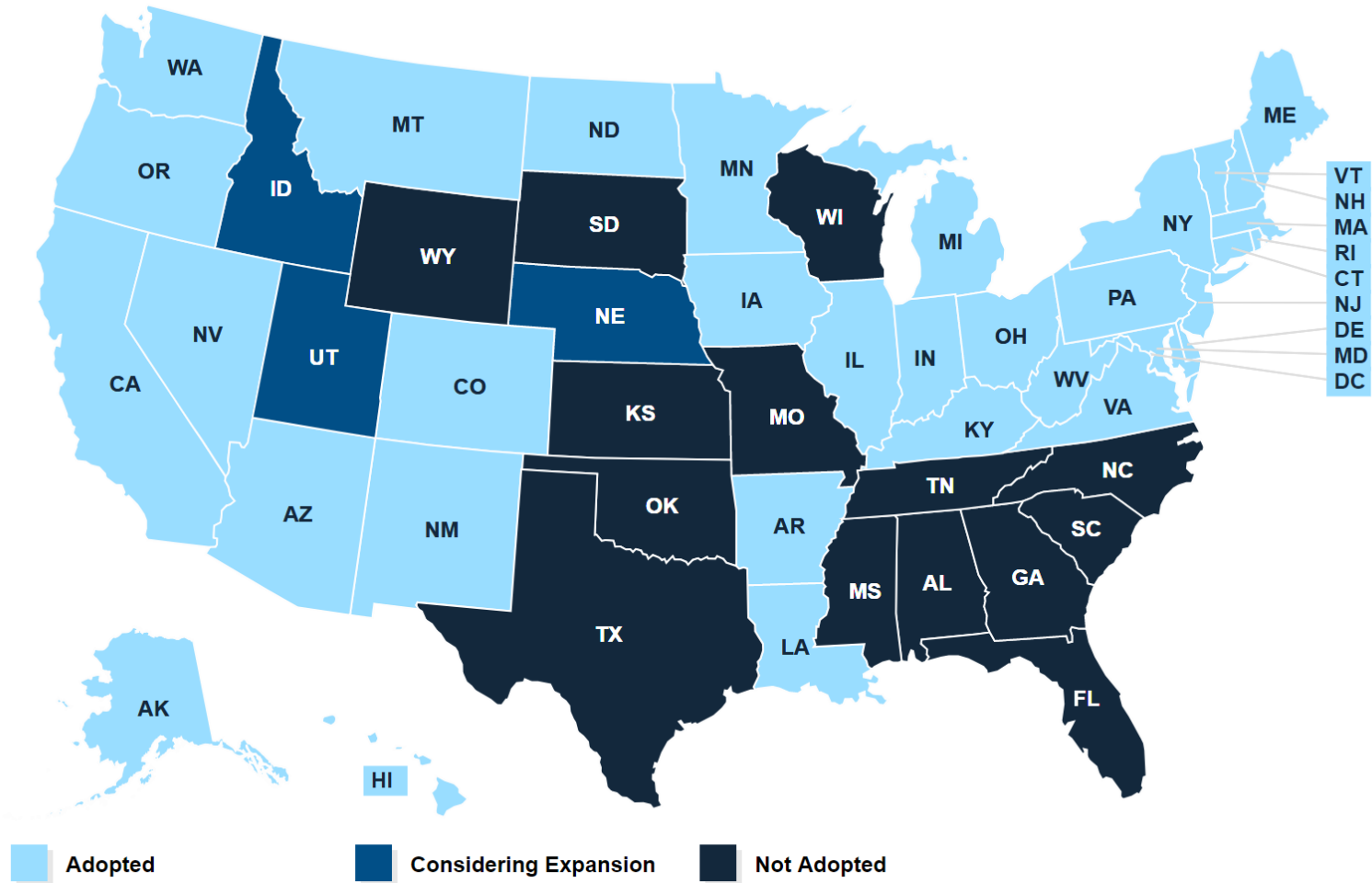
NOTE: Share of women age 15-44 with health coverage from a large employer who have any out-of-pocket spending on oral contraceptive pills, 2004-2014.
SOURCE: Peterson-Kaiser Health System Tracker. Kaiser Family Foundation analysis of Truven Health Analytics MarketScan Commercial Claims and Encounters Database, 2004-2016.

Share of covered workers in employer health plans with a lifetime limit on coverage



Source: Kaiser-HRET Employer Health Benefits Survey, 2009.

