

HEALTH REFORM A CALL TO ACTION



EXECUTIVE SUMMARY

What's the next frontier in health reform? How can we extend the promise of **high-quality, affordable health care to all Americans**? These are the questions Families USA set out to answer in *Health Reform 2.0*.

Both a call to action and a roadmap for progress, *Health Reform 2.0* lays out a path for securing health coverage for all regardless of income, age, race, or ethnicity; and for achieving the “Triple Aim”: improving health, enhancing quality of care, and reducing health care costs.

Why Health Reform 2.0?

With the passage of the Affordable Care Act in 2010, every legal resident gained the right to health coverage—a historic achievement. However, enacting this unprecedented legal right is not the same as making it a living reality. We must take additional steps to ensure that health coverage and care become concrete realities for everyone.

In *Health Reform 2.0*, we identify the steps necessary to transform America's health care system to ensure that all Americans are able to get the high-quality care they need, when they need it, at an affordable price.

Achieving true health equity is integral to this goal—we must commit to advocating for the provision of language-accessible, culturally-competent care throughout the health care system and to eliminating the disparities in health care that plague our most vulnerable communities.

In proposing *Health Reform 2.0*, Families USA hopes to gain the active support of health care advocates and policy makers who will vigorously pursue this agenda in the years ahead.

Four key goals for reforming the health care system:

1. **Securing health coverage for all:** expanding Medicaid in all states, strengthening children's coverage by extending CHIP funding and improving private insurance, and making it easier for people to enroll in and renew coverage
2. **Ensuring that health coverage means access to needed care:** creating a more equitable distribution of providers, ensuring that provider networks deliver meaningful access to care, and making dental coverage universally available
3. **Transforming our health care system to provide care that is appropriate, high-quality, equitable, and patient-centered:** paying for quality—not quantity—of care, ensuring coordination of care, and fostering evidence-based care
4. **Reducing health care costs and making care more affordable:** stopping uncompetitive provider consolidations, reducing high prescription drug costs, and making information on health care cost and quality transparent

Meaningful social change of the scale we envision here does not occur overnight. Nor is it easy. To achieve these goals, we must lay the groundwork *now*. It is in this spirit that we offer *Health Reform 2.0*.

INTRODUCTION

The Affordable Care Act (ACA) is an historic, groundbreaking law. For the first time in our nation's history, nearly every legal resident of the United States has a right to health coverage. This is an unprecedented achievement, and so far, more than 10 million Americans have gained health insurance thanks to the ACA.¹

As is true with any historic new law, however, there is a big difference between a legal right and a living reality. Years from now, millions of Americans will still be uninsured. Even for those who do gain health insurance, there is no guarantee that they will have real access to the care they need. And traditionally underserved groups, including low-income families and communities of color, will still face significant barriers to health coverage and care.

Our work to secure health coverage and care for people throughout our nation is far from done. We must continue to implement the ACA and protect it from ongoing efforts to undermine important provisions or abolish it entirely. In addition, we must take significant steps to ensure that health coverage and care become genuine realities for everyone.

10 million+
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But that is not enough. We must also transform America's health care system to achieve what is called the "Triple Aim": improving health, enhancing quality of care, and reducing health care costs. This means that all Americans must be able to get the high-quality care they need, when they need it, and at an affordable price. As part of this goal, we must commit to achieving true health equity that includes the provision of language-accessible, culturally-competent care throughout the health care system, as well as the elimination of health care disparities.

Our call to action, therefore, focuses on four key areas that build on the unfinished work of securing coverage and care for everyone and fostering the transformation needed to make the promise of the ACA and the goals of the Triple Aim a reality:

- 1 Securing health coverage for all**
- 2 Ensuring that health coverage means access to needed care**
- 3 Transforming our health care system to provide care that is appropriate, highest in quality, equitable, and patient-centered**
- 4 Reducing health care costs and making care more affordable**

FAMILIES USA'S CALL TO ACTION

1 Securing Health Coverage for All

From the beginning of the ACA's first open enrollment period through mid-2014, more than one out of four uninsured non elderly adults gained health insurance.² According to a Gallup-Healthways survey, the percentage of uninsured adults dropped from 18.0 percent to 13.4 percent.³ This is a remarkable success, and we can expect millions of additional uninsured adults to obtain health coverage in future enrollment periods.

