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Building on the ACA to Achieve Universal Coverage in Five Steps

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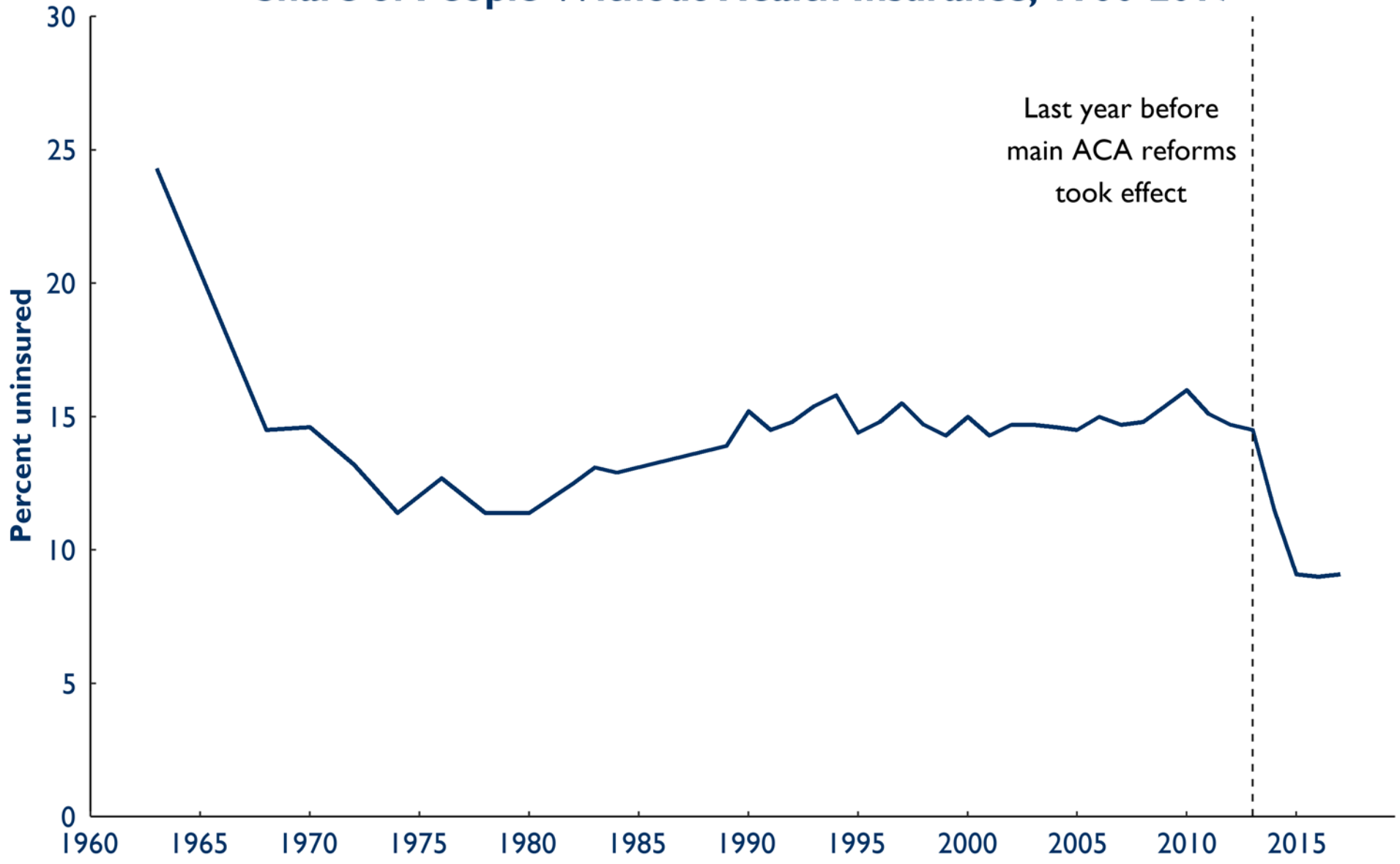
Share of People Without Health Insurance, 1960-2017



