



A Path to Expand Coverage, Lower Costs and Create a More Equitable Health Care System for All

Executive Summary

Everyone should have access to health care no matter who you are, where you live or what your health status may be.

Over the past decade, our nation has made substantial progress in expanding access to health coverage – vastly increasing the number of children and low-income people who are covered and guaranteeing that those with pre-existing medical conditions are able to obtain the coverage and care they need. As a result, today, more than 90 percent of Americans have health coverage through their jobs, the Affordable Care Act (ACA), Medicare or Medicaid.¹ All of these programs are working to provide high-quality coverage, including access to emergency and hospital care and to a broad range of low or no-cost preventive services. All of these programs enjoy high public support.²

As the health care partner to one in three Americans, Blue Cross and Blue Shield companies understand that our health care system isn't perfect. Still, it provides a solid foundation on which to build a stronger, less expensive and more equitable system that will cover everyone, reduce consumer costs and address systemic, racial health inequities that have been laid bare by the COVID-19 crisis. We are committed to working with policymakers and partners throughout the health care system to take the best ideas from the public and private sectors to make durable progress toward these goals.

We believe the path to a better and more inclusive health care system rests on three pillars:

1. Expand coverage

The nation can extend coverage to everyone by expanding and enhancing the Affordable Care Act. Lawmakers should bolster federal financial assistance to help more people afford coverage, enact policies to lower out-of-pocket costs and boost outreach and enrollment programs to encourage people to obtain and maintain insurance. Taken together, our proposals to expand access would cover an additional 9.2 million people and reduce ACA premiums by 19 percent.

2. Reduce costs for consumers

Even as access to health care has been extended to millions more Americans, high costs and unexpected expenses continue to burden patients and their families. The government must promote greater transparency and competition among medical professionals and specifically address the market challenges that lead to high medical and prescription drug prices. Providers must be given incentives to deliver the appropriate care at the appropriate time and in the appropriate setting to best protect patients from receiving care that offers little or no benefit and which can even have negative consequences.

3. Promote health equity

The coronavirus pandemic did not create race-based disparities in health, but it has magnified them to tragic proportions. BCBSA believes everyone should have access to high-quality health care regardless of race, color, sex, gender identity, sexual orientation or age. We must address long-standing racial health disparities and inequities in outcomes. Key initiatives are needed to improve maternal health, promote immunizations and improve access to behavioral health services.

DETAILED PROPOSALS

Expand Access to Coverage by Improving the Affordable Care Act

The Affordable Care Act has proved to be critical in helping to increase insurance coverage and should be enhanced and expanded to extend that coverage to everyone. Nearly 20 million people have gained coverage under the ACA, with all states and the District of Columbia having lower uninsured rates today than they did before the law's implementation.³ The largest percentage improvements in the uninsured rate have been among people of color.⁴

The ACA marketplaces have evolved to provide consumers with a choice of plans, stable coverage and stable premiums. Approximately 11.4 million consumers enrolled in marketplace plans during the 2020 open enrollment period, and the average monthly premium after tax credits was \$89.⁵ In 2021, more issuers are offering coverage in the marketplaces, the third year in a row of increasing choices for consumers, while benchmark premiums are also declining for the third year in a row.⁶ Consumers in many states are seeing double-digit premium decreases.

Most of the uninsured today are eligible for coverage with financial assistance, through either Medicaid, the Children's Health Insurance Program (CHIP) or ACA coverage with premium tax credits.⁷ To make coverage more available and affordable, and to ensure more people have access to the care they need, BCBSA supports enhancing the ACA with the following policy changes, which we estimate would expand coverage to an additional 9.2 million people and reduce ACA premiums by 19 percent:

**We recommend policies to expand coverage to an additional
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- **Make ACA coverage more affordable.** To reduce the financial barriers families face in affording coverage and care, Congress should strengthen ACA subsidies.
 - 1. Reduce individual premium contributions.** Congress should lower the portion of their income lower-income families are asked to pay for marketplace coverage by lowering the applicable percentages used to calculate premium tax credits for people with incomes below 400 percent of the federal poverty level (FPL). In addition, lawmakers should eliminate the current income eligibility ceiling of 400 percent FPL by capping premium contributions for incomes above that level at 10 percent of income.
 - 2. Increase the tax credit benchmark to gold.** To ensure consumers can purchase coverage that covers 80 percent of their out-of-pocket costs at no additional premium, Congress should change the premium tax credit benchmark from silver to gold plans.
 - 3. Enhance assistance for young people.** Lawmakers should reduce the financial burden on young people by eliminating glitches in the tax credit structure that disfavor the young. This would encourage more young people to obtain coverage, ultimately lowering premiums for people of all ages and incomes.
- **Establish a sustained federal funding mechanism, which states could use to support the cost of caring for those with serious health conditions.** Five percent of people who buy coverage in the individual market represent almost 60 percent of healthcare claims' costs. A sustained federal funding mechanism which states could use to support the cost of caring for those with serious health conditions is essential to make premiums more affordable for everyone, especially those who do not qualify for a premium tax credit.
- **Close the low income coverage gap.** For millions who are uninsured in states that did not expand Medicaid under the ACA, we should ensure everyone with incomes up to 138 FPL has access to comprehensive coverage. To provide an incentive for states to expand Medicaid, Congress should again fund a three-year, 100 percent federal match for these states newly expanding Medicaid. Research has shown that states that expanded Medicaid under the ACA saw improvement in their fiscal budgets, reduced average premiums in the individual market and improved the health of those who became newly insured. Our estimated 9.2 million reduction in total uninsured assumes half the population in states that have not yet expanded Medicaid enrolls.
- **Automatically enroll individuals in available coverage.** Over half of the non-elderly uninsured, including the vast majority of those newly unemployed due to the COVID-19 crisis, are eligible for financial assistance to obtain coverage through Medicaid, CHIP and the ACA

marketplaces.^{7,8} Many of the uninsured can purchase a plan for no money at all, thanks to premium tax credits. Nearly every region of the U.S. has premium-free marketplace plans available to low-income individuals. Marketplaces should automatically enroll and renew individuals eligible for Medicaid and premium-free marketplace plans and should facilitate enrollment for any remaining uninsured, maximizing their financial assistance and simplifying enrollment and maintenance of coverage. Our estimated 9.2 reduction in total uninsured assumes half of those eligible for free coverage through Medicaid or the marketplace are auto-enrolled.

- **Restore federal funding for outreach and enrollment programs.** In combination with auto-enrollment, states should be encouraged to develop more efficient and less costly outreach and enrollment platforms with the goal of ensuring there is no wrong door to enroll in coverage. This would help consumers understand the many avenues available for them to obtain coverage.

Reduce Costs for Consumers

The high cost of health care continues to burden consumers, with the underlying price of medical care and increased use of medical services driving escalating costs. These prices are reflected in health insurance premiums and out-of-pocket expenses, which have become difficult for many families to afford and can create barriers to obtaining needed care. To ensure everyone has coverage and care at a more affordable price, BCBSA supports the following changes:

- **Address high out-of-network costs.** Congress should prohibit medical professionals from charging patients unreasonable prices. Prices for out-of-network care should be capped at no more than a pre-established benchmark. This would create an incentive for hospitals and doctors to participate in health plan networks at reasonable payment rates and should ultimately result in substantially lower health care costs for consumers.
- **Foster greater competition.** Congress should promote increased competition among medical professionals by boosting funding for the Federal Trade Commission (FTC) and requiring the FTC to actively monitor mergers and other anti-competitive activity in the health care sector.
- **Address high prescription drug prices.** As detailed in our [Issue Brief](#), we recommend promoting competition from generic drugs and biosimilars, requiring transparency in prescription drug pricing and effectiveness and banning incentives that result in higher overall prescription drug costs. Additionally, Congress should limit out-of-pocket expenses for Medicare Part D beneficiaries without raising premiums.
- **Reward providers that deliver appropriate care at the appropriate time and place.** For decades, the health care system has struggled to address the volume of health care services offering little or no benefit to patients. In fact, inappropriate care can produce adverse outcomes such as duplicative care, medical errors and operational inefficiencies. Although private health plans have worked with providers on payment designs that effectively incentivize appropriate care, encouraging provider engagement is difficult if federal programs are not aligned in incentivizing appropriate care. Congress should accelerate the shift to payment arrangements that reward providers for delivering the right level of care as efficiently as possible, while maintaining patient safety and satisfaction. Relevant government agencies should act to bolster this shift to patient-centered models of care that emphasize prevention and better management of chronic conditions, helping people get healthy faster and stay healthy longer, and lowering costs for everyone.