12 million have been newly covered by the ACA's Medicaid expansion, but not in all states

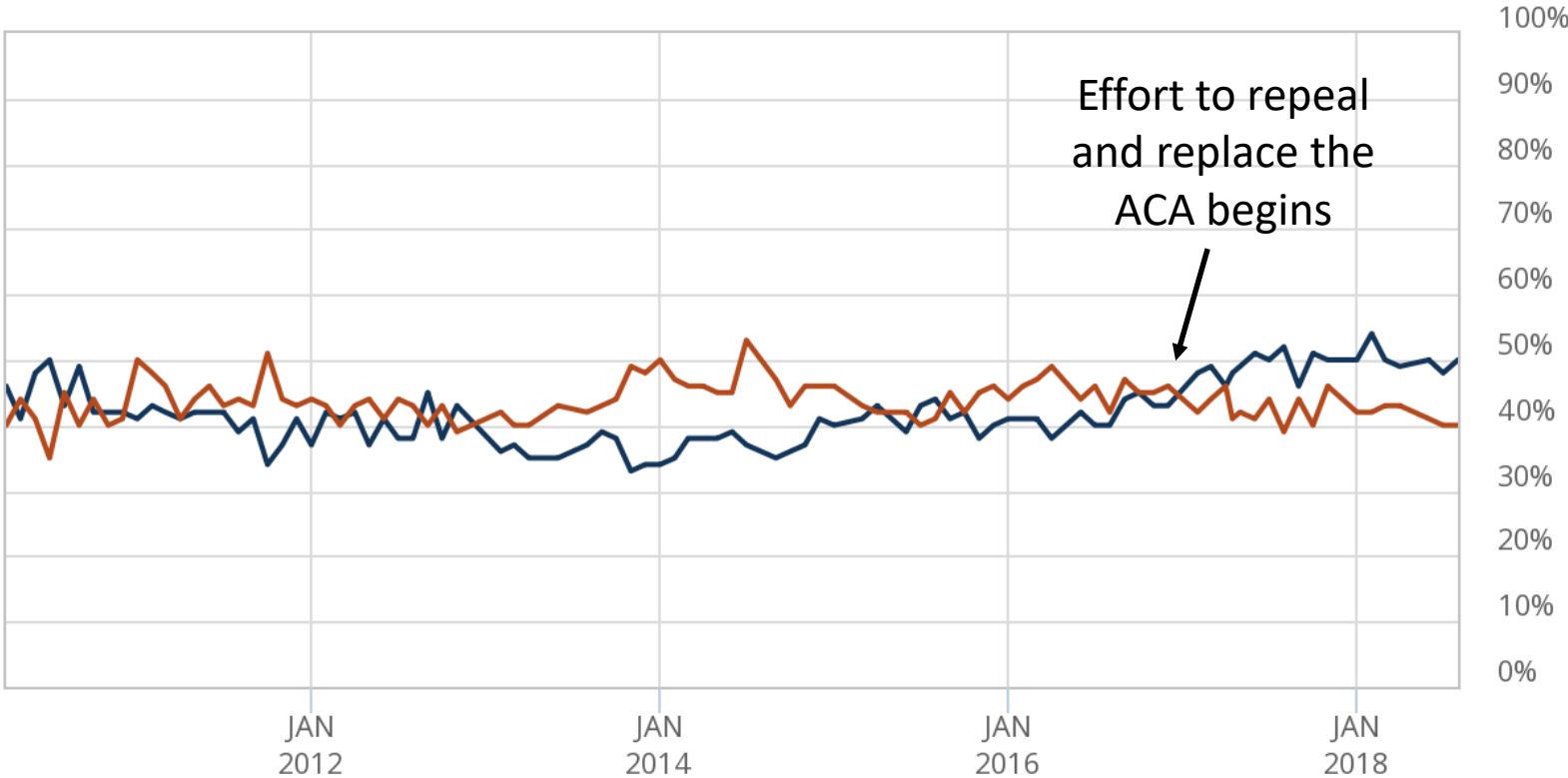


Public still split along partisan lines on the ACA, but favorability has grown with efforts to repeal it

Kaiser Health Tracking Poll: The Public's Views on the ACA

We asked: "Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?"