Source: Council of Economic Advisers (2014); National Health Interview Survey

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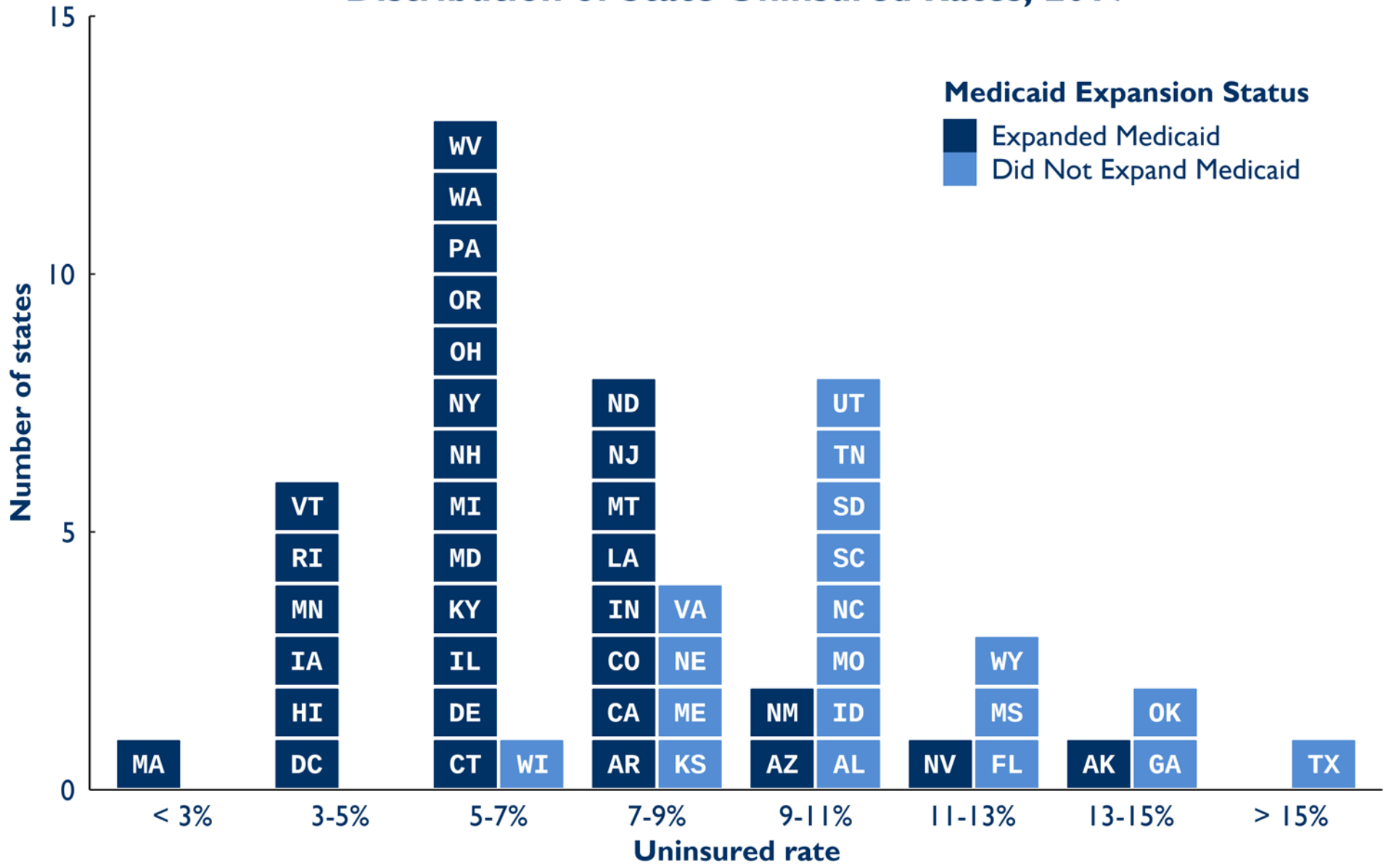
Distribution of State Uninsured Rates, 2017



