



06/29/2020

For Immediate Release:

STATEMENT ON THE PASSAGE OF H.R. 1425, THE PATIENT PROTECTION AND AFFORDABLE CARE ENHANCEMENT ACT

The National Coalition on Health Care applauds the passage of H.R. 1425, the *Patient Protection and Affordable Care Enhancement Act* in the House of Representatives. The Coalition supports protecting consumers from unaffordable health care costs in the individual market and creating overdue incentives for more states to expand Medicaid coverage. These paths represent vital safety nets for Americans losing job-based coverage during the coronavirus pandemic, and beyond. The bill offsets the financial costs of these protections by leveraging the buying power of the Medicare program to rein in high drug prices.

NCHC is a nonpartisan, nonprofit, multi-stakeholder organization dedicated to promoting health care affordability and accessibility. The Coalition represents more than 80 participating organizations, including medical societies, businesses, unions, health care providers, faith-based organizations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities, and persons with disabilities. Collectively, our organizations represent more than 100 million Americans.

The COVID-19 pandemic underscores the need to strengthen consumer protections against unaffordable health insurance coverage in the individual market. As unemployment increases, people will seek new avenues for health insurance. However, many Americans may find out-of-pocket costs for private insurance outside of an employer to be unaffordable: eliminating the poverty limit caps on premium tax credits in combination with a reinsurance program (the “Health Insurance Affordability Fund”) are important policy levers to reduce consumer costs. Importantly, these policies help both the consumer eligible for premium tax credits (the vast majority already covered on the individual market) and the consumer who would otherwise be unsubsidized. The latter, unsubsidized group is [increasingly unlikely](#) to receive coverage through the individual marketplace. Markets and communities hard hit by COVID-19 will stand to [benefit the most](#). The uncertainty of long-term health costs as a result of COVID-19 may prompt [spikes](#) in health insurance premiums.

The bill would also eliminate short-term limited duration plans, which provide insufficient coverage but can be attractive because of lower sticker price premiums. Unfortunately, these plans contribute to underinsurance and [exacerbate](#) unaffordable prices for comprehensive coverage. The bill’s expansion of premium and cost-sharing subsidies, combined with a reinsurance program, should fill any gap left behind by the elimination of these cheaper plans.

Further, the bill provides the support necessary for Medicaid to play a key role in fighting the current recession, recovering from COVID-19, and preparing for future disasters. Medicaid is a crucial, counter-cyclical safety net program that protects many low-income Americans – especially mothers and children. Importantly, the bill incentivizes Medicaid expansion for states that have not already done so. The broader expansion of Medicaid to non-categorically needy individuals across the country will significantly reduce the number of uninsured (up to [25% in some states](#)). Further, the increased payments in Medicaid to primary care providers, while temporary, is an important step to support the primary care infrastructure of our health system. As the Coalition has noted in [previous letters](#) to Congress, new financial support for primary care, including Medicaid payment parity, is necessary for immediate COVID-19 response and longer-term recovery.

The bill represents the foundation for substantive and reasonable reforms of the status quo, and we urge Congress to continue addressing affordability. The Coalition has [recommended additional steps](#) in the commercial market to reduce underinsurance during the crisis response and beyond, including reinsurance and expanding Medicare eligibility. The individual market, in particular, has been largely ignored in the COVID-19 response legislation thus far. The morbidity and mortality from no insurance or under-insurance pre-dates the pandemic, but are now an even more pressing threat to everyday American livelihood. Paying for these reforms by reining in the highest priced drugs will further improve the affordability of care as high drug prices contribute to increasing total costs of care.

As Congress sets the stage for health reform in 2021, the Coalition urges Congress to consider bi-partisan solutions to eliminate gaps in health care coverage and bring down unsustainable health care prices.

Sincerely,

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