



MEMORANDUM

Date: October 28, 2020
To: REDC Consortium
From: Center Road Solutions

RE: The Subcommittee on Oversight, Ways and Means Committee: “Maximizing Health Coverage Enrollment Amidst Administration Sabotage.”

On October 20, the Oversight Subcommittee of the Ways and Means Committee held a virtual hearing titled “Maximizing Health Coverage Enrollment Amidst Administration Sabotage” which focused on the Trump administration’s attempts to undermine the Affordable Care Act (ACA) over the years, and how individual states have created their own infrastructure to maximize health coverage during the COVID-19 pandemic.

Key Takeaways

- State-based marketplaces have been generally successful at providing timely, flexible, and informed access to care to its residents during the COVID-19 pandemic.
- There are partisan lines in Congress regarding the effectiveness of the ACA, with some arguing it is a lifeline and others arguing that it limits options for families and costing people who don’t even want the ACA plans.
- The Trump administration has dramatically reduced funding for the ACA. There is debate around whether those actions were beneficial, and what reforms we must see in the ACA and other health policies.

Opening Statements

(Chairman) Rep. Bill Pascrell (D-NJ-09)

- Since 2011, Republicans have voted more than 70 times to eliminate the ACA. In 2017, they even held an outdoor party at the White House after passing a plan that would cause millions to lose their healthcare coverage.
- The Administration is in court right now demanding to destroy the ACA. It is trying to remove health care programs and protection for millions during a pandemic. They have greenlit scam junk plans without any protections. They've imposed the gag rule to prevent women from having access to reproductive health care.
- Between February and May of this year, 21.9 million workers lost their jobs. Of these workers, 5.4 million became uninsured due to their job loss. In March, I joined nearly 100 House members calling for a special enrollment period for people to seek ACA marketplace coverage during the COVID-19 pandemic. HHS refused, likely dooming many Americans to suffer.
- As Senate Republicans rush to confirm a new justice, they are downplaying their challenge to the ACA. When we voted in June to protect the ACA, 177 of 179 Republicans opposed it—that is 99%. In just a few weeks, the Supreme Court will hear the ACA case. The future of our health care system hangs in the balance.

(Ranking Member) Rep. Mike Kelly (R-PA-16)

- Insurance premiums are down, coverage choices are up, and enrollment is stable. In addition, this Administration has made many strides towards more affordable health care options to Americans who may not want, need, or be able to afford some of the ACA’s coverage plans.
- Crucial reforms such as the restoration of short-term plans and enhancements to health reimbursement accounts have provided options to families, letting them choose what is best for them.
- By getting rid of the individual mandate, we’ve saved lower- and middle-income taxpayers at least \$695 a year, and that’s huge. Saying Republicans would eliminate coverage for people with pre-existing conditions couldn’t be further from the truth. Meanwhile, 118 Democrats have co-sponsored Medicare for All. This new and enormous program would destroy our current system, starting with the repeal of the ACA. Many Democrats want an unpopular and partisan government takeover of health care.

Witnesses:

The Honorable Marlene Caride, Commissioner, New Jersey Department of Banking and Insurance ([testimony](#))

- New Jersey was the first state to continue a requirement to have coverage, after its elimination at the federal level, and implemented a reinsurance program to cover high-cost claims and reduce rates in the individual market.
- While we have been sending funds to Washington for the federal marketplace, the threats on the ACA have continued. The advertising budget for the ACA open enrollment period was reduced by 90%, funding for navigators



was reduced by 62%, and the enrollment period was cut in half in 2017, allowing only six weeks to sign up for coverage.

- The state will open Get Covered New Jersey for enrollment on November 1st, and we will be able to keep more than \$50 million in funding in our state that was previously sent to Washington. We will use that funding to strengthen our own exchange in ways such as: more financial help than ever before, increased navigators to provide free enrollment assistance, a longer open enrollment period, and a marketplace tailored for New Jersey.

Kevin N. Patterson, Chief Executive Officer, Connect for Health Colorado ([testimony](#))

- Connect for Health Colorado is the official health insurance marketplace for Colorado. Since opening in 2013, our Colorado exchange has facilitated more than 1 million medical plan enrollments.
- The current COVID-19 pandemic has emphasized the value of our Assistance Network (navigators) and local counties, as well as the flexibility we have as a state-based marketplace. In mid-March, we opened an emergency Special Enrollment Period to ensure that Coloradans had a chance to access affordable health care.
- We will support two new programs that passed this year, the Health Care Coverage Easy Enrollment Program and the Health Insurance Affordability Enterprise. Through legislation such as Easy Enrollment, we are closer to our goal of reducing the uninsured rate and educating the community on the financial help.
- With the Enterprise fund, I am looking forward to greater stability in costs due to the reinsurance program and providing coverage to thousands more. With job loss and income instability at an all-time high in our state, it is more important than ever that we remove barriers to health care by providing portable and affordable coverage.

Andy Slavitt, Board Chair, United States of Care ([testimony](#))

- The two main parts of the ACA are “patient protections” and “affordable care.” There are a number of other provisions such as saving seniors money on prescription medications and giving parents the ability to keep their adult children on their health plan until they turn 26 years old.
- Rather than implement the law as Congress intended, the Trump administration has undermined it. They have attempted to cut funding for navigators who assist people in enrolling in coverage, shorten the open enrollment period, illegally attempt to end payments owed to insurers to persuade them to not enter the exchanges, and promote substandard insurance plans with limited benefits to damage the risk pool.
- The lawsuit brought by Republican Attorneys General, if successful, would put 130 million Americans in a place where they could be uninsurable for their prior illness. It also raises the possibility that the over 8 million Americans who have had COVID-19 and those that will contract it will be uninsurable due to the unlimited possible effects of the virus.

Chris Pope, Senior Fellow, Manhattan Institute ([testimony](#))

- The parts of the ACA that most urgently need fixing is the inequitable and ineffective individual mandate penalty and the restrictions on insurance plans that offer lower premiums to individuals who sign up before they get sick.
- Because the legislation required insurers to price plans the same for people who signed up before they got sick as for people who have major pre-existing conditions, it made it rational for people to wait until they got seriously ill before purchasing insurance. As a result, the average medical needs of those enrolled in plans began to skyrocket as the ACA’s insurance market reforms were implemented in 2014. This resulted in higher premiums, higher deductibles, and cut access to providers most helpful to the seriously ill. Average premiums on the individual market rose by 105% from 2013 and 2017.
- Short-Term Limited Duration Insurance (STLDI) was exempted from the ACA’s insurance pricing reforms, and the Obama administration sought to limit the duration of them to 90 days, but the Trump administration overturned this rule in 2018. Premiums for STLDI plans are consistently lower than those for ACA plans.
- Direct subsidies are the most important element of the ACA’s protections for those with pre-existing conditions. The ACA plans are a safety-net entitlement, rather than a perfect plan that everyone must be coerced into. The current administration has done nothing to prevent states and plans from receiving necessary assistance.
- Going forward, it makes less and less sense to discuss healthy policy in the lens of an all-or-nothing attitude to a divisive 10-year-old piece of legislation. It is better to discuss fixing insurance markets in ways that transcend uncritical support or indiscriminate opposition to the ACA. While subsidized ACA plans are important safety nets for low income individuals and those with pre-existing conditions, they offer poor value to healthy Americans.