Source: American Community Survey

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Agenda for Talk

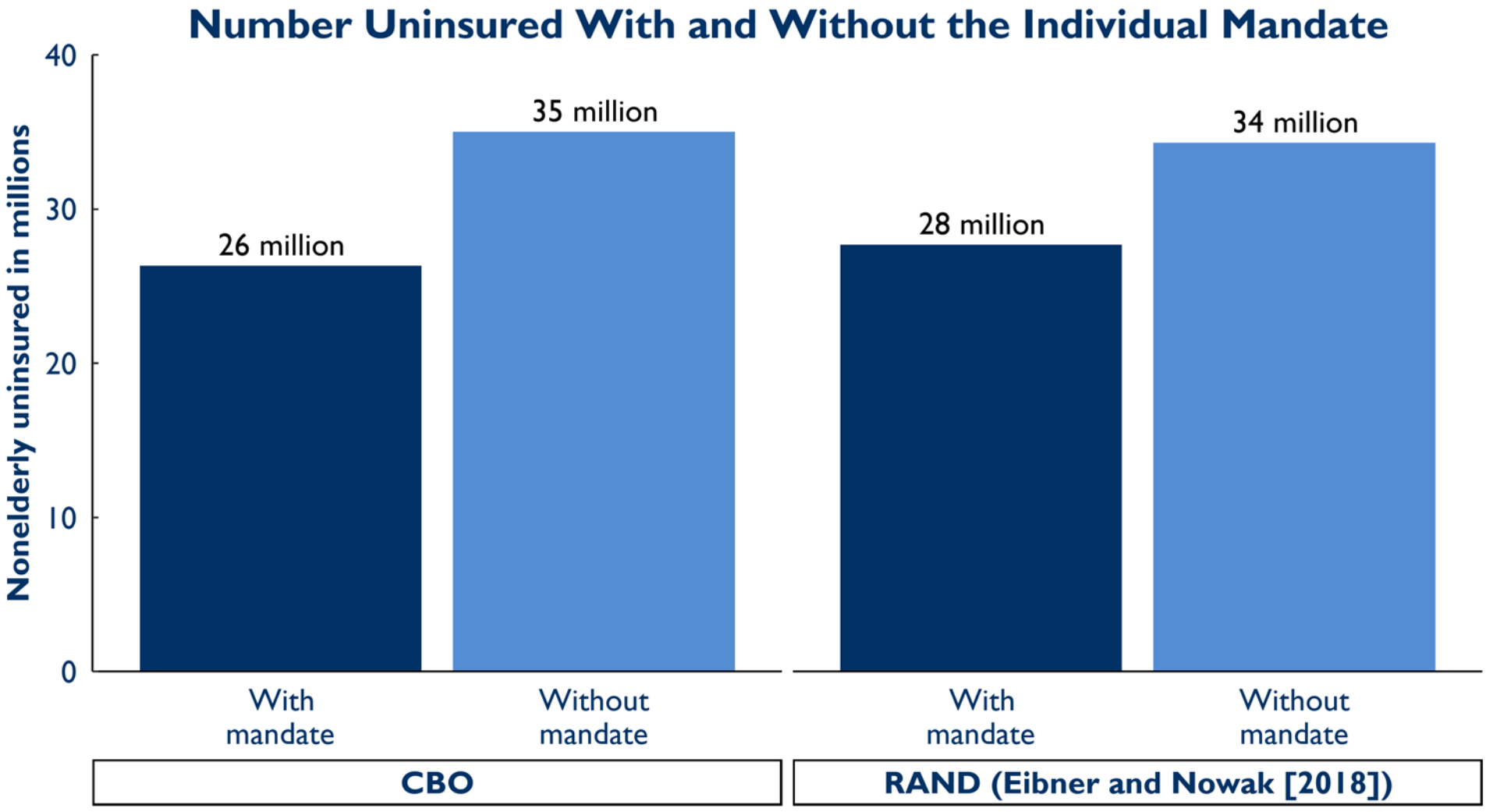
Five steps to universal coverage

- Step #1: Restore the individual mandate
- Step #2: Ensure all states expand Medicaid
- Step #3: Enhance Marketplace subsidies
- Step #4: Enact immigration reform
- Step #5: Create a “backstop” plan

Options for financing this policy agenda

Considerations in comparing to single payer

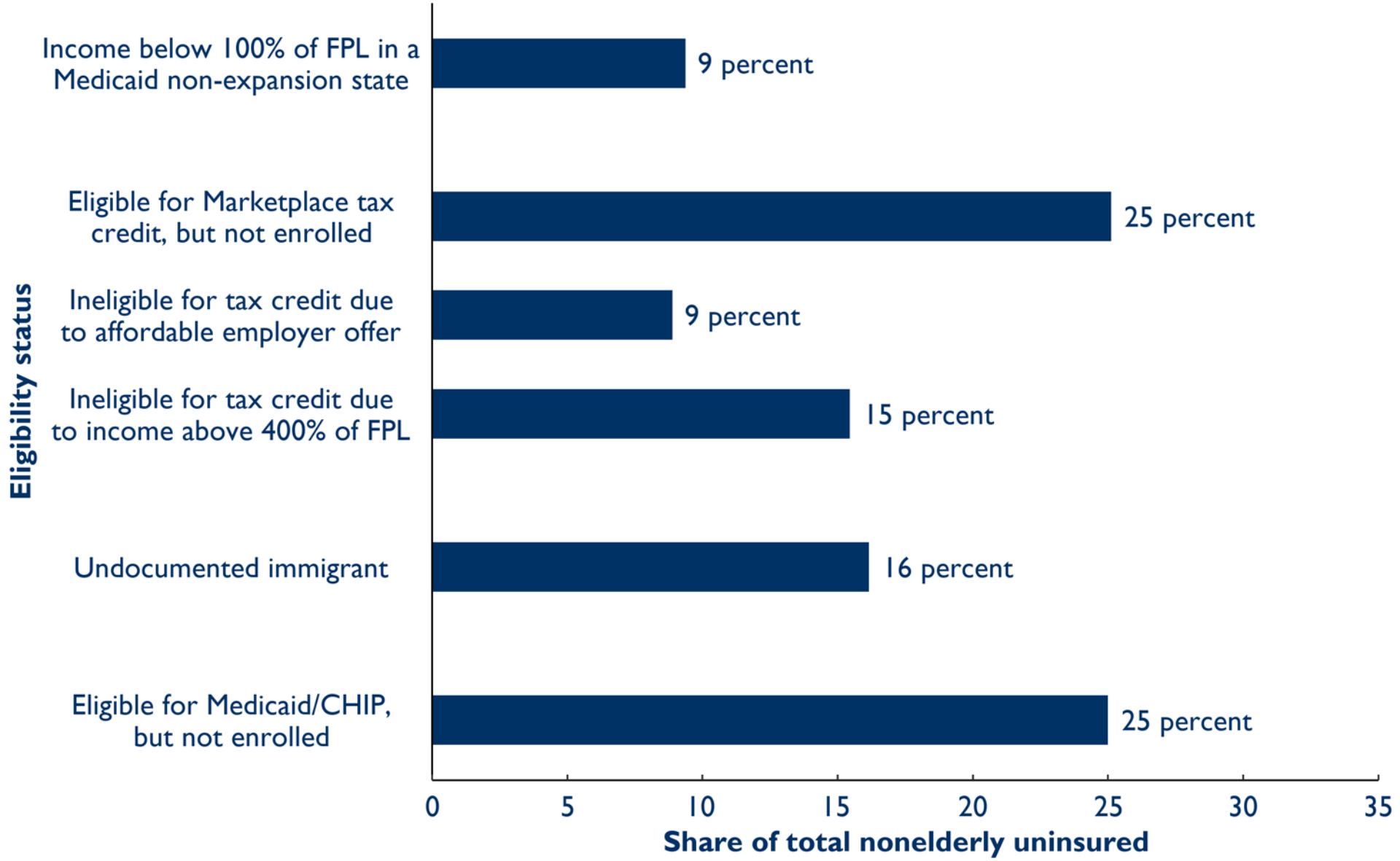
Step #1: Restore the Individual Mandate



Source: Congressional Budget Office; Eibner and Nowak (2018); author's calculations

Note: RAND estimates are for the authors' base scenario in 2020. CBO estimates are for 2028 and are approximate.