However, the Congressional Budget Office estimates that, by 2022, there will still be 31 million Americans who are uninsured.⁴ This is unacceptable. To further expand health coverage, the next phase of health reform must include at least the following steps.

Expand Medicaid to low-income adults in all states

Despite generous federal funding, 23 states have not yet implemented the ACA's Medicaid expansion for adults with incomes up to 138 percent of the federal poverty level. This has left millions of low-income individuals and families with no coverage options. Many of these people cannot get job-based coverage, either because it is not offered to them or because it is too expensive. And people with incomes below the federal poverty level cannot get tax credits that make private coverage much more affordable. States must extend the Medicaid lifeline so that all low-income individuals and families can get the care they need.

Increase premium tax credits for low- and moderate-income people

The ACA provides valuable tax credits to individuals in households with incomes between 100 and 400 percent of the federal poverty level to help them pay their insurance premiums. During the first open enrollment period, approximately 85 percent of those who bought a marketplace plan did so with the help of this financial assistance.⁵

Nevertheless, premium affordability is still one of the biggest obstacles for uninsured people who are seeking health coverage. To make premiums more affordable, the federal government should increase the size of these tax credits, especially for individuals and families with moderate incomes.

Fix the "family glitch"

Family members of a worker who is offered job-based insurance are prohibited from obtaining premium tax credits to buy coverage in the health insurance marketplaces if that coverage is deemed to be "affordable" for the employee, even when the cost of such insurance is prohibitively expensive for the entire family. Congress must change the way that the affordability of job-based insurance is calculated so that family members can obtain premium tax credits to help them buy coverage in the marketplaces.

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Strengthen coverage for children

First, Congress must extend funding for the Children’s Health Insurance Program (CHIP). This funding expires at the end of September 2015 (although the program is authorized through September 2019). CHIP provides crucial coverage because it was designed specifically to meet the needs of children in low-income families.

Private health insurance should also be designed to meet children’s health care needs. Plans sold in the health insurance marketplaces should cover the full range of pediatric care, just as CHIP does. These plans should include appropriate and sufficient access to in-network pediatric providers, with out-of-pocket costs that allow parents to get the care their children need without sacrificing other basic family needs.

Build a professional coverage assistance workforce

Although enrollment through the health insurance marketplaces has improved significantly, too often, the enrollment process is still overly complicated. Evidence shows that, even with the best enrollment system, many consumers need in-person help during the year.

States and the federal government should provide increased, ongoing funding to create a permanent, professional enrollment assistance workforce that can help consumers get coverage, make good plan choices, learn how to use their coverage effectively, and resolve coverage problems.

Make it easier for people to enroll in and renew coverage

The enrollment and renewal processes are integral to making the ACA’s coverage expansions a living reality. In order to ensure that as many eligible people as possible are able to enroll in and maintain their coverage, and to ensure that they are getting the right amount of financial help, enrollment systems must be streamlined and seamless.

The federal government and states that are operating their marketplaces must continue to improve the online application, and these governments must coordinate their systems to minimize the burden on those consumers who move between Medicaid and marketplace coverage.

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One other coverage matter demands attention: the uninsured status of American immigrants. At a time when Congress refuses to consider pathways to citizenship and scorns administrative proposals that would enable people to stay in the country, practical proposals to secure health coverage for immigrants are elusive. However, immigrants—who often fill key jobs that disproportionately place them in harm’s way—should be able to obtain necessary health care. We must ensure that immigrants can receive health coverage so that they can get the care they need.

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2 Ensuring that Health Coverage Means Access to Needed Care

For most Americans, enrolling in insurance is the first step toward obtaining health care. However, having health coverage—whether through a private plan or a public program—is not a guarantee that insured consumers have meaningful access to the care they need when they need it.

Too many insured people still face significant barriers that stand in the way of getting appropriate and timely health care. These problems are often exacerbated for low-income families and for communities of color. To address these problems, we should take the following steps.

Reduce high levels of cost-sharing, especially deductibles

Insurers and self-insured employers are increasingly offering plans with high deductibles. These deductibles are often thousands of dollars per person, which can make needed health care unaffordable. The ACA provides cost-sharing assistance for families with incomes up to 250 percent of the federal poverty level, but that help is often not enough to make care affordable for moderate-income families.