— All Adults - Favorable — All Adults - Unfavorable



Kaiser Family Foundation | kff.org/polling



The ACA has been threatened, but the heart of the law is still intact

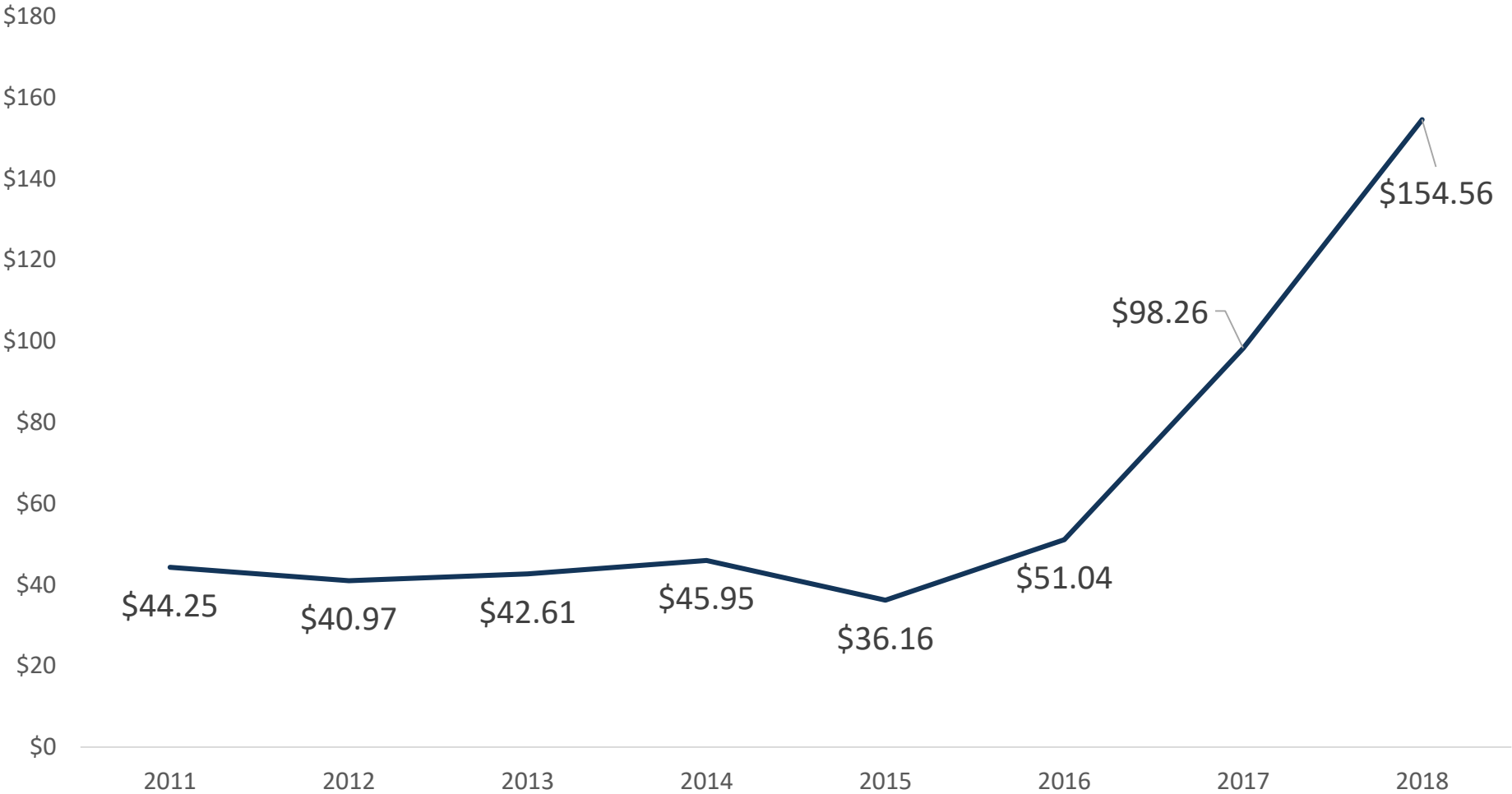
- Enhanced federal matching payments for expanded Medicaid eligibility up to 138% of the poverty level.
- Required coverage of essential benefits.
- Protections for people with pre-existing conditions.
- Premium subsidies for people buying their own insurance with incomes up to 400% of the poverty level.

Further changes underway will wound the ACA, but they won't kill it

- Repealing the individual mandate penalty in 2019 will increase premiums and reduce coverage.
 - CBO: 10% average premium increase in the individual insurance market, and 13 million more people uninsured by 2027.
- Loosely-regulated association and short-term health plans will be able to cherry pick healthy people with lower premiums, increasing premiums in the regulated ACA market.
- Premium subsidies will protect lower income people from rate hikes and help to keep the market stable.
- Healthy people may get cheaper options, but middle-class people with pre-existing conditions will feel the full brunt.
- States can blunt many of these changes.

Financial condition of ACA health insurers has stabilized with premium increases

Average individual market gross margins per member per month, Q1



Note: Q1 data is year-to-date from January 1 – March 31

Source: Kaiser Family Foundation analysis of data from Mark Farrah Associates Health Coverage Portal TM