Nonelderly Uninsured by Program Eligibility, 2017



Source: Blumberg et al. (2018)

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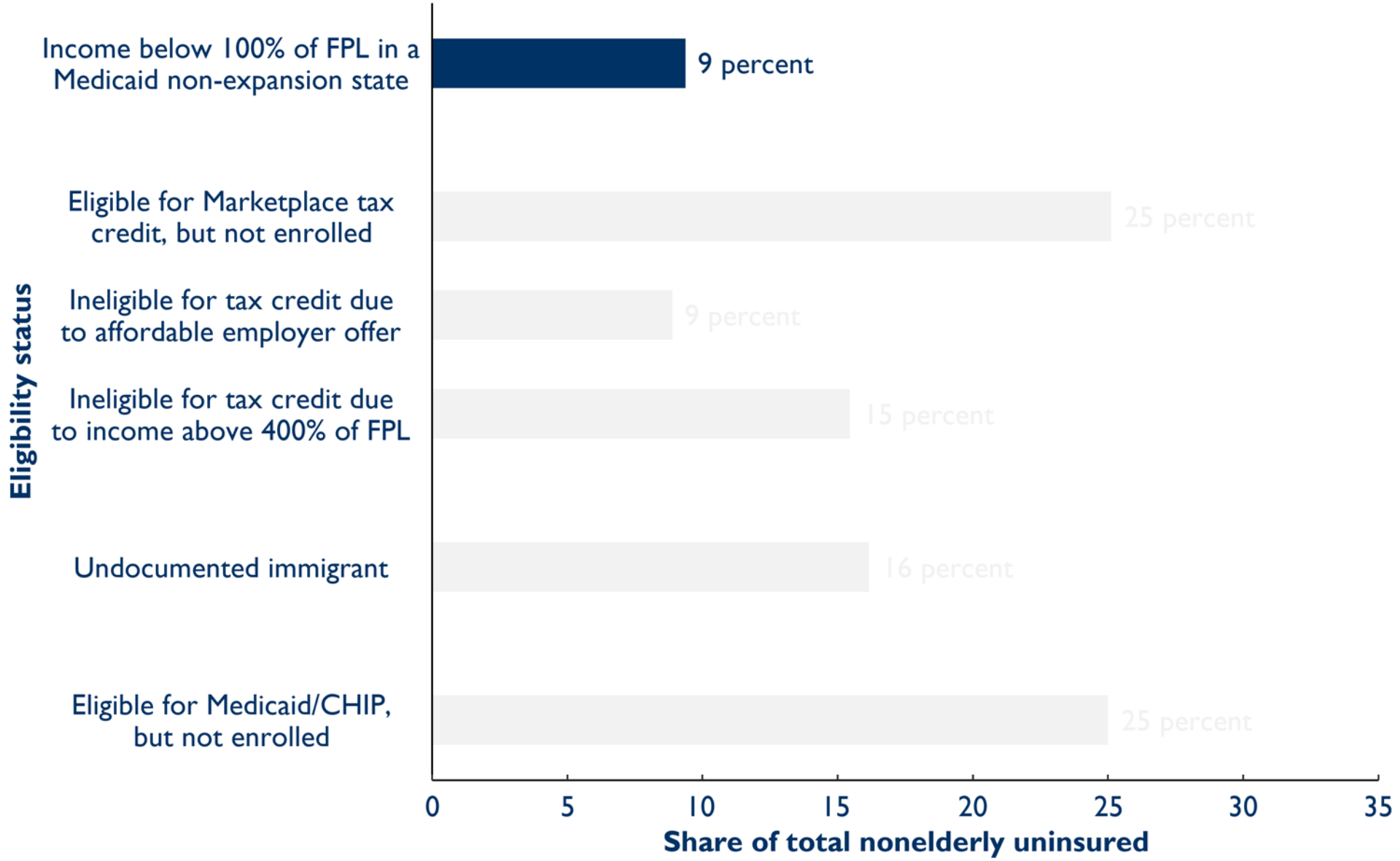