Two improvements should be undertaken to help people with moderate incomes. First, every insurance company that sells plans in the health insurance

marketplaces should be required to offer at least one plan in each metal tier that exempts important services from the deductible, such as primary care visits. Second, the ACA's cost-sharing assistance should be made more generous.

Promote more equitable distribution of providers

Approximately one-third of the nation's physician workforce consists of primary care physicians, and two-thirds are specialists.⁶ This has led to shortages of primary care doctors and certain sub-specialists, with vast disparities in the distribution of physicians in rural areas, in communities of color, and in low-income communities.

The ACA contains several provisions to address the geographic distribution of physicians and other providers in workforce shortage areas. For example, to increase the number of physicians practicing in underserved areas, the ACA authorizes grants and loan repayment programs, and it expands the National Health Service Corps. But more needs to be done.

States should revise their scope of practice laws to allow existing mid-level providers, such as nurse practitioners and dental hygienists, to practice at the highest level allowed by their training, and to allow other mid-level providers, such as dental therapists, to practice at the top of their licenses.

The ACA's cost-sharing assistance should be made more generous.

Ensure that provider networks give consumers meaningful access to care

It makes sense for insurers to create provider networks that deliver high-value care. However, such networks must ensure that consumers can get the care they need in a timely fashion without unreasonable travel.

States and the federal government should enact laws or rules to ensure that health plans' provider networks deliver meaningful access to care and that plans publish accurate directories of the providers that are in their networks. Special care should be taken to ensure that there are appropriate providers to meet the needs of consumers in rural areas and low-income neighborhoods, including providers who can deliver language-accessible, culturally-competent care. When such networks fail to provide appropriate, timely, geographically-accessible care, health plan enrollees should be able to obtain care outside of the network at no extra cost.

Finally, in instances when consumers go to in-network hospitals for treatment but receive care from providers who are not in-network, plans should hold consumers harmless and should not require consumers to pay any additional out-of-pocket costs.

Ensure that all Medicaid enrollees have real access to care

Medicaid enrollees sometimes have difficulty securing the care they need. Access to Medicaid providers can vary significantly by state, within a state, or by specialty, depending on how many providers there are and what they are paid. Congress should permanently adjust Medicaid payment rates by creating parity with Medicare payment rates.

Make dental coverage universally available

One of the country's most persistent health access problems pertains to dental care. Approximately one in four non-elderly adults in this country has no dental coverage.⁷ And at health clinics conducted by Remote Area Medical, the service that people most often need involves having teeth pulled because they were not able to get more basic dental care.⁸ The ACA made oral health care a required benefit for children's coverage, but it did not extend this requirement to coverage for adults.

To ensure that affordable dental coverage is available regardless of age, Congress should require all public programs (including Medicare and Medicaid) and private health plans in the health insurance marketplaces to cover adult dental care.

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3 Transforming Our Health Care System to Provide Care that Is Appropriate, Highest in Quality, Equitable, and Patient-Centered

Despite the fact that the United States spends much more on health care than all other industrialized countries, Americans do not receive higher-quality care or experience better health outcomes. Extensive research shows that, for several key indicators, such as infant mortality, life expectancy, and death rates from many diseases,⁹ Americans do not fare as well as people in other industrialized countries.

And according to some estimates, close to one-third of health care spending in this country is for services that are unhelpful—or even harmful.¹⁰ This is particularly true in the case of advanced illnesses and end-of-life care, where long-term social services might better meet patients' needs and preferences without over-medicalization.

The ways we pay for health care today, especially the predominant fee-for-service system, promote the wrong incentives.

We can and should do much better. To improve quality, reduce disparities, and lower costs, we propose these steps.

Pay for quality of care, not quantity of services

The ways we pay for health care today, especially the predominant fee-for-service system, promote the wrong incentives. They reward providers for delivering more services and don't promote high-quality care or improved health.

The ACA includes measures that foster new and improved payment models to encourage providers to deliver high-quality, coordinated care that produces better health outcomes. The Department of Health and Human Services should accelerate these experiments and promote the adoption of the new models that prove successful.

Ensure coordinated care

Coordination of care through a primary care provider is helpful for everyone, but it is especially important for those who need and use health care the most—people with multiple chronic conditions. Many such patients need to see several specialists on a regular basis. But too often, specialists fail to coordinate care among themselves and with their patients' primary care doctors.

