PROGRAM FOR PUBLIC CONSULTATION
SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

Alexander-Murray Healthcare Bill

Outreach, Cost-Share Reduction, and Copper Plans

A Survey of American Voters

January 2018

Methodology

Fielded by: Nielsen Scarborough

Method: Administered online to a probability-based sample selected from a larger panel recruited by telephone and mail.

Margin of Error: +/-2.0%

Sample: 2,511 registered voters

Fielding Dates: December 6 – December 13, 2017

Alexander-Murray Changes to ACA

Alexander-Murray Changes to ACA

As you may know, a new bill has been proposed in the Senate that would make some changes to healthcare. We would like to know your views on this.

The proposed bill would affect health insurance that individuals and families can purchase through the exchanges set up by the Affordable Care Act (or ACA.

It would not affect insurance plans provided by employers, Medicaid, or Medicare. So, the proposed bill would affect about 12 million people.

We will now look more closely at three different parts of the proposed law.

Restoring Healthcare Outreach and Education

RESTORING HEALTHCARE OUTREACH AND EDUCATION

As you may know, the Affordable Care Act (ACA) set up exchanges to help connect individuals with insurance companies. The federal government has spent money for outreach to familiarize people with the ACA's insurance exchanges. This includes advertising, education, training "navigators" to help people find their way to a health plan, and notifying people if there is a problem with their coverage.

The current administration reduced funding for outreach by over 70 percent. As a result there was a substantial fall-off in new enrollments compared to the previous year.

Under the proposed bill the spending on outreach would be restored.

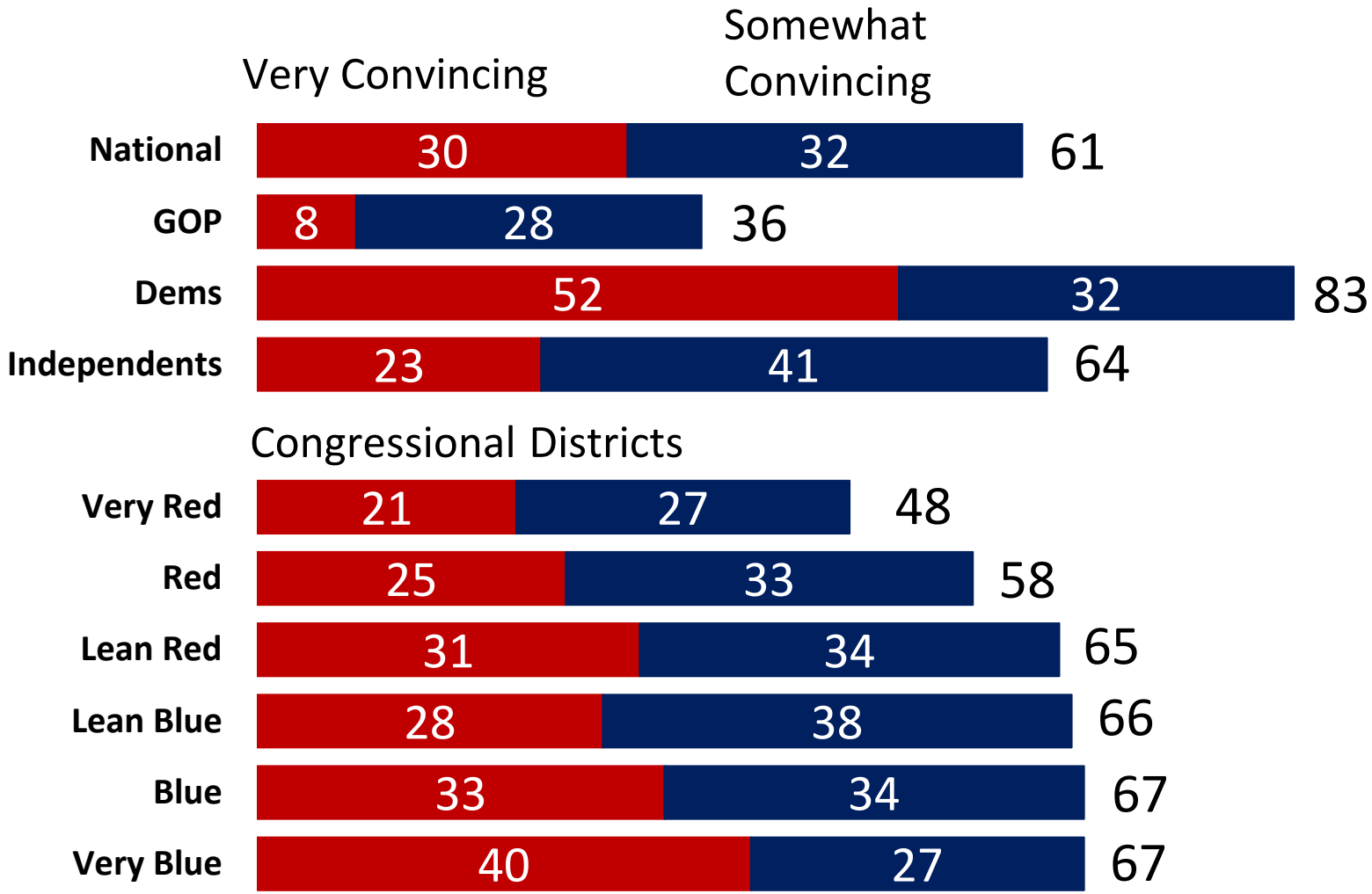
RESTORING HEALTHCARE OUTREACH AND EDUCATION

Argument in Favor:

