Media Clips

COVERED CALIFORNIA BOARD CLIPS

Mar. 17, 2020 – May 12, 2020

Since the March board meeting, the COVID-19 pandemic has dominated the headlines with Covered California opening its doors via Special Enrollment for Californians affected by this unprecedented outbreak. The exchange also provided one of the first national projections for healthcare costs related to treating the virus.

PRESS RELEASES

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Articles of Significance

COVERED CALIFORNIA

News Release

Mar. 20, 2020

California Responds to COVID-19 Emergency by Providing Path to Coverage for Millions of Californians

- Effective immediately, anyone uninsured and eligible to enroll in health care coverage through Covered California can sign up through the end of June.
- The Department of Health Care Services announces new steps to help those eligible for Medi-Cal sign up easily and get immediate coverage.
- The moves come amid widespread disruption in the lives and livelihoods of Californians as public health officials seek to reduce the spread of COVID-19.
- All medically necessary screening and testing for COVID-19 are free of charge, and all health plans available through Medi-Cal and Covered California offer telehealth options.
- These actions build on increased state subsidies and the implementation of a state penalty, both of which took effect in January 2020.

SACRAMENTO, Calif. — On Thursday, Covered California Executive Director Peter V. Lee announced to the agency's board the appointment of Jim Watkins as its new chief financial officer.

As the CFO, Watkins will be responsible for managing and administering the overall financial activities of Covered California, including its strategy for financial sustainability. Watkins will be responsible for planning, implementing, managing and controlling all finance-related activities of Covered California. He will have direct responsibility for accounting, finance, forecasting, budgeting and related government compliance. As a key member of the Executive Management team, Watkins will advise executive leadership on all financial matters for the organization.

Watkins had served as the deputy director of Financial Planning and Forecasting Operations within the Financial Management Division at Covered California since October, and prior to that was the chief of the Research and Analytic Studies division at the Department of Health Care Services for 12 years.

“Jim has shown deep understanding of health care, independent judgement and strong analytic skill in leadership roles, along with an ability to work in politically sensitive areas under significant pressure and timeframes,” Lee said. “He will be an asset to Covered California and build on the solid foundation we’ve developed.”

Watkins will be replacing the retiring Dora Mejia, who began her service with Covered California as deputy director of financial operations in 2013, just months before the agency began making health insurance policies available to consumers.

Under Mejia Covered California transitioned from an agency initially funded with, and reliant on, a federal grant to a self-sustaining and fiscally sound organization with revenues generated from fees charged to health care plans. She managed a $340.2 million operating budget that supports marketing programs, our consumer service centers, sales, information technology and a host of other services that has helped make health insurance affordable and accessible.

Watkins is a Certified Public Accountant and received his Bachelor of Science degree from University of San Francisco and his Master of Public Policy and Administration from California State University, Sacramento. He has 16 years of high-level experience managing both fiscal and health policy issues in state government. He will earn $180,000 annually, effective December 1, 2019.

COVERED CALIFORNIA

News Release

Mar. 24, 2020

Covered California Releases the First National Projection of the Coronavirus (COVID-19) Pandemic's Cost to Millions of Americans With Employer or Individual Insurance Coverage

- The one-year projected costs in the commercial market range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19.
- The potential costs for 2020 could range from 2 percent to 21 percent of premium if the full first-year costs of the COVID-19 pandemic were priced into premiums
- Premium increases in the individual and employer markets for 2021 — which are in the process of being set right now — could be 40 percent or more solely because of COVID-19 costs in the absence of federal action.
- This data comes as federal policy makers consider how to address COVID-19's impact on Americans, small and large employers and the public sector, which are all stepping up to meet urgent health and economic insecurity.
- Reinsurance policies under consideration — that provide mechanisms to provide federal funding for portions of unforeseen COVID-19 costs for the individual and employer markets, along with Medicaid managed care programs — could provide needed funds and certainty for consumers, employers and states

SACRAMENTO, Calif. — Covered California on Monday released the first national projection of health care costs due to the coronavirus (COVID-19) pandemic. The analysis estimates the projected costs for 170 million Americans in the commercial market — which includes the individual, small-group and large-group markets — for testing, treatment and care specifically related to COVID-19 ranges from a low of $34 billion to $251 billion or more in the first year of the pandemic.

“Covered California’s analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion,” said Covered California Executive Director Peter V. Lee. “Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees.”