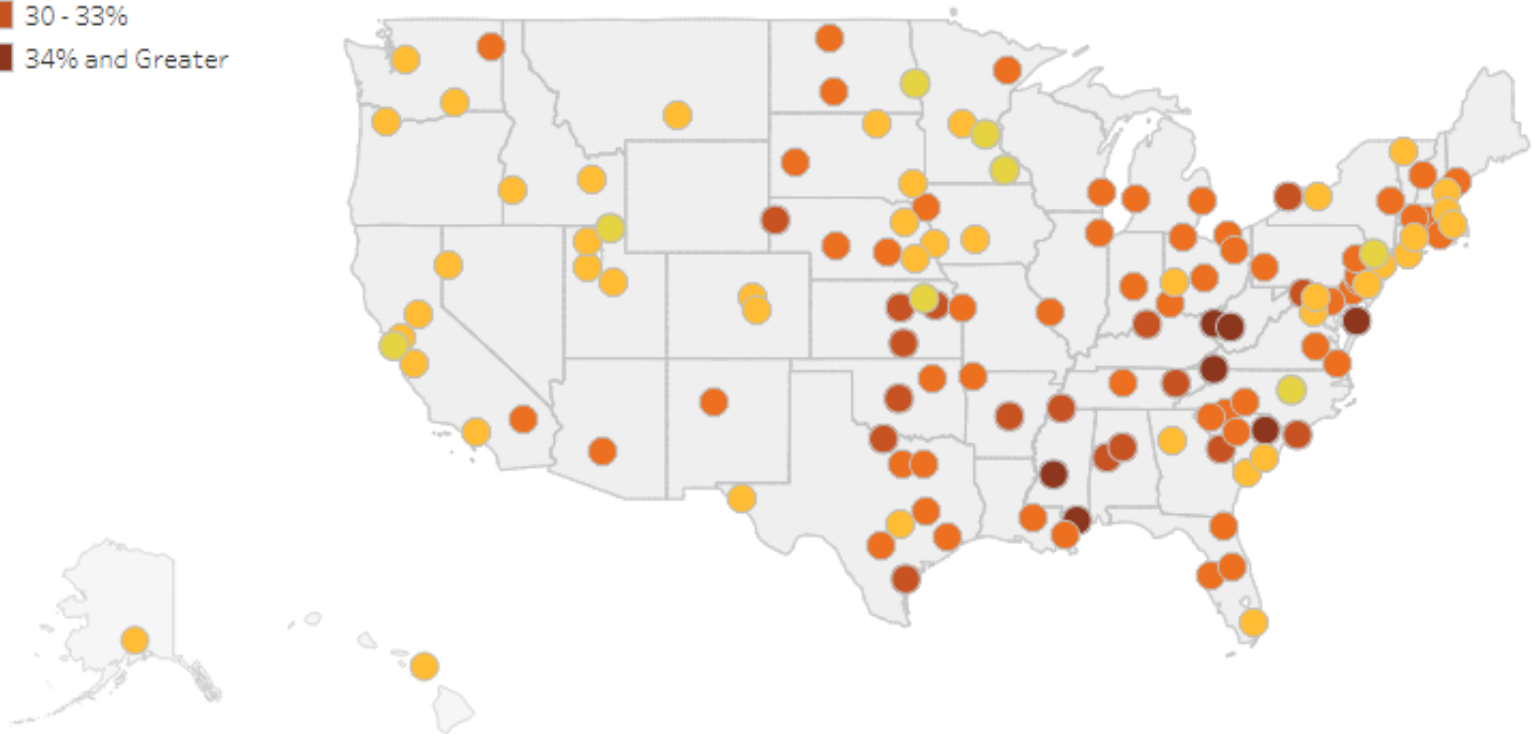
But, a lawsuit in Texas threatens to upend the ACA and pre-existing condition protections

- Republican state attorneys general are arguing that the ACA in its entirety is unconstitutional because the individual mandate (without a tax penalty) is unconstitutional.
- The Trump administration is not defending the ACA in court, instead arguing that only the ACA's pre-existing condition protections should be invalidated.
- Democratic state attorneys general have intervened in the case to defend the ACA.

Mapping Pre-existing Conditions across the U.S.

% of Non-elderly Adults with a Pre-existing Condition

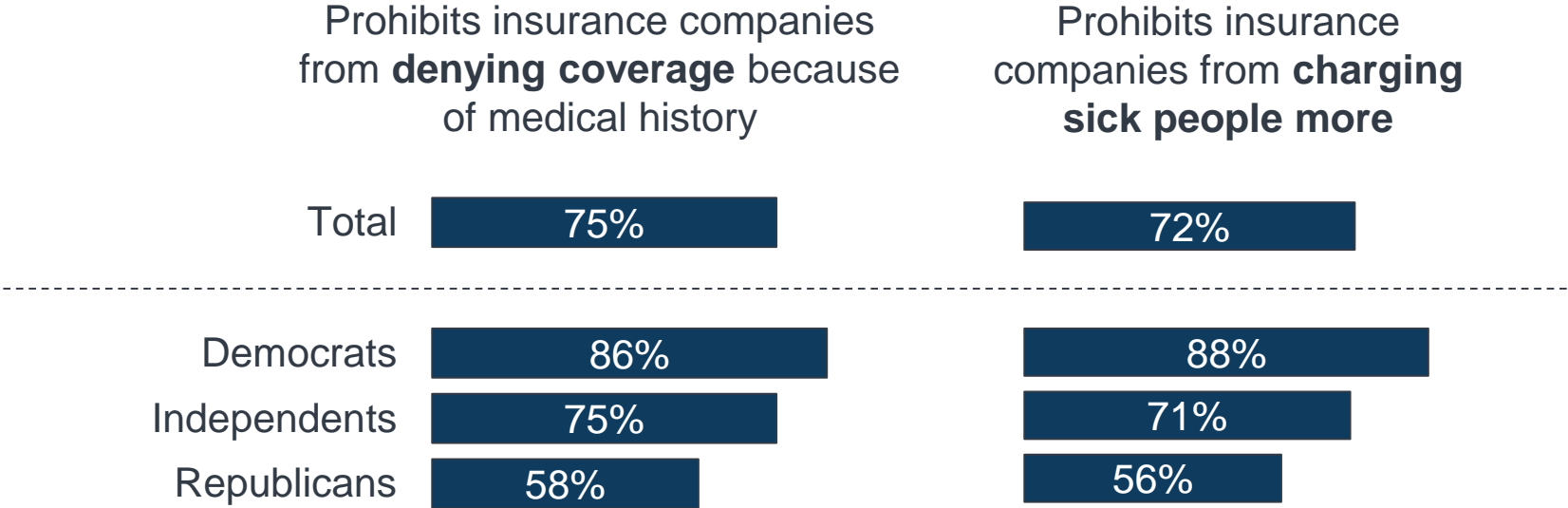
- Less than 22%
- 22 - 25%
- 26 - 29%
- 30 - 33%
- 34% and Greater