It is the responsibility of government to do its best to maximize the number of citizens with health insurance. When people do not have health insurance this creates many costs for society as well as the person without insurance. We know from experience that if we cut back on outreach efforts fewer people will sign up. For example, someone who lost the insurance they previously got from and employer may not know that they need to sign up for insurance during a specific period in the year and that if they miss it will have to go without insurance until the next year. Cutting back spending on outreach efforts is penny-wise and pound-foolish.

RESTORING HEALTHCARE OUTREACH AND EDUCATION

Argument in Favor:



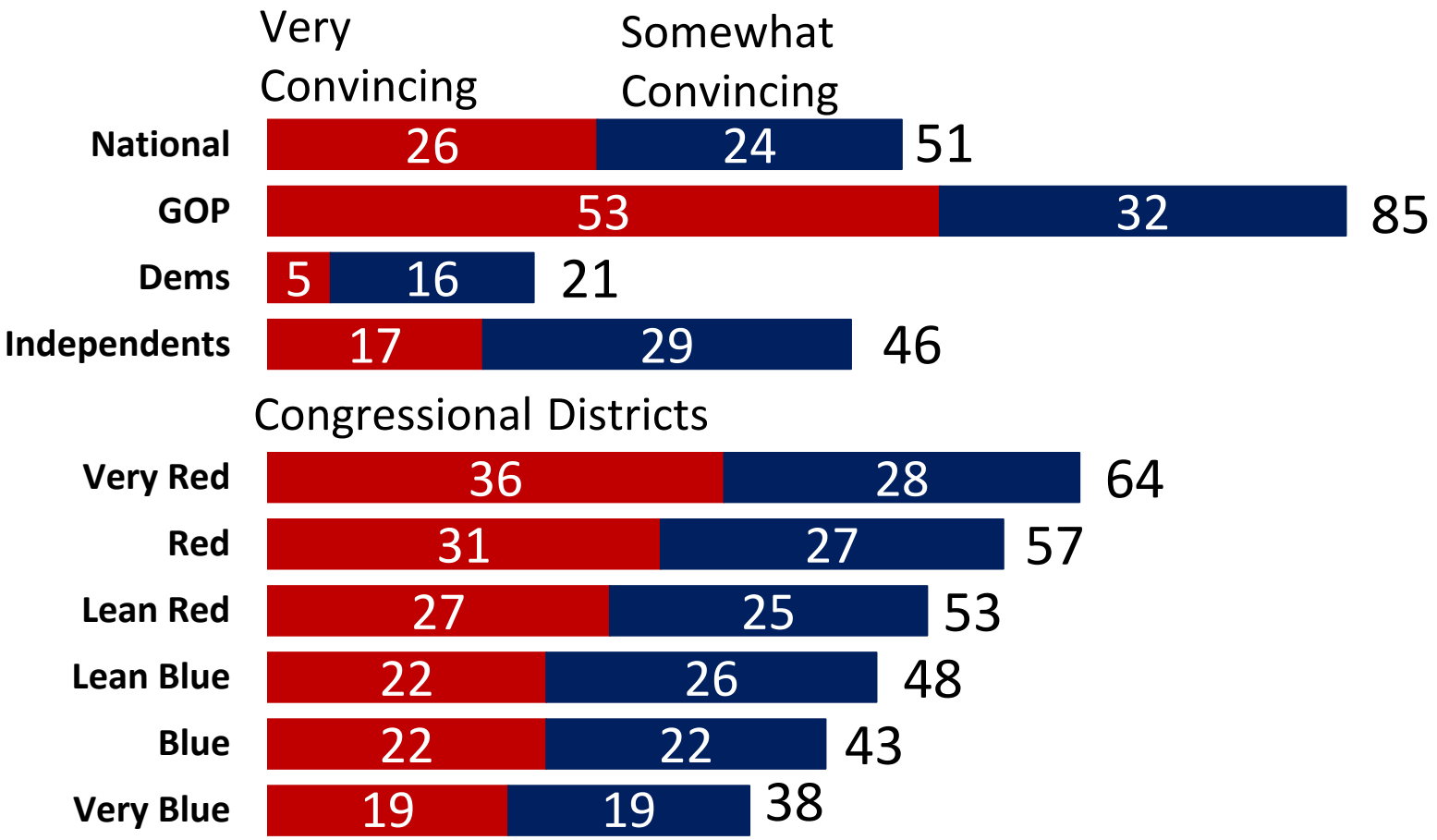
RESTORING HEALTHCARE OUTREACH AND EDUCATION

Argument Against:

In its work to get a grip on the overspending going on everywhere in government, the administration is scrutinizing all budgets, including spending to promote Affordable Care Act (ACA). This reduction is reasonable: it lowers this spending to a level similar to what the government spends on publicizing Medicare's drug benefit. Government should not be expected to always take people by the hand and tell them what they need to do. Furthermore, it is clear that the ACA is a failing program and it makes no sense to prop it up with taxpayer-financed advertising.