To promote better outcomes and more efficient care, care coordination should be provided through integrated health care systems, with payment systems that encourage coordination. These systems must be supported by advanced health information technologies to ensure that providers and patients have access to the information they need to coordinate care.

Foster medical care that is based on the best evidence

Patients should receive care that is based on the best available evidence—but too often, they don't. The evidence is sometimes lacking entirely, or it doesn't address the needs of specific populations, such as racial and ethnic minorities. And even when there is good evidence, it is often unavailable to patients or their caregivers. To address this problem, a growing number of states are developing all-payer claims databases (APCDs) to provide payment information to consumers, and some are linking payment information to quality measures.

Health plans and providers should help improve consumers' health literacy by making information on health care and health insurance clear, easy to understand, and accessible.

The federal government must invest more in patient-centered research to develop an evidence base about what treatments work, when, and for whom, and it must take steps to ensure that this information gets into the hands of patients and their caregivers.

Promote patient engagement in medical care

Patients who are actively engaged in making decisions about their own care usually experience better health outcomes than those who are not as engaged. But too often, that engagement is discouraged by perverse financial incentives, outdated practice norms, the belief that engaging patients will take too long, or inadequate reimbursement systems.

Two improvements should be undertaken to improve patient engagement. Payment systems and practice norms must be changed to actively and meaningfully engage patients in their care. And health plans and providers should take steps to help improve consumers' health literacy by making information on health care and health insurance clear, easy to understand, and accessible.

4 **Guaranteeing That Health Care Is Affordable**

Health care costs and the prices of medical goods and services in the United States are considerably higher than in many other industrialized nations.¹¹ These extraordinarily high costs harm consumers in many ways. They depress wages; crowd out spending on key needs, such as education; exert fiscal pressure to cut back important public health programs, like Medicare and Medicaid; and force consumers to spend much more out of pocket on premiums, deductibles, and copayments.

Moderating health care spending while improving the quality of care people receive must become a national priority. Health care prices should be moderated, and, as a key early step, should not rise faster than overall growth in our nation's economy. Although direct intervention in pricing may ultimately be necessary, at a minimum, we must ensure that market forces are effectively aligned so that costs are contained, beginning with the steps outlined below.

Stop uncompetitive provider consolidations

The ACA encourages hospitals to create partnerships to improve quality, efficiency, and care coordination. However, hospital mergers and other provider consolidations too often create near-monopolies that

sometimes span an entire state or region, which drive up prices without necessarily improving the quality of care. While antitrust laws can provide some protection, there are limitations to what can be done through the court system, and litigation is time-consuming.

States and the federal government should establish criteria to evaluate the impact of mergers on prices and on the quality of care consumers will receive before such mergers are allowed to proceed. Governments will need to allocate greater resources to enforce these criteria.

Address high and fast-rising prescription drug costs

Brand-name drug prices in the United States are significantly higher than they are in many other industrialized countries, and these prices are rising much faster than general inflation.¹² Even the prices of generic drugs, which are intended to be cost-effective alternatives to brand-name medicines, have increased significantly for no justifiable reason. In addition, new classes of specialty drugs are coming to market, and these drugs are often prohibitively expensive.

To ensure that consumers can get the medicines they need at reasonable prices, we must allow public payers to set the prices of prescription drugs in the same way they set the prices of other health care services.

Make information on health care costs and quality transparent

Prices for the same health care service by the same provider can vary dramatically depending on the payer, and these prices are often based on the bargaining clout of each payer. But even payers themselves generally do not know what other payers are charged for services from the same provider. In addition, it is often impossible for consumers to get meaningful information on the quality of care for specific providers.

Although transparency, in and of itself, will not produce lower prices, it can have a significant impact when combined with payment systems that reward high-quality, high-value care.

State and federal governments, public health coverage programs, and private health plans must take additional steps soon to make information on health care prices and quality publicly available and easy to understand.

Reduce health care administrative costs

The ACA took an important step toward reducing the portion of our premium dollars that insurers can spend on administrative costs such as marketing, advertising, other overhead costs, and profits.

But much more can be done to squeeze administrative waste out of our health care system. For example, health care providers spend an inordinate amount of personnel, time, and money on billing because of the wide variation in billing codes established by different insurers. Early and effective steps should be taken to standardize billing codes for all payers and providers.

Although transparency, in and of itself, will not produce lower prices, it can have a significant impact when combined with payment systems that reward high-quality, high-value care.

ENDNOTES

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