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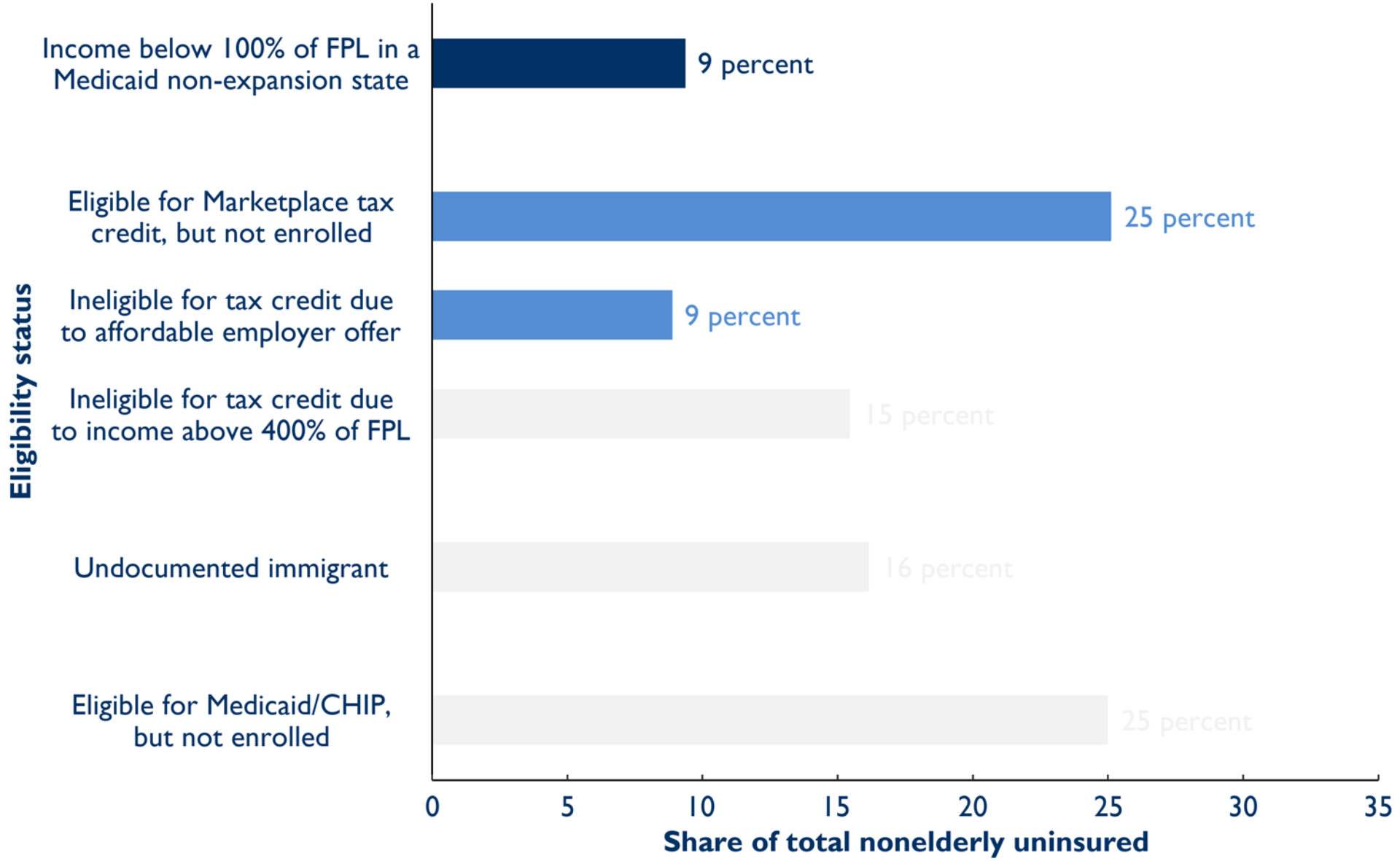

Source: Blumberg et al. (2018)

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Step #2: Ensure All States Expand Medicaid

Make expansion even more financially attractive

- For example, increase/decrease matching rates for states' pre-ACA Medicaid populations based on expansion status

Bar coverage-reducing eligibility restrictions

- Work requirements
- Substantial premiums
- Limits on retroactive coverage

Lambrew and Mishory (2018) discuss related options

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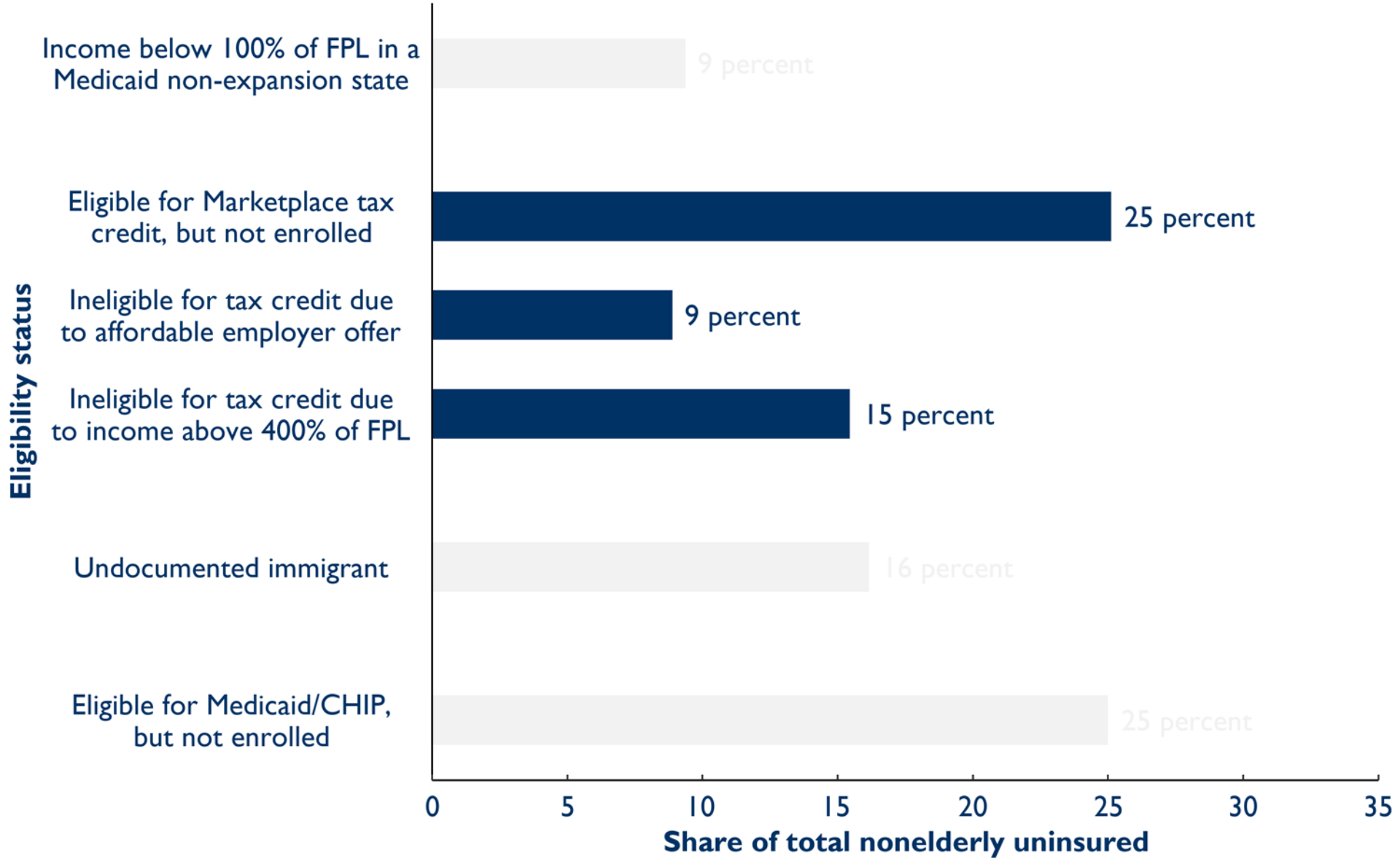