Covered California’s chief actuary, John Bertko, prepared the report after engaging with external actuaries with deep expertise in the commercial insurance markets and after analyzing expert clinical review and interviews with health insurance plan leaders.

The analysis found:

- The one-year projected costs in the commercial market range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19.
- Those potential COVID-19 costs for 2020 could range from 2 percent of premium to more than 21 percent of premium if they had been priced for.
- Premiums in the individual and employer markets for 2021 — which are in the process of being set right now — could be 40 percent or more solely because of these unexpected COVID-19 costs in the absence of federal action, as insurers would seek to recoup unplanned for losses from 2020 and budget for pandemic-related costs in 2021.

“Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums,” Bertko said. “While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action.”

Covered California sent the policy/actuarial brief “The Potential National Health Cost Impacts to Consumers, Employers and Insurers in the Commercial Market Due to COVID-19” to members of Congress to help inform the ongoing discussions at the federal level about how to handle the COVID-19 response.

“These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis,” Lee said. “These are not ‘insurer’ costs — these are costs directly borne by individual Americans in the form of cost-sharing and premiums; these are costs to small and large businesses that are struggling; these are costs to individuals who may avoid needed care.”

Covered California suggested several actions that Congress could take to mitigate the potential impact of these cost increases on consumers:

- Enhance the federal financial assistance provided in the individual market to increase the level of tax credits for those earning under 400 percent of the federal poverty level (FPL) and expand subsidies to those earning more than 400 percent FPL as California implemented on a three-year basis in 2020.

- Establish a temporary program to limit the costs of COVID-19 for health insurers, self-insured employers and those they cover, which would directly benefit individuals and small employers for 2020 and allow for more certainty in their pricing for 2021.
- Establish a national special-enrollment period for the individual market, such as has already been adopted by 12 marketplaces representing 30 percent of Americans.

“As we have seen throughout this crisis, there is no time to waste. We must take action now to prevent the pain of this epidemic from becoming worse for hundreds of millions of Americans next year,” Lee said. “Reinsurance policies under consideration in Washington — that offer mechanisms to provide federal funding for portions of unforeseen COVID-19 costs for the individual and employer markets, along with Medicaid managed care programs — could provide needed funds and certainty for consumers, small and large employers and states across the nation.”

Lee also noted that while Covered California’s analysis deals with the commercial market, other populations — including those in Medicare, Medicaid, other public programs and the uninsured — will also need a comprehensive review and solutions to address the unplanned for costs.

Covered California’s analysis comes just days after it announced a special-enrollment period for uninsured individuals who need health care coverage amid the COVID-19 pandemic. From now until June 30, anyone who meets Covered California’s eligibility requirements can enroll in health care coverage, similar to the rules in place during the annual open-enrollment period.

Staying Safe While Getting Help Enrolling

In an effort to support the state’s social distancing recommendations, Covered California is working with the more than 10,000 Certified Insurance Agents who help Californians sign up and understand their coverage options through phone-based service models.

“We are in a different world right now, but social distancing does not mean you cannot get personal help,” Lee said. “Our agents and staff are stepping up to help people by phone and support them to enroll online.”

Consumers can easily find out if they are eligible Medi-Cal or other forms of financial help and see which plans are available in their area by using the CoveredCA.com Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

Those interested in learning more about their coverage options can also:

- Visit www.CoveredCA.com.
- Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
- Have a certified enroller call them and help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA

News Release

April 14, 2020

Covered California Enrolls Tens of Thousands as Impacts of COVID-19 Pandemic Hits California Households

- More than 58,000 people have signed up for coverage through Covered California since March 20, when a special-enrollment period was announced in response to the COVID-19 pandemic.
- Covered California has seen a tremendous surge in consumers visiting CoveredCA.com and the website's Medi-Cal page.
- The special-enrollment period allows anyone uninsured and eligible to enroll in health care coverage through Covered California to sign up through June 30.
- Consumers can enroll in as little as 30 minutes, either through CoveredCA.com or over the phone with the help of one of Covered California's thousands of Certified Insurance Agents or enrollers.
- In addition, Medi-Cal enrollment is open year-round for consumers who qualify.

SACRAMENTO, Calif. — Covered California announced on Tuesday that 58,400 people had enrolled in health care coverage since the exchange announced a special-enrollment period in response to the COVID-19 pandemic. The pace of sign-ups has been nearly three times the level that Covered California saw during the same period in 2019.