Source: Kaiser Family Foundation analysis.

Bipartisan support for protections for people with pre-existing conditions

Percent who say it is “very important” to them that the following provisions remain law:



NOTE: Questions asked of separate half samples.
SOURCE: KFF Health Tracking Poll (conducted August 23-28, 2018)

Dead Wrong



MORE VIDEOS

APPROVED BY THE MANDINI DAVID FOR BY MANDIM FOR WEST VIRGINIA
REPRODUCED BY JOE MANDINI FOR BY MANDINI FOR WEST VIRGINIA

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S. 3388

To amend the Health Insurance Portability and Accountability Act.

IN THE SENATE OF THE UNITED STATES

AUGUST 23, 2018

Mr. TILLIS (for himself, Mr. ALEXANDER, Mr. GRASSLEY, Mrs. ERNST, Ms. MURKOWSKI, Mr. CASSIDY, Mr. WICKER, Mr. GRAHAM, Mr. HELLER, and Mr. BARRASSO) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Health Insurance Portability and
Accountability Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Ensuring Coverage for
5 Patients with Pre-Existing Conditions Act”.

If a candidate supports pre-existing condition protections, ask these questions

- Does it guarantee access to coverage irrespective of health?
- Does it require community rating, meaning the same premiums for people who are healthy and sick?
- Does it mandate a package of required benefits?
- Can insurers exclude coverage of pre-existing condition?
- Are annual and lifetime limits on coverage allowed?

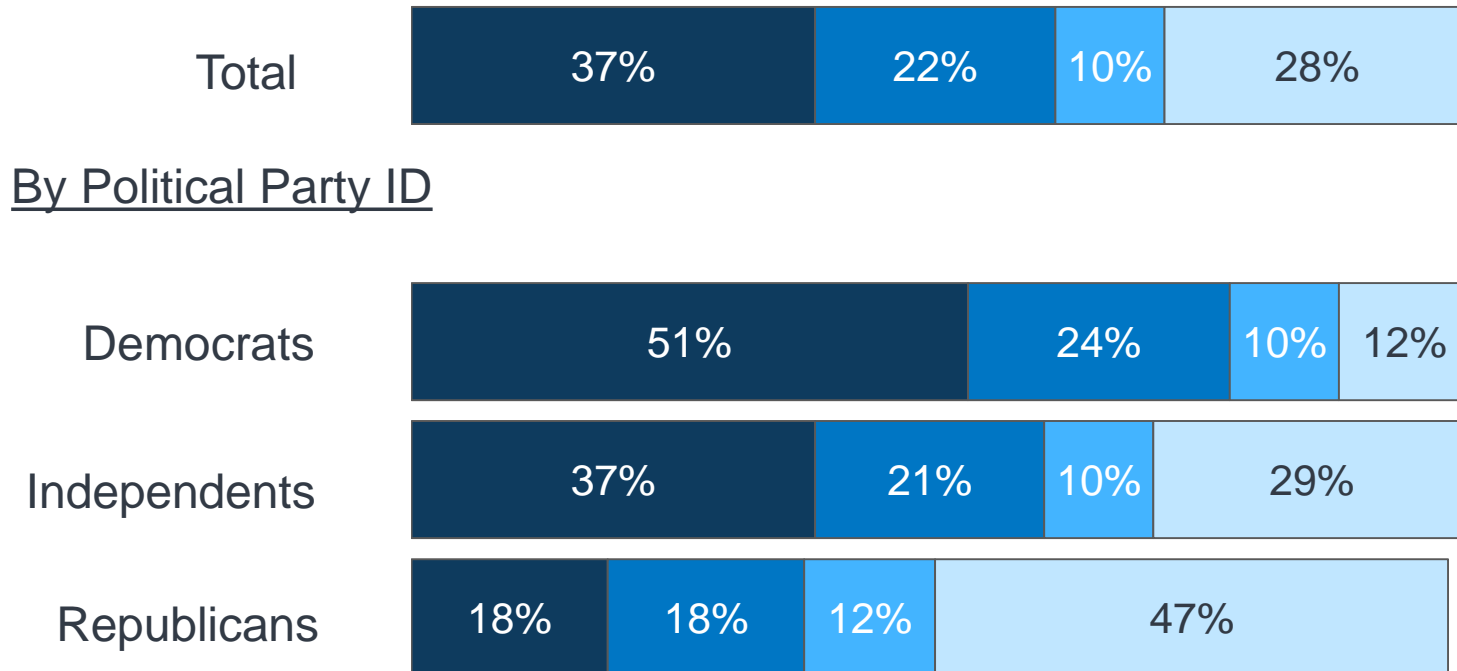
Single payer plans could (but don't necessarily) fulfill various policy aims (not all of which require single payer)