RESTORING HEALTHCARE OUTREACH AND EDUCATION

Argument Against:



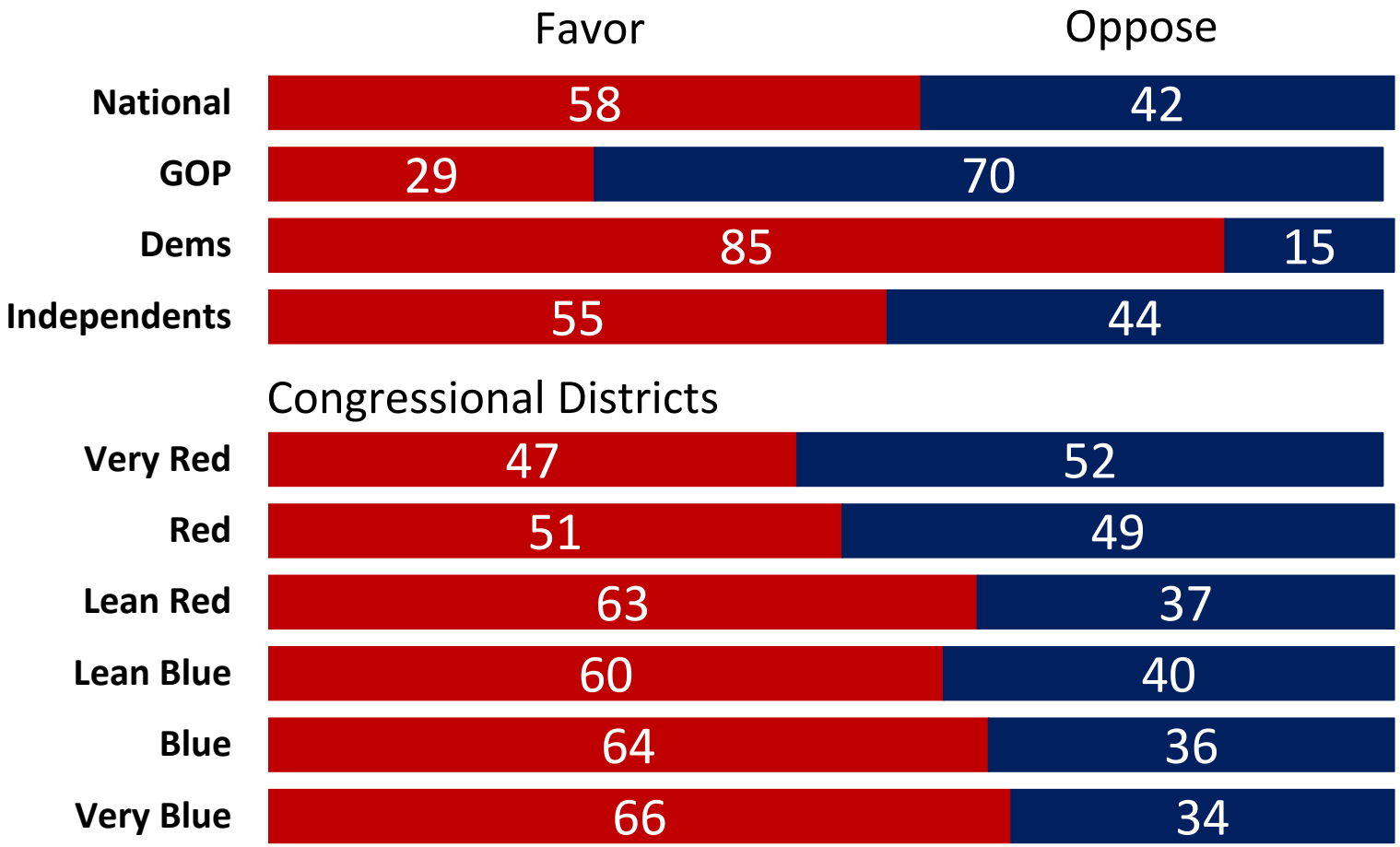
RESTORING HEALTHCARE OUTREACH AND EDUCATION

Final Recommendation:

So again, under this part of the proposed bill, spending levels would be restored for outreach to familiarize people with the ACA's insurance exchanges, through advertising, education, and training "navigators," to help people seeking a health plan through the ACA.