"We want to remind consumers that they can get access to the care they need during this crisis, either through Covered California or Medi-Cal," said Peter V. Lee, executive director of Covered California. "We know there are hundreds of thousands of people out there who have either lost their health insurance or were uninsured when this crisis began, and we want them to know there is a path to coverage ready for them."

The enrollment data covers the three-week period from March 20, when Covered California opened the health insurance exchange to any eligible uninsured individuals who need health care coverage amid the COVID-19 emergency, through April 10. Anyone who meets Covered California's eligibility requirements, which are similar to those in place during the annual open-enrollment period, can sign up for coverage through June 30.

In addition, Covered California has seen tremendous consumer interest online, with more than 885,000 new users visiting CoveredCA.com, which is twice the number of visits seen during the same time period last year. During the same period, of those coming to CoveredCA.com, there were also more than 129,000 unique page views to the Medi-Cal page.

"While Covered California is enrolling tens of thousands of people, we know that is only a small part of California's response and that many, many more people will get the health care they need through Medi-Cal," Lee said.

Signing Up for Health Care Coverage

Consumers can easily enroll through CoveredCA.com and find out whether they are eligible for financial help through Covered California or if they are eligible for no-cost or low-cost coverage through Medi-Cal. People who sign up through Covered California will have their coverage begin on the first day of the following month. Those eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

"We are living in unprecedented times, and California is doing everything it can to make sure people have access to care during this public health emergency," Lee said. "Having more people insured and protected is the right thing for California's families and helps keep everyone better off as those with insurance don't delay getting needed care."

In addition to enrolling online, consumers who need health care coverage can visit Covered California's "Find Help" page to get assistance over the phone from one of Covered California's thousands of Certified Insurance Agents. The "Help on Demand" feature allows consumers to get a call back from a certified enroller.

"Right now, when social distancing is the new normal and an essential response to the coronavirus pandemic, health insurance is only a phone call away," Lee said. "Being restricted to your home does not mean you cannot get personal and confidential help that is free."

Consumers can easily find out if they are eligible for Covered California or Medi-Cal, and see which plans are available in their area, by using the Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

Reaching the Unemployed

Covered California is also working with California's Employment Development Department (EDD) to alert the uninsured that they can get health care coverage through the exchange or Medi-Cal. Covered California produced the following insert, which is being included in unemployment benefits that are being sent to consumers. During each

of the next three months, Covered California plans to deliver 3.5 million inserts to EDD for distribution.

Lowering the Cost of Coverage for Those With Insurance

Existing Covered California consumers may be able to lower the cost of their coverage if they have experienced a loss of income due to the economic impacts of the COVID-19 pandemic. The price of consumers' monthly premiums is based in part on their income, and if that income goes down, they may be eligible for additional financial help from the federal government, state, or both.

Consumers can report an income change by logging in to their account at CoveredCA.com. Consumers who are having trouble accessing their account can reset their password online.

Coverage You Can Count On

During this public health emergency, it is important to note that all health plans offered through Covered California and by Medi-Cal provide telehealth options for enrollees, giving individuals the ability to connect with a health care professional by phone or video without having to personally visit a doctor's office or hospital.

All medically necessary screening and testing for COVID-19 are free of charge. This includes telehealth or doctor's office visits as well as network emergency room or urgent care visits when necessary for the purpose of screening and testing for COVID-19. In addition, Medi-Cal covers costs associated with COVID-19 testing, evaluation and treatment services in both its managed care plans and with fee for service providers. Covered California health plans will help cover costs that arise from any required treatment or hospitalization.

In addition, most Covered California plans offer "first-dollar" coverage, meaning outpatient services are not subject to a deductible.

"A core part of our mission is improving access to high-quality health care, and that has never been more important than it is right now in California," Lee said.

New State Subsidies Help Californians Lower Their Health Care Costs

Californians who sign up for coverage may be able to benefit from a new state subsidy program that expanded the amount of financial help available to many people. The subsidies are already benefiting about 625,000 Covered California consumers. Roughly 576,000 lower-income consumers, who earn between 200 and 400 percent of the federal poverty level (FPL), are receiving an average of $608 per month, per household in federal tax credits and new state subsidies (which averages $23 per household). The financial assistance lowers the average household monthly premium from $881 per month to $272, a decrease of 70 percent.

In addition, nearly 32,000 middle-income consumers have already qualified for new state subsidies, with average state subsidy to eligible households at $504 per month, lowering their monthly premium by nearly half.