- Achieve universal coverage.
- Finance health care more fairly through taxes.
- Eliminate patient out-of-pocket costs.
- Reduce health spending through lower prices and less administrative overhead.
- Eliminate profits in health care.

Majority support for Medicare-for-all, but a big partisan divide

Do you favor or oppose having a national health plan, or Medicare-for-all, in which all Americans would get their insurance from a single government plan?

■ Strongly favor ■ Somewhat favor ■ Somewhat oppose ■ Strongly oppose



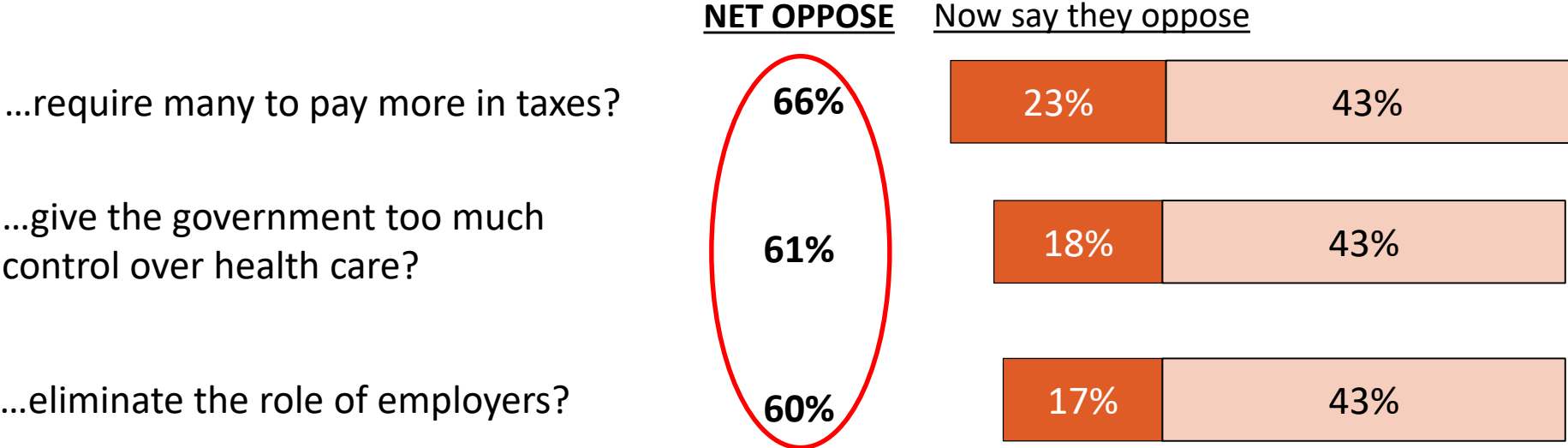
NOTE: Don't know/Refused responses not shown.
SOURCE: KFF Health Tracking Poll (conducted March 8-13, 2018)

Arguments against a national health plan sway some initial supporters

Do you favor or oppose having a national health plan?



What if you heard that OPPONENTS say such a plan would...