RESTORING HEALTHCARE OUTREACH AND EDUCATION

Final Recommendation:



Restoring Cost Sharing for Low-Income People

RESTORING COST SHARING FOR LOW-INCOME PEOPLE

The next part of the proposed bill concerns subsidies that the government pays to help cover health care costs for low-income people. These subsidies ensure that a person with an income of less than $30,000 does not have to pay more than $2,250 for out-of-pocket expenses in a particular year for things like covering deductibles and co-pays.

These subsidies have been paid directly to the insurance companies to reimburse them for covering the out-of-pocket costs of low-income people over and above their maximum.

These subsidy payments were recently ended. However, insurance companies are still required by law to cover these costs. To compensate for the lost subsidies, they have raised the premiums for all individual plans more than they would have otherwise. Thus, many people will have to pay substantially more for their premiums. For low-income people, however, these premium increases will be covered by other subsidies within the ACA.

RESTORING COST SHARING FOR LOW-INCOME PEOPLE

The impact of the proposed law has been assessed by the Congressional Budget Office (or CBO). The CBO is a non-partisan Congressional agency that serves Congress by assessing the consequences of proposed bills.

The CBO estimates that the government will not save money from ending the subsidies, and in the short term will lose money. The proposed bill restores the subsidies that go to insurance companies to reimburse them for covering the out-of-pocket costs of low-income people for at least two years.

RESTORING COST SHARING FOR LOW-INCOME PEOPLE

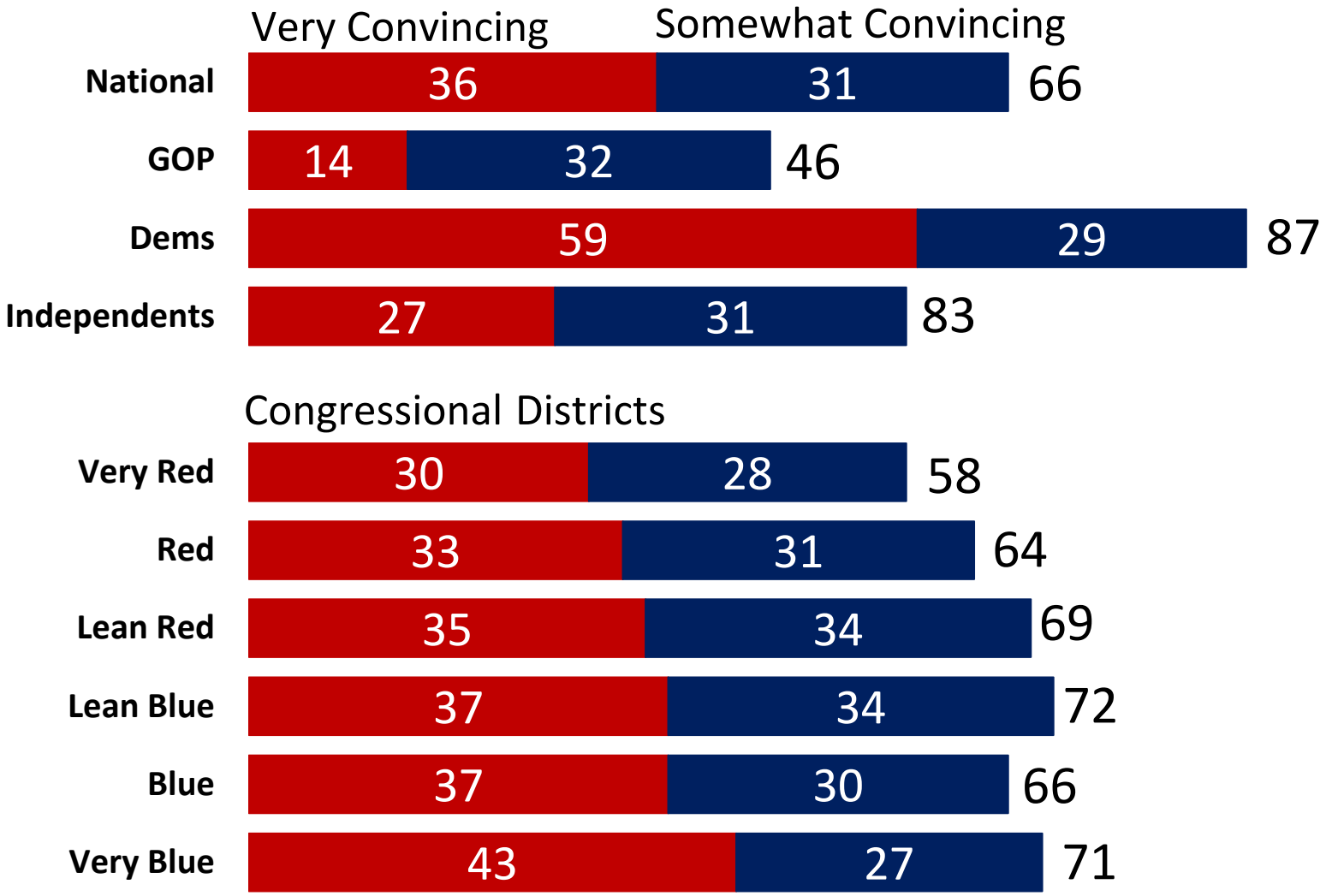
Argument in Favor:

By ending the subsidies for out-of-pocket costs for low-income people the government has only created disruption and uncertainty. Middle-income people are paying higher premiums. And the government will pay more in premium subsidies for low-income people.

