

Health Care Reform and Private Health Insurance What Remains to be Done?

Karen Pollitz

Georgetown University

Health Policy Institute

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Key Accomplishments*

- Individual/employer mandate, subsidies expand coverage
- Market reforms prohibit discrimination
- Benefit standards end junk coverage
- Exchanges organize markets, foster competition
- Stronger oversight, enforcement

Subsidies

- Medicaid to 133% FPL.
- Subsidized individuals pay up to 10% of gross income for premiums
- Affordability waiver of mandate
- 31 million covered, 23 million remain uninsured
- Adverse selection concerns

What remains to be done?

- Ongoing monitoring of access, affordability
- Strengthen subsidies

Market Rules

- Guaranteed issue, modified community rating required; no pre-ex exclusions; rescission prohibited (again)
- Age rating = proxy for health status; baby boomers pay 3x more for coverage
- “Wellness” surcharges (30-50% of plan cost) based on health status linked to lifestyle; subsidies don’t apply
- Smokers pay 1.5x more, *plus* wellness surcharge
- Rules don’t apply to groups >100 (Senate)
- Loopholes for MEWAs, stop loss, student health plans

What remains to be done?

- Monitor risk selection, access
- Strengthen rules and apply more broadly

Benefit Standard

- Commission/agency determines covered benefits
- Prevention covered first dollar
- Lifetime/annual *dollar* limits prohibited; day and visit limits may continue
- High cost sharing: annual exposure \geq \$6k/person
- Out of network cost sharing, balance billing not limited

What remains to be done?

- Measures of medical debt, uncompensated care
- Lower cost sharing, or expand subsidy eligibility to people who can't afford cost sharing

Exchanges

- Certify, negotiate with plans
- Assure transparency
- Consumer assistance
- Administer subsidies
- Interface with IRS; coordinate multiple payments
- Risk adjustment

What remains to be done?

- Develop effective template

Oversight and enforcement

- Federal fallback enforcement authority (HIPAA model)
- Strong disclosure provisions
- Some resources for state oversight and enforcement

What remains to be done?

- Develop new oversight/enforcement capacity at federal and state level
- Use it