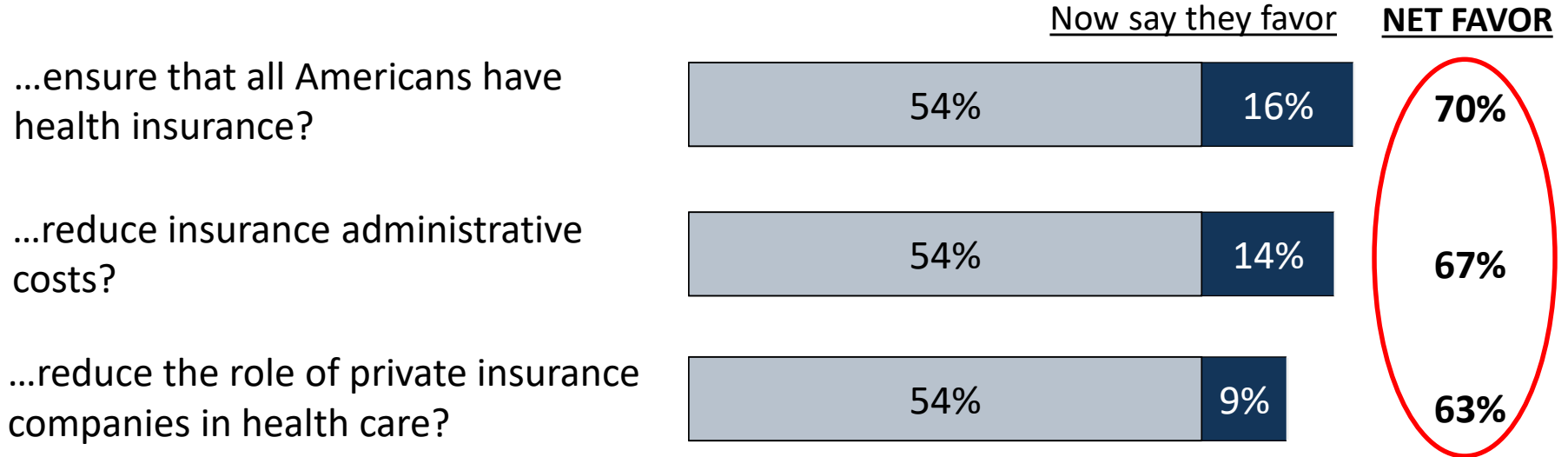


NOTE: Question wording abbreviated. See topline for full question wording. Don't know/Refused responses not shown.
 SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted September 13-18, 2017)

Some who initially oppose a national health plan can also be persuaded



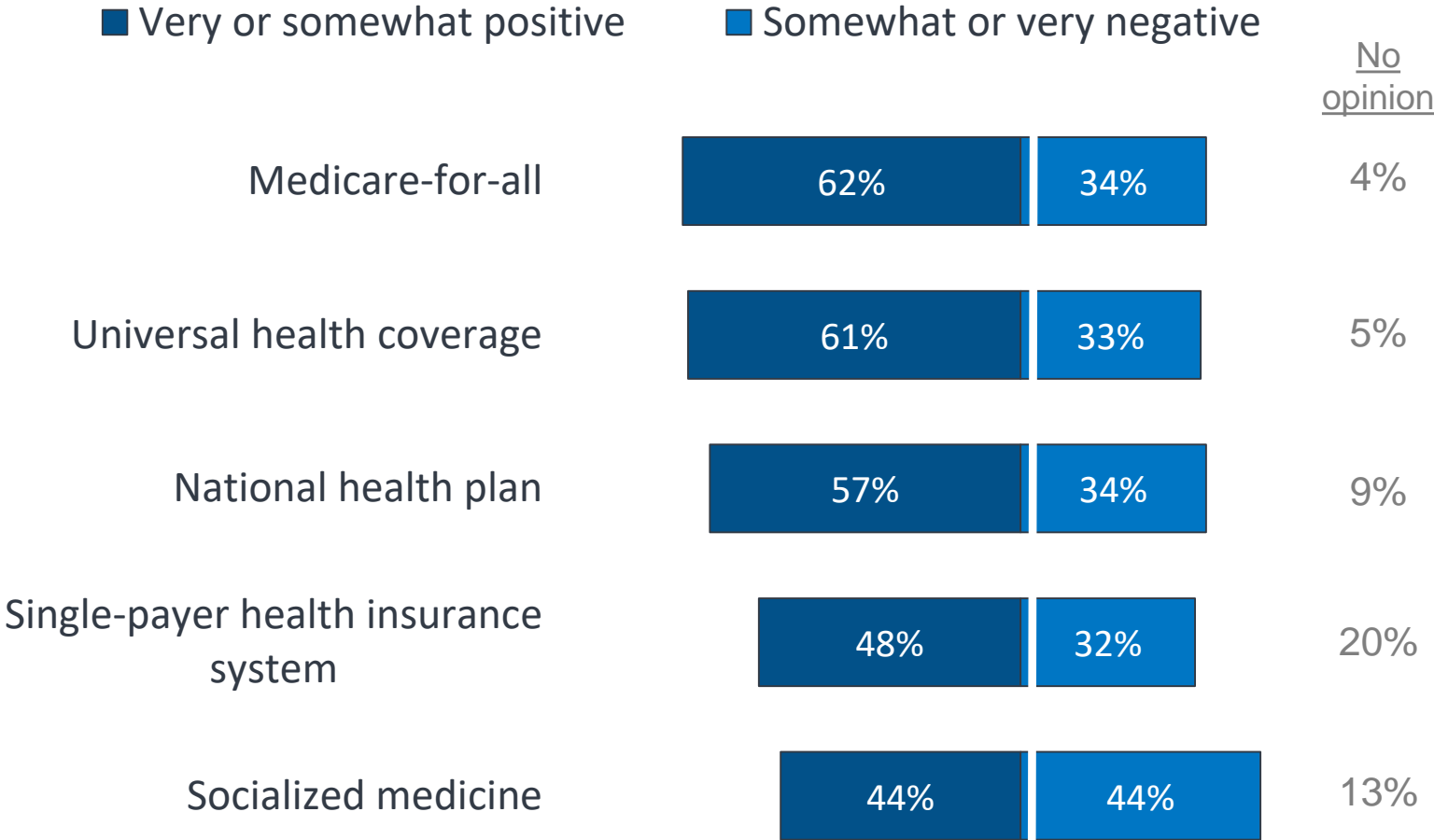
What if you heard that SUPPORTERS say such a plan would...