Promote Health Equity

BCBSA believes everyone should have access to high-quality health care regardless of race, color, sex, gender identity, sexual orientation or age. COVID-19 has exposed the deep impacts of long-standing disparities and inequities in outcomes, access and life expectancy across racial and ethnic minority groups. To further address the impact of racial disparities and inequities in health care and reduce costs by improving health outcomes, BCBSA supports the following policies:

- **Improve maternal health.** The United States has the highest maternal death rate of any developed country. The problem has worsened in the past several decades, and these maternal health trends disproportionately affect women of color and women in rural areas. Disparities in health insurance coverage, affordability and access to quality services along with other social factors threaten women's health before, during and after childbirth. BCBSA urges policymakers to take key steps to ensure access to and improve outcomes in maternal health, including: closing gaps in maternal health care through passage

**Black women are
3X MORE LIKELY
than white women to die from
pregnancy-related complications.¹⁰**

of the Momnibus Act; expanding access to care through the passage of the Helping Medicaid Offer Maternity Services Act; developing alternative payment models targeted to maternal health; and promoting cultural competency in maternal health care delivery.

- Improve access to behavioral health care.** BCBSA-sponsored research shows that 69.4 percent of Black and 67.1 percent of Hispanic adults with any mental illness reported receiving no treatment the previous year compared with 56.7 percent of the overall U.S. population.⁹ The COVID-19 pandemic and the associated economic crisis will only exacerbate those gaps. We are working to close these gaps by expanding our provider networks in traditionally underserved areas, but more can be done. We support changes that help bolster a diverse workforce to better meet the needs of the population and address access barriers. We also support reforms that improve access to evidence-based mental health services and providers. For example, we support the Mental Health Access Improvement Act of 2019 (HR 945) that improves access to evidence-based mental health service providers by having Medicare reimburse Licensed Professional Counselors (LPCs).
- Address disparities in vaccination rates and access to care.** To ensure vaccines are affordable and available in underserved communities, there should be no cost-sharing for CDC-recommended vaccinations and free access for the uninsured, who are disproportionately from communities of color. Congress should also strengthen the public health infrastructure supporting outreach to address barriers to immunization (e.g., dispel myths, address patient concerns) and to physicians and community groups to educate them on the clinical efficacy and safety data of vaccines. For the COVID-19 pandemic, we support [prioritizing vaccine](#) access for target groups with the goals of reducing disease and death as well as reducing racial and ethnic disparities.
- Improve access to care in rural and underserved communities.** Individuals living in medically underserved communities, which generally include rural and urban low-income and minority populations, face shortages in primary care providers. Private plans can only do so much to encourage providers to work in underserved areas and take other steps to mitigate this problem. In addition to expanding telehealth and remote monitoring to address underserved communities in rural areas, regulators should ensure rural hospitals and doctors can participate in programs that focus on preventive and primary care as well as better management of chronic conditions, regardless of the number of patients they serve. Congress should also increase the amount of loan repayment, loan forgiveness and other financial incentives available for health care providers who practice in rural and underserved communities. Lastly, Congress should support the growth of better-coordinated care in rural and underserved communities by increasing incentives for Medicare Advantage and Medicaid Managed Care plans to create high-value networks in rural areas.

1 Robin A. Cohen et al., [Health Insurance Coverage: Early Release of Quarterly Estimates From the National Health Interview Survey](#), National Center for Health Statistics, March, 2020.

2 Ashley Kirzinger et al., [KFF Health Tracking Poll – July 2019: The Future of the ACA and Possible Changes to the Current System. Preview of Priorities Heading into 2nd Democratic Debate.](#) Kaiser Family Foundation, July, 2019.

3 Jennifer Tolbert et al., [Key Facts about the Uninsured Population](#), Kaiser Family Foundation, November, 2020.

4 Samantha Artiga et al., [Changes in Health Coverage by Race and Ethnicity since the ACA, 2010-2018](#), Kaiser Family Foundation, March, 2020.

5 Centers for Medicare and Medicaid Services, [Health Insurance Exchanges 2020 Open Enrollment Report](#), April 2020.

6 Centers for Medicare and Medicaid Services, [Plan Year 2021 Qualified Health Plan Choice and Premiums in HealthCare.gov States](#), October, 2020.

7 [Distribution of Eligibility for ACA Health Coverage Among Those Remaining Uninsured as of 2018, Kaiser Family Foundation](#), 2018.

8 Cynthia Cox et al., [Millions of Uninsured Americans are Eligible for Free ACA Health Insurance](#), November 2020.

9 Rita Rubin, [Pandemic Highlights Behavioral Health Disparities](#), June, 2020.

10 Pregnancy Mortality Surveillance System." 2019. <https://www.cdc.gov/reproductivehealth/maternalinfanthealth/pregnancy-mortality-surveillance-system.htm>.