



Joint Recommendations of the American Academy of Family Physicians, American Academy of Pediatrics, American College of Obstetricians and Gynecologists, American College of Physicians, American Osteopathic Association, and American Psychiatric Association on Priorities for Coverage, Benefits and Consumer Protections

September 16, 2019

Our organizations represent a combined membership of 597,000 physician and medical student members, most of whom are providing front line care to patients throughout the United States. As discussions around health care reform continue, we urge Congress and the administration to preserve essential coverage, benefits and consumer protections as established by current law, including the Affordable Care Act (ACA); stabilize insurance markets; and keep funding levels strong for the Children's Health Insurance Program. We also acknowledge the continued need for reforms and improvements to address ongoing barriers to care, and ensure a health care system optimized for patients and their physicians. Specifically, we ask Congress and the administration to support the following policy recommendations, and for Congress to exercise necessary oversight to ensure that regulatory and administrative actions are consistent with them:

Maintain Coverage

Currently insured individuals should not lose their coverage as a result of any action or inaction by policymakers. Our groups are asking lawmakers to support policies that:

- Ensure uninterrupted coverage and benefits for the more than 20 million individuals and families covered in states that have expanded Medicaid or purchased qualified health plans offered in the exchanges.
- Ensure continued and sufficient federal funding to support Medicaid expansion as currently available. Policymakers should not make changes to federal Medicaid funding that would erode benefits, eligibility, or coverage compared to current law.
- Waivers and other proposals that address Medicaid coverage should be aligned with our organizations' shared principles, Section 1115 Demonstration Waivers and Other Proposals to Change Medicaid Benefits, Financing and Cost-sharing: Ensuring Access and Affordability Must be Paramount, which can be found [here](#).
- Ensure that premium and cost-sharing subsidies are sufficient to make coverage affordable and accessible, especially for vulnerable patients like children and adults with special health care needs, the elderly, and low-income individuals and families. The value of current subsidies should not be eroded.

- Keep funding levels for the Children’s Health Insurance Program (CHIP) strong, including contingency funds for states that experience funding shortfalls, and expand awareness of CHIP to eligible families through outreach and enrollment grants.

Protect Patient-Centered Insurance Reforms

Preserve current coverage of essential benefits, as well as consumer and benefit protections by supporting policies that:

- Ensure that children, adolescents, and adults with preexisting conditions cannot be denied coverage, be charged higher premiums, or be subject to cancellation. This should continue to be the case even in cases when coverage has not been continuous.
- Continue to prohibit insurers from establishing annual and lifetime caps on benefits for children, adolescents, and adults, and from charging higher premiums based on gender.
- Continue to ensure that all health plans provide evidence-based, essential benefits including coverage for physician and hospital services and prescriptions; mental health and substance use disorder treatment; preventive services at no out-of-pocket cost to insured individuals, children, and families, including contraception and other women’s preventive services; and maternity care.
- Ensure that parity between medical/surgical benefits and mental health/substance use disorder benefits is appropriately implemented, maintained and enforced.
- Continue to make prescription drugs more affordable for patients enrolled in Medicare by allowing the current law phase-out of the Medicare Part D “donut hole” to continue.

Congress should be prepared to act to ensure continuation of the above coverage and patient-centered insurance reforms in response to any legal action that could cause these, and other essential current law protections, to be overturned or weakened.

Insurance Market Stabilization

The health insurance marketplace remains unstable in many parts of the country. Several insurers have exited from the exchange markets in recent years and those who remain are evaluating the stability of the markets to determine future participation. Numerous studies highlight consumer inability to afford health insurance. For consumers, costs continue to rise, forcing difficult decisions regarding how many family resources to devote to health. The Health Care Cost Institute reported that, in 2016, consumer out-of-pocket (OOP) spending per person increased, even while growing more slowly than total spending.¹ This slowdown in the rate of OOP spending masked the underlying issue – that prices continue to rise at an unsustainable rate.² Prices are too high and costs for consumers are rising.

¹ <http://www.healthcostinstitute.org/report/2016-health-care-cost-utilization-report/>

² HCCI Reports that total spending per person grew at a faster rate than prior years, with 4.6% growth in 2016 compared to 4.1% growth in 2015. These spikes follow 2 years of sub-3% growth from 2012 to 2014. Spending growth in each year from 2012 to 2016 was almost entirely due to price increases, with particularly large increases in spending and price for administered drugs, emergency room (ER) visits, and surgical hospital admissions. Even with this overall cost increase, utilization of most health care services remained unchanged or declined, both year-over-year and over the 2012-2016 period. See <http://www.healthcostinstitute.org/report/2016-health-care-costutilization-report/>.

Our organizations adopt the following principles for federal stabilization of state health insurance markets:

- Ensure that premium and cost-sharing subsidies are sufficient to make coverage affordable and accessible, especially for vulnerable patients, like children and adults with special health care needs, older adults, and low-income individuals and families.
- Develop a long-term solution to the cost-sharing reduction (CSR) payment issue that ensures that insurers are able to meet their legal obligation to reduce deductibles and co-pays for lower-income persons, without further destabilizing the markets by prohibiting practices used by states and insurers to protect subsidized individuals from having to pay more for their coverage.
- Continue reinsurance and other premium stabilization programs, and develop and sufficiently fund long-term premium stabilization programs, to enhance the availability of affordable premiums and encourage insurer participation.
- Enhance outreach and education efforts with adequate funding to encourage a better risk pool and prevent low enrollment, higher premiums, and market destabilization.
- Reject the expansion of association health plans (AHPs) and short-term, limited-duration insurance (STLDI) plans that are exempt from consumer protections and insurance regulations provided under current law.
- Ensure incentives for young adults to buy coverage and participate in insurance pools.
- Expand competition and consumer choice by supporting health insurance exchanges' ability to offer a public insurance option that reimburses physicians at rates which are no less than those of traditional Medicare.

System Reforms

Our organizations welcome and encourage improvements upon current law to ensure a health care system optimized for patients and their physicians, including consideration of the following:

- Reducing prescription drug costs;
- Addressing the cost barriers created by high deductible health plans;
- Expanding consumer choice of physicians and hospitals through strengthened network adequacy standards;
- Addressing insufficient competition in some insurance markets;
- Creating incentives for young adults to buy coverage and participate in insurance pools;
- Promoting state innovation in health care delivery and financing that ensure coverage, benefits and consumer protections are not eroded;
- Reducing unnecessary administrative burdens on physicians and patients; ☐ Reforming medical liability laws;
- Continued support for investments in primary care, preventive health services, public health, health services research, and innovations in health care delivery, including continued support and funding for the Centers for Medicare and Medicaid Services, Center for Medicare and Medicaid Innovation, and the Agency for Healthcare Research and Quality.

The Process Ahead

Changes to our health care system come with very high stakes – impacting tens of millions of our patients. Avoiding unintended adverse consequences when making legislative and regulatory changes can require a delicate balance.

Our intention is to evaluate such proposals based on whether they preserve and improve on the essential coverage, benefits and consumer protections described above, and on access to care for both insured and uninsured individuals, children, and families.