The CBO says the government is not saving any money and even losing money in the short run. We need to re-stabilize the individual healthcare market by restoring the subsidies that have been highly effective in bringing healthcare coverage to millions of people.

RESTORING COST SHARING FOR LOW-INCOME PEOPLE

Argument in Favor:



RESTORING COST SHARING FOR LOW-INCOME PEOPLE

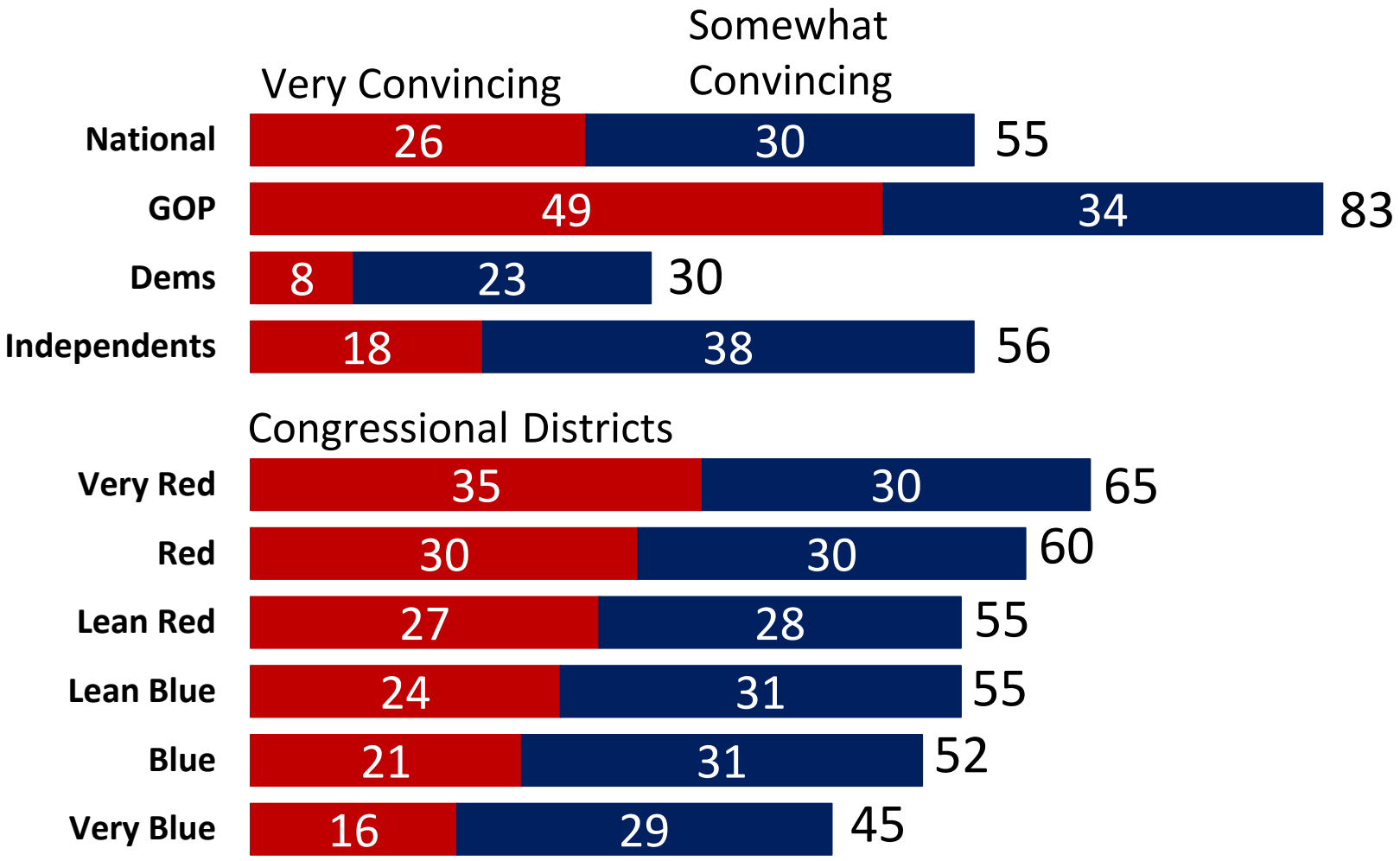
Argument Against:

These subsidies are a give-away to the insurance companies that has to stop. This bill is simply an effort to shore up a system that is not working. The advocates of the ACA told us that premiums would stop going up and up, but that has clearly not happened.

Going back to paying subsidies so that some low-income people make little or no co-payments removes their incentives to keep their medical costs low and makes them dependent on the government.