Source: Blumberg et al. (2018)

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Step #3: Enhance Marketplace Subsidies

Enhance subsidies for the currently eligible

- Reduce required contributions to the "benchmark" plan and/or benchmark tax credits to a more generous plan
- Extend generous CSRs to higher-income enrollees

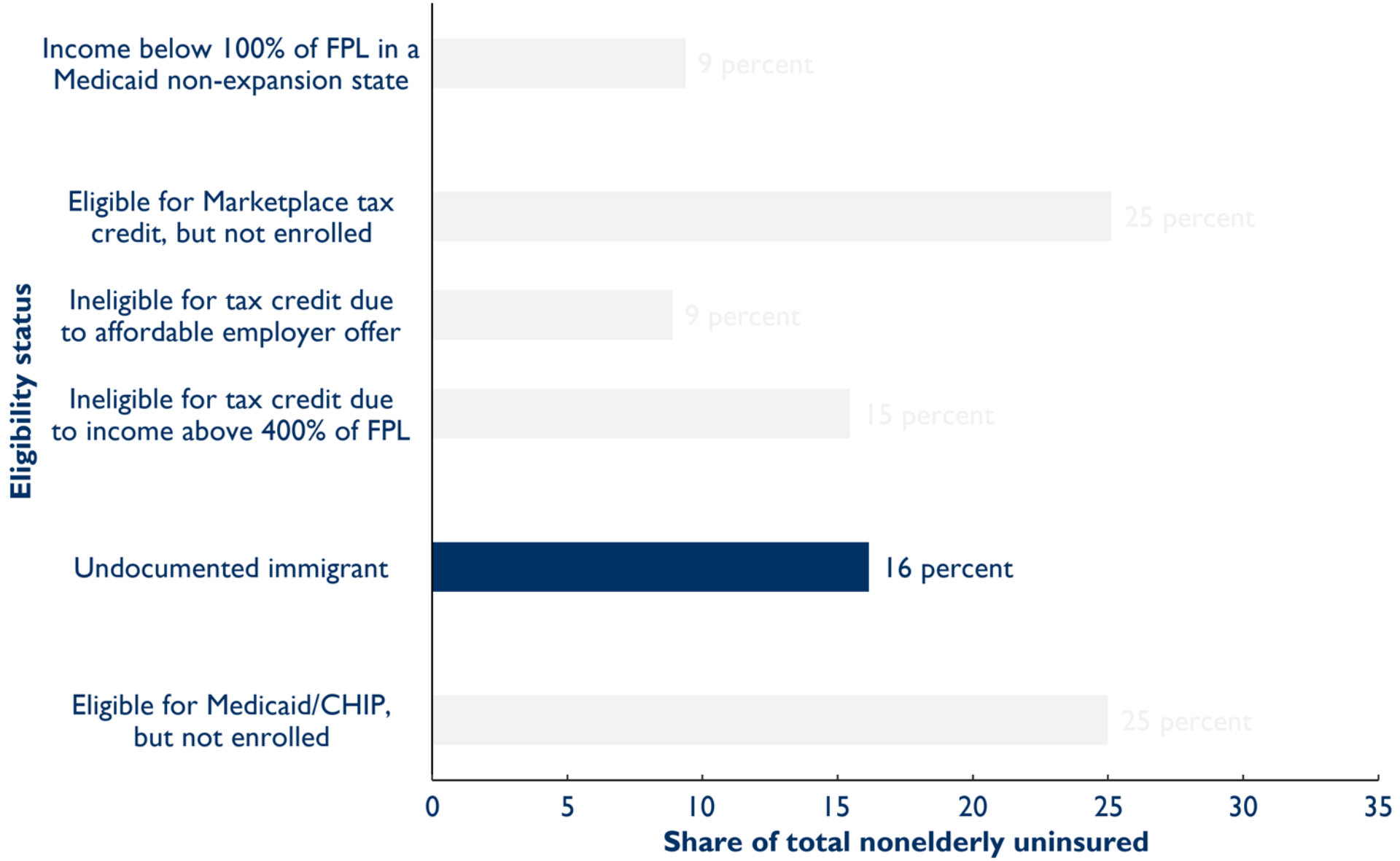
Relax or eliminate the employer coverage "firewall"