NOTE: Question wording abbreviated. See topline for full question wording. Don't know/Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted September 13-18, 2017)

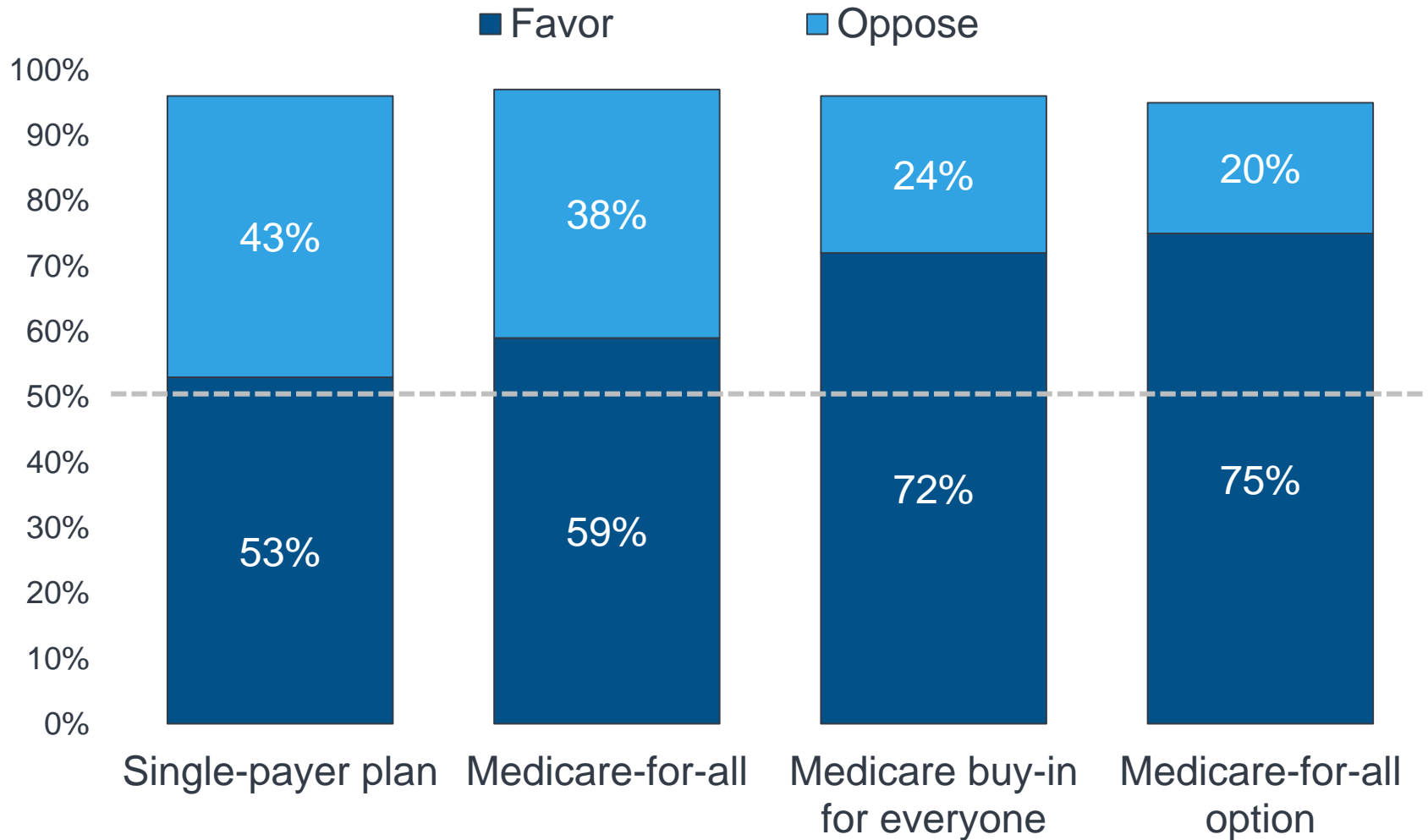
Terminology affects public opinion on single-payer



NOTE: Items asked of separate half samples.

SOURCE: KFF Health Tracking Poll (conducted from November 8-13, 2017)

Broad support for proposals to expand Medicare, especially ones that are optional



SOURCE: KFF Health Tracking Polls

Next steps in California

- A new governor and possibly a new Congress.
- The newly-created Council on Health Care Delivery Reform could become the focus of health policymaking in California, with reports on universal coverage and a public option due by October 2021.
- Potential incremental steps to expand coverage and improve affordability: Increased subsidies through Covered California, coverage of undocumented immigrant adults in Medi-Cal.
- Potential steps to lower costs: Health Care Cost Transparency Database, legal and policy action to address consolidation, all-payer rate setting.