RESTORING COST SHARING FOR LOW-INCOME PEOPLE

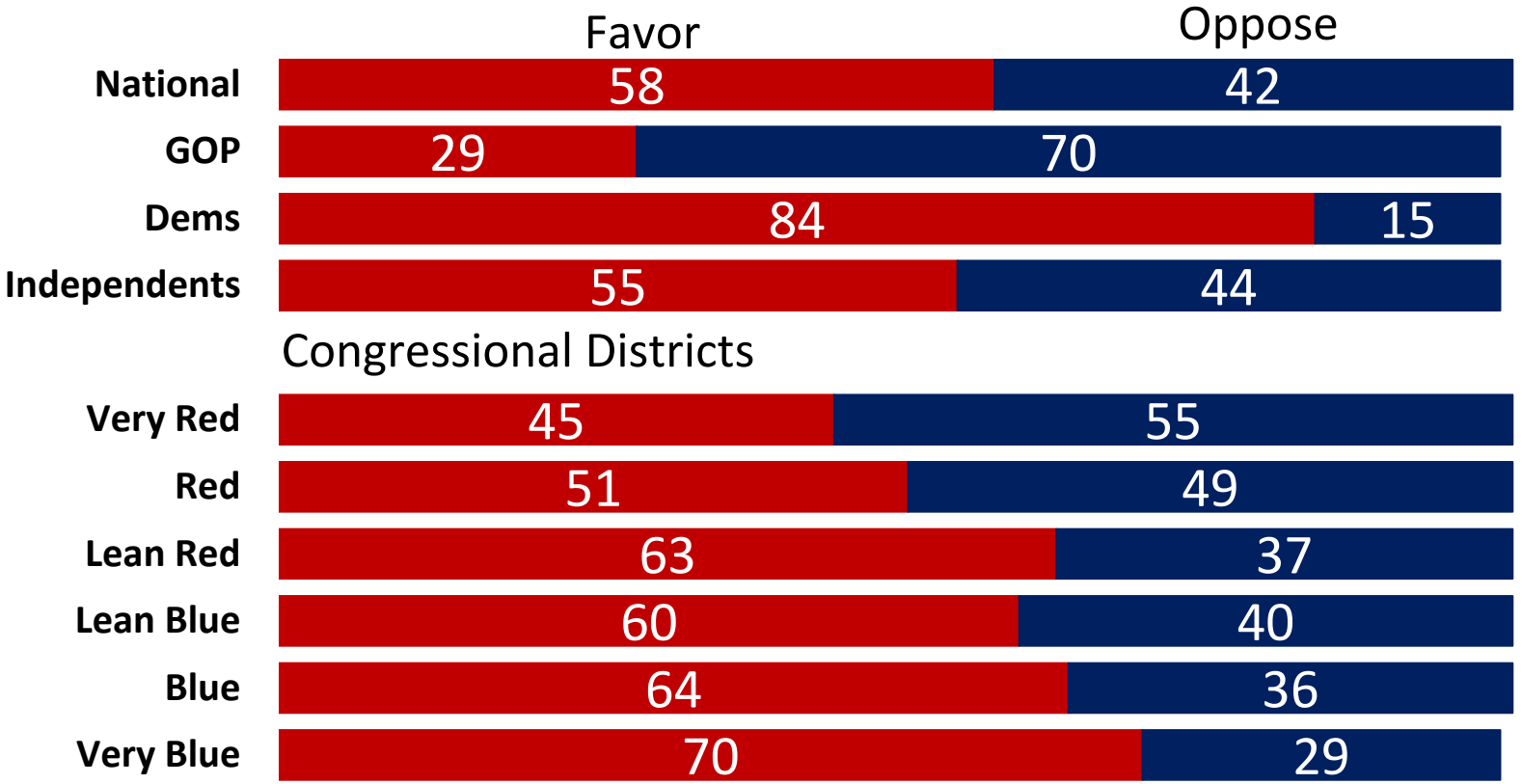
Argument Against:



RESTORING COST SHARING FOR LOW-INCOME PEOPLE

Final Recommendation:

So now, do you favor or oppose restoring the subsidies that go to insurance companies to reimburse them for covering the out-of-pocket costs of low income people for at least two years?



Expanding Copper Plan Enrollment

EXPANDING COPPER PLAN ENROLLMENT

As you may know, the Affordable Care Act (ACA) requires a certain minimum level of health insurance coverage. In most cases this minimum is called a “bronze plan.” Right now there is an exception for people under the age of 30. They can purchase a less expensive type of plan called a “copper plan.” The proposed bill would make copper plans available in the ACA exchanges to anyone seeking individual insurance, including people over the age of 30.

Here is the main difference between a bronze plan and a copper plan. For both types of plans the key thing that makes them inexpensive is that they have a high deductible—as high as $7,150. This means that the person insured would have to pay for the first $7,150 of most medical expenses in a given year, before the more complete coverage would kick in. The person gets the benefit of a lower premium but takes the risk that they will have high medical costs for that year.