- Align required contributions to individual/employer coverage
- Address the "family glitch"

Extend subsidies above 400% of the FPL

Blumberg, Holahan, and Zuckerman (2018) present and analyze a fully-specified proposal in this vein

Nonelderly Uninsured by Program Eligibility, 2017



Source: Blumberg et al. (2018)

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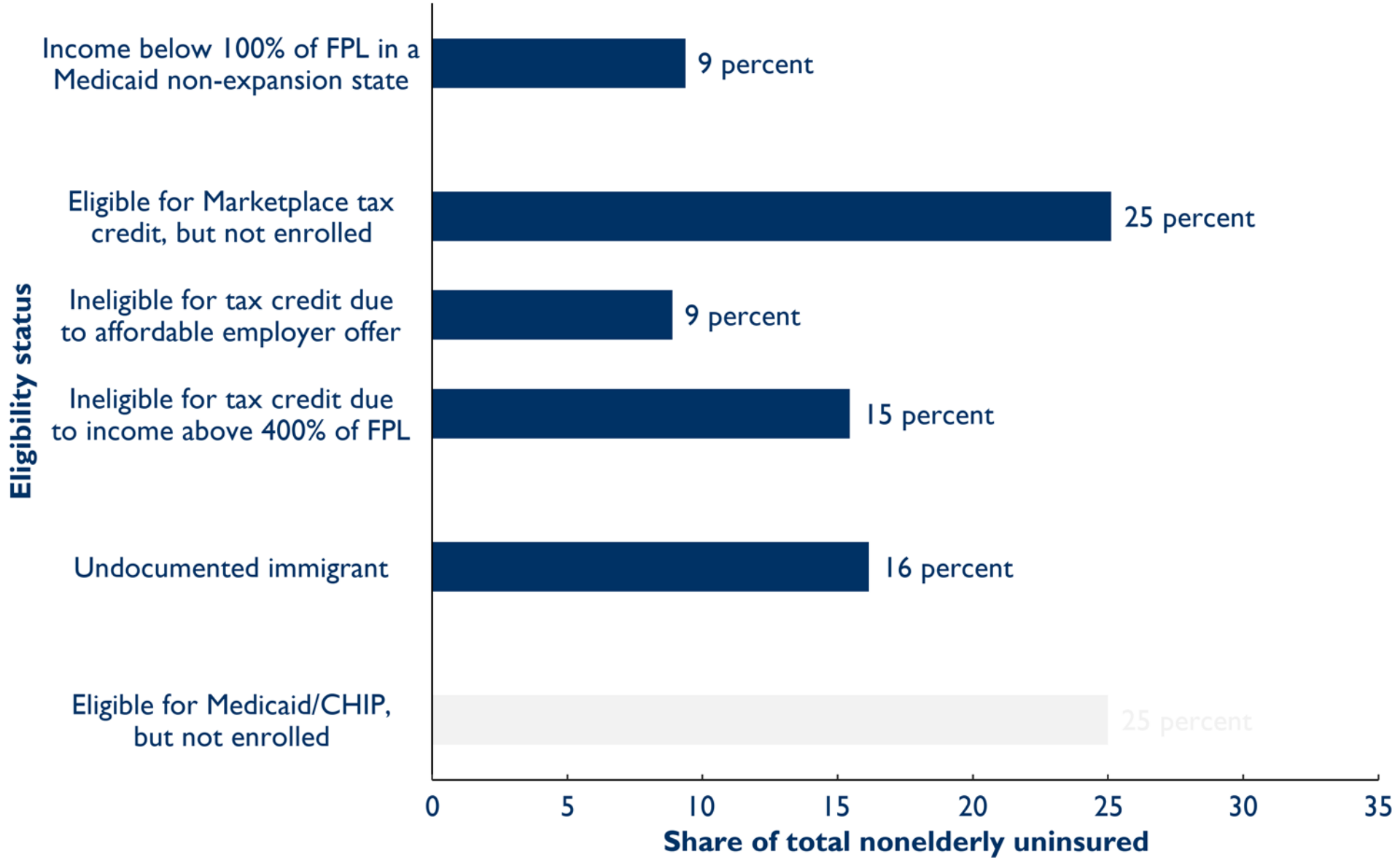
Step #4: Enact Immigration Reform

- **Create a path to citizenship for the undocumented**
- **Eliminate restrictions on *legal* immigrants' ability to access public coverage programs**