Many of those eligible for the new middle-income state subsidies are an estimated 280,000 Californians who are likely eligible for new state or existing federal subsidies but kept their “off-exchange” coverage. They are also eligible to switch to Covered California and benefit from the financial help. During this special-enrollment period, Covered California, its health insurance companies and Certified Insurance Agents will be reaching out to these Californians to let them know how they can save money on their premiums – which will help them keep their coverage in challenging financial times.

Covered California had established a special-enrollment period for those who were newly becoming aware of state subsidies or the new California mandate penalty, and sign-ups during the special enrollment period prior to March 20 were up 80 percent over the same period in 2019.

Those interested in learning more about their coverage options can also:

- Visit www.CoveredCA.com.
- Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
- Have a certified enroller call them and help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA

News Release

April 28, 2020

Covered California Continues to See Strong Consumer Interest in Quality Health Care Coverage During the COVID-19 Pandemic

- More than 84,000 people have signed up for coverage through Covered California since March 20, when the exchange announced a special-enrollment period in response to the COVID-19 pandemic.
- The exchange is sending more than 11 million emails to consumers to help them understand their health care coverage options during this unprecedented time.
- Consumers can enroll in as little as 30 minutes, either through CoveredCA.com or over the phone with the help of one of Covered California's thousands of Certified Insurance Agents or enrollers.
- In addition, Medi-Cal enrollment is open year-round for consumers who qualify.

SACRAMENTO, Calif. — Covered California announced on Tuesday that more than 84,000 people had enrolled in health care coverage since the exchange announced a special-enrollment period in response to the COVID-19 pandemic. The pace of sign-ups during this five-week period has been more than 2.5 times the level that Covered California saw during the same period in 2019.

"During this challenging time, Covered California continues to see tremendous interest, with thousands of people signing up for quality health care coverage each day," said Peter V. Lee, executive director of Covered California. "We want to remind consumers that if they lost their health insurance, or were uninsured when this crisis began, there is a path to coverage for them through either Covered California or Medi-Cal."

The enrollment data covers the period from March 20, when Covered California opened the health insurance exchange to any eligible uninsured individuals who need health

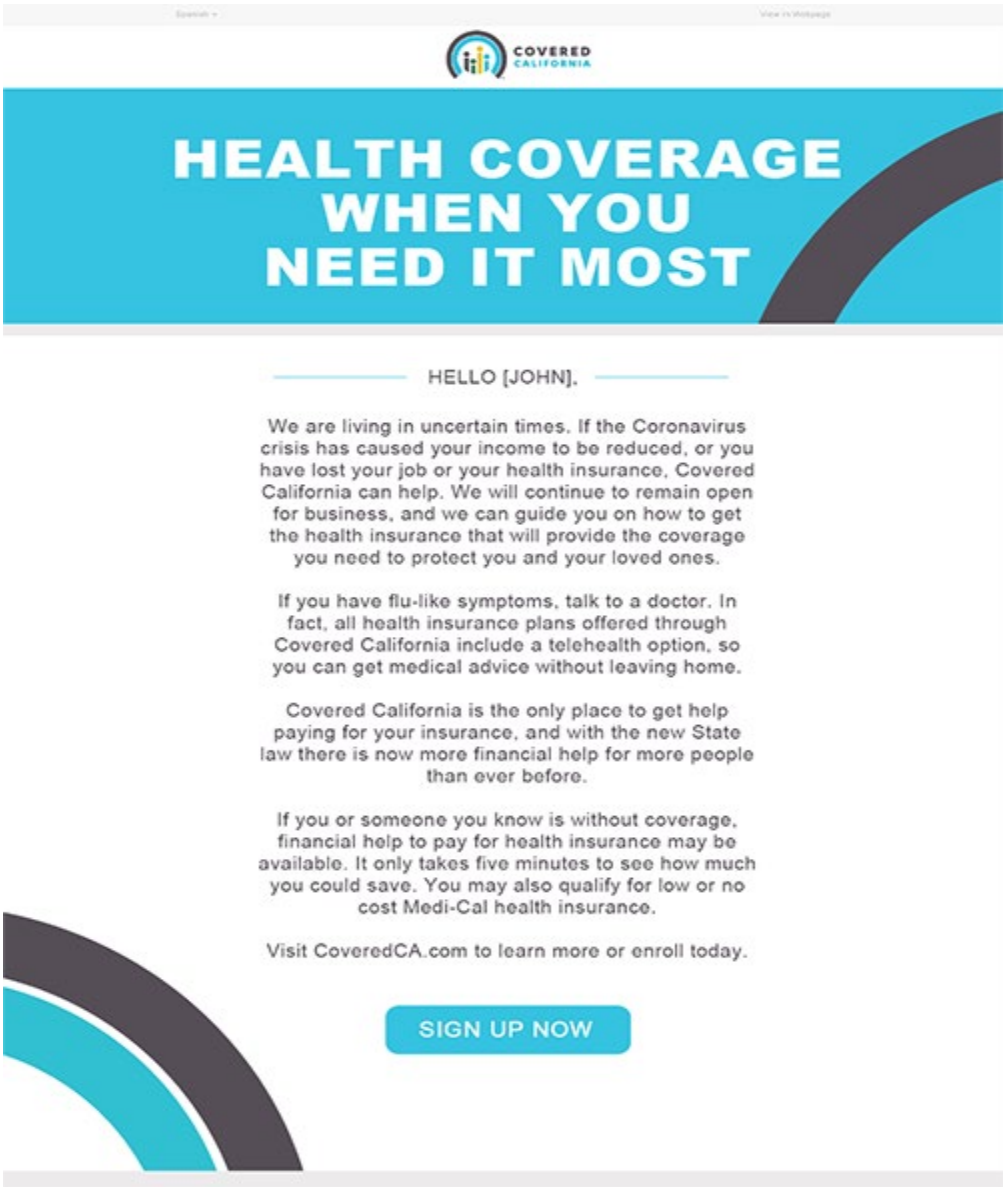
care coverage amid the COVID-19 emergency, through April 24. Anyone who is uninsured and meets Covered California's eligibility requirements, which are similar to those in place during the annual open-enrollment period, can sign up for coverage through June 30.