EXPANDING COPPER PLAN ENROLLMENT

The difference between the plans is that under the bronze plan premiums are higher but the person only has to pay 40% of the first $7,150, while under the copper plan premiums are lower but the person has to pay 100% of the deductible.

Right now people under 30 are allowed to have a copper plan because they are less likely to have high medical costs because, at their age, they are less likely to get sick.

EXPANDING COPPER PLAN ENROLLMENT

Again, the proposal is to allow anybody who wants it to have a copper plan as well.

The CBO estimates that this provision would not substantially change the total number of people with individual insurance. Introducing copper plans would slightly lower premiums for other individual plans, because the people who enroll in them would tend to be healthier on average. There would also be some slight saving for the government because the copper plans get less in subsidies.

EXPANDING COPPER PLAN ENROLLMENT

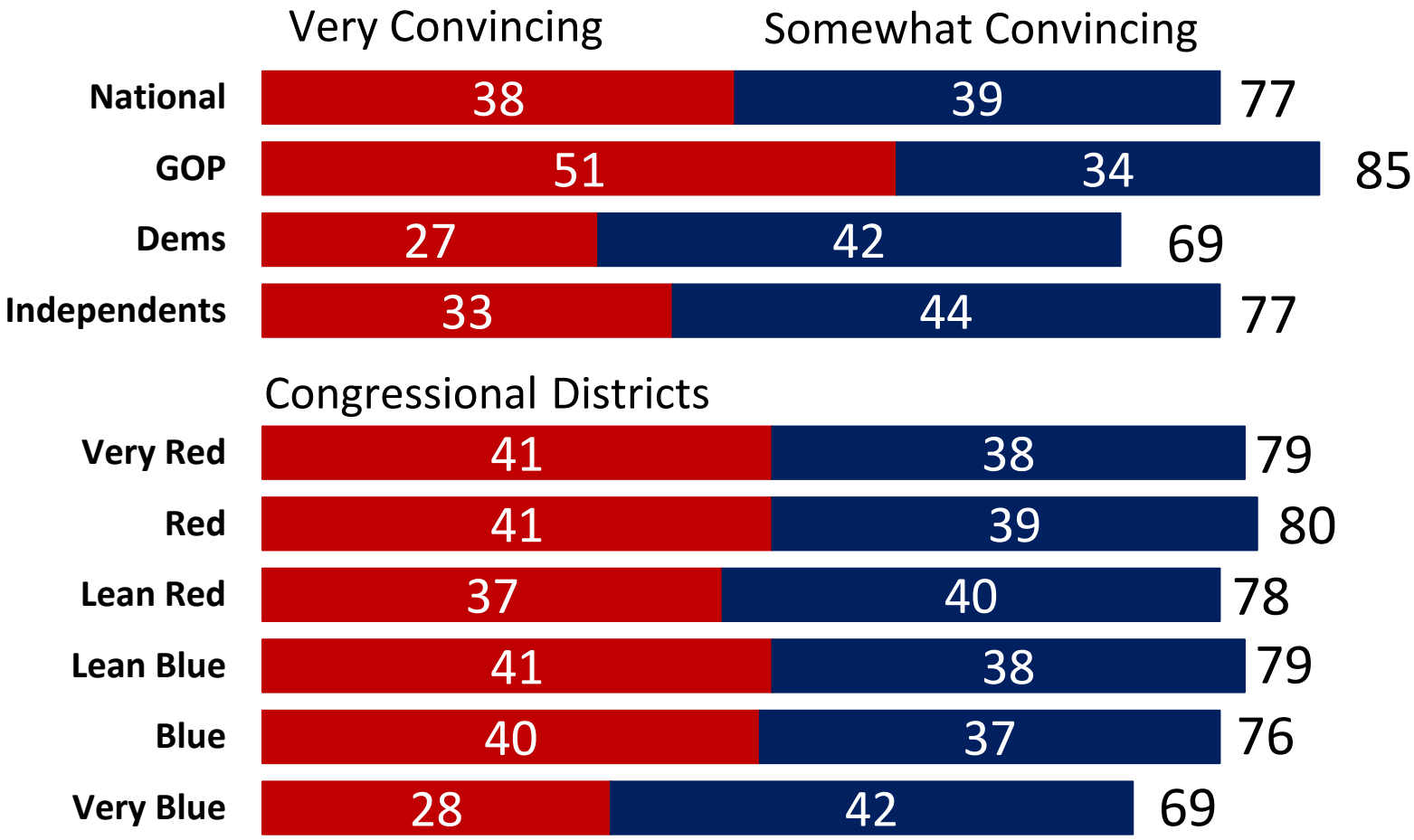
Argument in Favor:

The government should not be telling people what kind of insurance plan to have. If people want to have a Copper plan with a high deductible they should be able to do so. They may feel that they're healthy enough and they can financially handle the first $7,150 of an illness or an accident.