Nonelderly Uninsured by Program Eligibility, 2017



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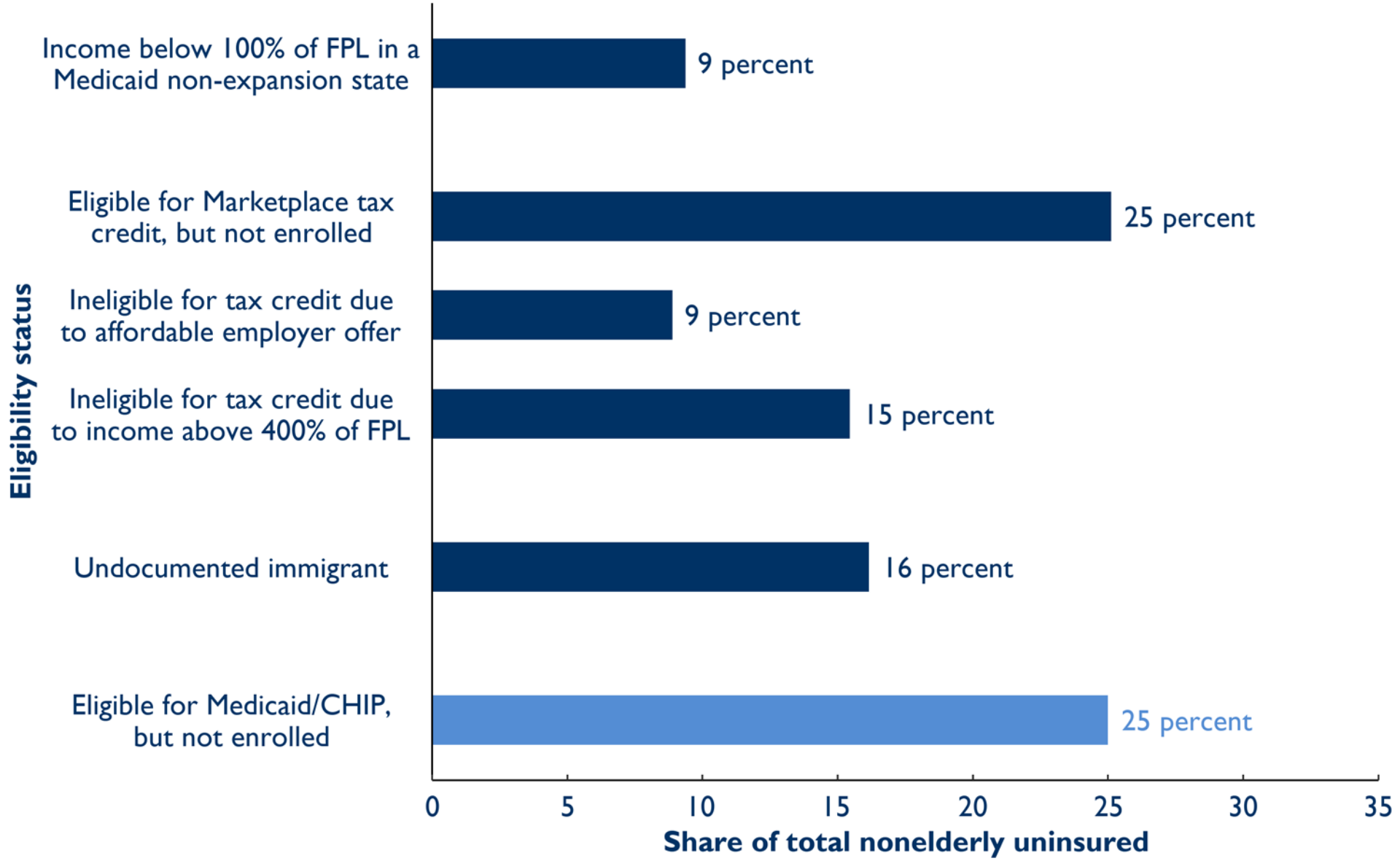

Source: Blumberg et al. (2018)

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Step #5: Create a "Backstop" Plan

With larger subsidies, plausible to set mandate so

Subsidy + Mandate Penalty ≥ Premium

for meaningful coverage for (almost) everyone.

Facilitates universal automatic enrollment

- Reconceive mandate penalty as premium and automatically enroll uninsured in a backstop plan
- Center for American Progress's "Medicare Extra" plan is one example of approach, with a public plan as backstop

Step #5: Create a "Backstop" Plan (cont.)

Sketch of logistics:

- In real time, providers submit claims for Medicaid-ineligible uninsured patients to the backstop plan
- After end of year, IRS assesses premium on tax return based on (existing) information returns on other coverage
- Also after end of year, federal government pays insurers based on actual enrollment in backstop

Choosing the "backstop":

- Generosity of the backstop determines required magnitude of subsidies and mandate penalty
- Backstop could be a low-cost individual market plan, a separately bid private plan, or a publicly-operated plan

Options for Financing This Policy Agenda

- Curtail disproportionate share payments
- Implement Medicare payment reforms
- Introduce a Medicare-based "public option" (or other steps to reduce provider prices)
- Raise revenues

Considerations in Comparing to Single Payer

- Fiscal cost
- Effect on existing coverage arrangements
- Costs and benefits of having multiple payers

Conclusion

- Near-universal or universal coverage can be achieved by building on the ACA policy framework
- Policy changes in this mold would have a substantial, but manageable, fiscal cost
- Comparison to single payer depends on weight given to fiscal costs, transition costs, and the costs and benefits of having multiple payers

References

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