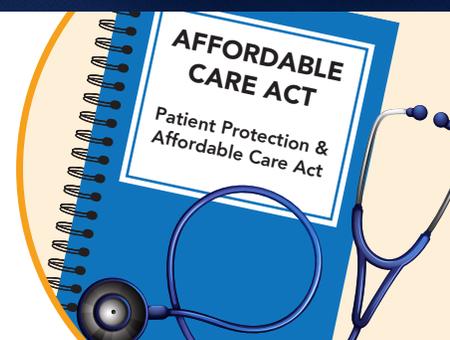


BUILDING ON THE SUCCESSES OF THE AFFORDABLE CARE ACT

The Alliance of Community Health Plans (ACHP) supports building on affordable and comprehensive health insurance options established in the Affordable Care Act (ACA) to increase access to high-quality coverage and care. From the beginning, ACHP member companies have offered comprehensive and affordable coverage in the ACA individual market, focused on maintaining and lowering premiums for consumers.



ACHP recommends the following steps to continue the successes of the ACA in enhancing and expanding coverage in the individual health insurance market.

Enhance and Expand ACA Subsidies

The ACA provides financial assistance to millions of Americans to purchase health insurance coverage on the Marketplace. ACHP supports enhancing and expanding Marketplace subsidies, including making permanent the following temporary subsidy changes included in the American Rescue Plan Act.

- Expand subsidies above 400% of the federal poverty level (FPL) for individuals and families paying 8.5% or more of their income.
- Increase subsidies for individuals and families earning 150-400% FPL.
- Ensure zero-dollar silver plan premiums for individuals and families earning less than 150% FPL.

Establish a Federal Reinsurance Program

Many states have established successful reinsurance programs designed to insulate consumers from increased premiums when insurers are faced with unusually high-cost claims. A strong federally funded reinsurance program will put downward pressure on premiums, bring younger and healthier individuals into the market and make coverage affordable for many more people. A federally funded program also removes the uncertainty of state budget action to renew or extend program funding. Importantly, state-run reinsurance programs reduce federal costs and therefore when funded by the federal government do not increase spending for either the state or the federal government.

According to a recent report by Avalere Health, 12 states with state reinsurance programs reduced premiums 16.9% on average in the first year compared to what they would have been without the reinsurance program.

- Congress should establish a permanent, federally funded reinsurance program without a state match requirement to ensure that more consumers have access to affordable coverage. The reinsurance program should be run and implemented state-by-state and provide flexibility to set attachment points that are appropriate for each state.
- Congress should require that funding received through state risk-adjustment calculations be excluded in reinsurance program.

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Allow Silver Loading To Be Permanent

The ACA requires insurers to provide cost-sharing reductions (CSR) to consumers who enroll in silver-level Marketplace plans, substantially lowering deductibles and other cost-sharing. In October 2017, the Trump administration terminated CSR payments, however, insurers are still required to provide the benefit to consumers. To ensure the continuity of the CSR benefit, issuers have been permitted to “silver load,” or build the cost of the CSRs into silver-level Marketplace plans. The result has been a substantial increase in the number of consumers enrolling in zero or minimal premium cost coverage.

- Allow “silver loading” to be permanent, providing certainty to consumers that they will have continued access to affordable coverage.



Fix the “Family Glitch”

The ACA created the “family glitch,” a rule limiting premium subsidies to families because their individual employee contribution from their employer is deemed affordable. This glitch affects more than 5 million consumers – 54% are children and 59% of adults are women, withholding financial assistance for affordable health coverage.

- The Biden administration should fix the “family glitch” by severing the employer responsibility to cover dependents and have dependents find coverage through the Marketplace.

The Alliance of Community Health Plans (ACHP) represents the nation’s top-performing non-profit health plans to improve affordability and outcomes in the health care system. ACHP member companies provide high-quality coverage and care to 24 million Americans across 36 states and D.C.



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