In the event of very costly illness or accident they would still be covered. We should let people make that decision for themselves. Furthermore, it might encourage people to get coverage who do not have it now, because they feel they cannot afford the premiums of a Bronze plan.

EXPANDING COPPER PLAN ENROLLMENT

Argument in Favor:



EXPANDING COPPER PLAN ENROLLMENT

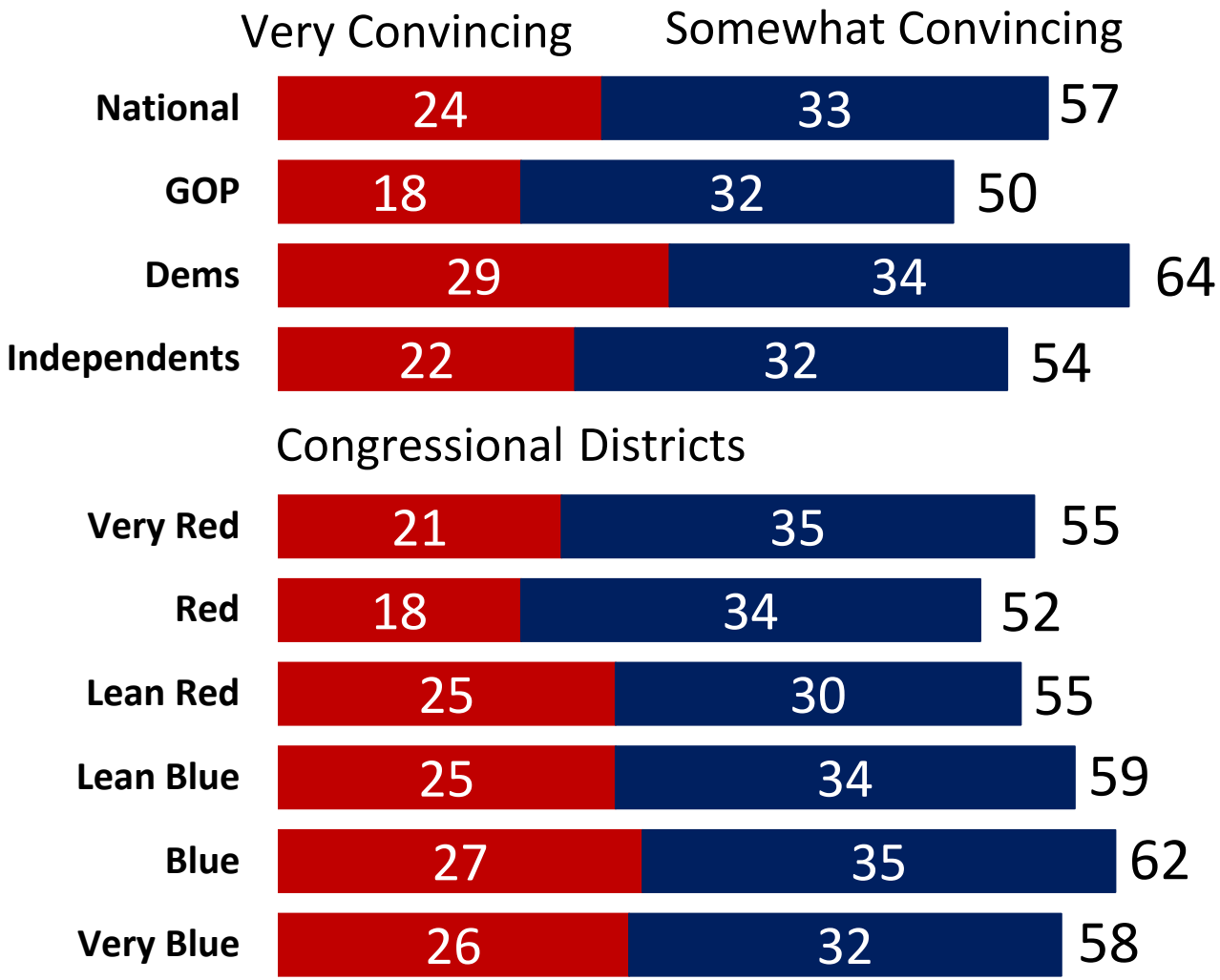
Argument Against:

Copper plans are a bad idea. They'll always look like a better deal on the surface than they really are. The very people attracted to those plans are ones with low incomes whose lives will fall apart when they suddenly need $7,150—they don't have the money and now they're sick and less able to work.

Furthermore, research shows that people on plans with very high deductibles tend to avoid visiting the doctor. They wait until illness or accident forces them to. This results in higher costs in the end, both for them and for society. The ACA exchanges should not be offering these kinds of plans that can wreak havoc with people's lives.

EXPANDING COPPER PLAN ENROLLMENT

Argument Against:



EXPANDING COPPER PLAN ENROLLMENT

Final Recommendation:

So, now do you favor or oppose making "copper plans," a choice available in the ACA exchanges to anyone seeking individual insurance, including people over the age of 30.