During this time, Covered California has also seen tremendous consumer interest online, with nearly 1.4 million new users visiting CoveredCA.com, which is almost twice the number of visits seen during the same time period last year. There were also more than 208,000 unique visits to Covered California's Medi-Cal page, which is nearly a 50 percent increase over the same time period last year.

"In many ways, the pandemic has made clear the crucial importance of the Affordable Care Act's coverage expansions," Lee said. "Over the years, California's leaders have put a system in place that protects Californians and provides them with a way to get the care they need when they need it the most."

Helping Consumers Understand Their Options

Covered California is also sending out 11.6 million emails to consumers. The emails encourage people to use Covered California to find out if they are eligible for financial assistance to help pay for the cost of their health care coverage. In addition, the email notes that all Covered California health plans offer a telehealth option, where consumers can get care without needing to visit a provider in person, and it helps direct tells them on how they can enroll in either Covered California or Medi-Cal.



Signing Up for Health Care Coverage

Consumers can easily enroll through CoveredCA.com and find out whether they are eligible for financial help through Covered California or if they are eligible for no-cost or low-cost coverage through Medi-Cal. People who sign up through Covered California will have their coverage begin on the first day of the following month. Those eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

In addition to enrolling online, consumers who need health care coverage can visit Covered California's Find Help page to get assistance over the phone from one of Covered California's thousands of Certified Insurance Agents. The "Help on Demand" feature allows consumers to get a call back from a certified enroller.

“Health insurance is only a phone call away, and consumers can get free and confidential assistance from one of Covered California’s trained professionals while remaining safe and protecting themselves and their families,” Lee said.

Consumers can easily find out if they are eligible for Covered California or Medi-Cal, and see which plans are available in their area, by using the Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

Those interested in learning more about their coverage options can also:

Visit www.CoveredCA.com.

- Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
- Have a certified enroller call them and help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA

News Release

April 30, 2020

Covered California for Small Business Works to Help Struggling Businesses Keep Employees Covered During the COVID-19 Pandemic

- Covered California for Small Business will allow small businesses an additional 30-day grace period to make their premium payments for the months of April and May.
- Employers interested in the program will be able to defer up to 75 percent of their premium payments for April and May in an effort to keep thousands of small business employees insured during the current health care crisis.
- A survey found that more than three out of every four Covered California for Small Business employers are either operating in a limited capacity or are temporarily closed.

Covered California for Small Business announced a new program on Thursday aimed at helping hundreds of small businesses continue to provide insurance to their employees during the current COVID-19 pandemic. The program will allow employers, who provide coverage to their employees and were unable to pay their premiums for the month of April, an extra 30 days to make their payments for the months of April and May and a way to spread the costs of those premiums over the balance of the year.

“Covered California wants to do everything we can to help small businesses that are struggling keep their employees covered so they have access to the care they need,” said Covered California Executive Director Peter V. Lee. “Small businesses with coverage through Covered California will get both a longer grace period and help in spreading their premium costs through the end of the year.”

The Premium Deferral Program is currently being offered to employers who have not yet paid their premiums for April or May. The program will allow affected businesses the flexibility to pay just 25 percent of their premium payments for those two months and defer the remaining amount across the rest of the year. Covered California will continue

to monitor the pandemic and determine if further actions are needed to protect small businesses seeking to keep their employees covered.

“The program puts an interest-free loan into the hands of our small businesses, so they can keep their employees covered,” said Covered California for Small Business General Manager Bob Manzer. “This is the right thing to do because we know it will provide a much-needed break for small businesses so they can continue to protect their employees.”

Covered California for Small Business covers more than 62,000 employees which represent 7,400 businesses. The early results of a recent survey found that an overwhelming majority of these employers had been negatively affected by the pandemic with 79 percent stating their businesses were operating in a limited capacity or were temporarily closed. In addition, 68 percent of employers said they had reduced staff hours, temporarily furloughed employees or laid employees off. At the same time, 70 percent of respondents say they are seeking to keep providing their employees with health insurance coverage.

Even in these difficult times, more than 90 percent of employers with coverage through Covered California for Small Business paid their premiums for the month of April, but the new program will benefit the more than 300 employers that represent 4,245 employees that had not yet made their payments. It will be available to employers struggling with the May premiums.

Covered California for Small Business will be conducting extensive outreach to alert employers to the new program. Employers who would like to participate must contact the Covered California for Small Business service center at (877) 777-6782, or CCSB@covered.ca.gov, within 10 business days of being notified.

“Small businesses are the lifeblood of California, and like everyone else in our state, we hope that people will be able to safely get back to work as soon as possible,” Lee said. “Until then, Covered California will step up to do everything we can to make sure that these employees have the peace of mind and protection that comes with our health insurance coverage. At the same time, we are reaching out to let all Californians know they can turn to us for coverage if they lose employment-based insurance.”

Covered California is currently enrolling any eligible uninsured individuals who need health care coverage amid the COVID-19 emergency. Anyone who meets Covered California’s eligibility requirements, which are similar to those in place during the annual open-enrollment period, can sign up for coverage through June 30.

Consumers can easily enroll through CoveredCA.com and find out whether they are eligible for financial help through Covered California or if they are eligible for no-cost or low-cost coverage through Medi-Cal. People who sign up through Covered California will have their coverage begin on the first day of the following month. Those eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

COVERED CALIFORNIA

News Release

May 4, 2020

Covered California Launches New Ad Campaign That Focuses on the COVID-19 Pandemic and Encourages the Uninsured to Sign Up for Coverage

- The new ads feature real-life neighbors and friends, instead of actors, who are staying at home to remain safe and protect their community.
- Covered California is currently holding a special-enrollment period that allows anyone who is uninsured, and eligible to enroll in health care coverage through the exchange, to sign up through the end of June.
- Consumers can enroll in as few as 30 minutes, either through CoveredCA.com or over the phone with the help of one of Covered California's thousands of Certified Insurance Agents or enrollers.
- In addition, Medi-Cal enrollment is open year-round for consumers who qualify.

SACRAMENTO, Calif. — Covered California launched a new ad campaign on Monday that focuses on the COVID-19 pandemic and encourages people without health insurance to sign up for coverage during the current special-enrollment period. The ads, which were filmed and produced during California's efforts to stay at home, feature real-life neighbors and friends who are keeping their communities safe by social distancing.

"We will get through this together, and whether you have lost your job or suffered a loss of income due to the pandemic, Covered California is here for you," said Covered California Executive Director Peter V. Lee. "Covered California can help you find the health insurance you need to protect yourself and your loved ones, and most of those signing up get financial help to pay for coverage."

The ads are 15 seconds and 30 seconds long and were created by Maximize Video Productions, a San Francisco Bay Area creative agency, just as Californians began staying home to reduce the spread of COVID-19. The message is also available in Spanish in 15 second and 30 second ads. Since the company could no longer bring

actors and a crew together, it figured out a safe way to capture what we are all experiencing.

“We saw how neighbors were concerned about their health and using things like video chats and window visits to stay connected and protected,” said Max Fancher, the owner of Maximize Video Productions. “We figured out how to safely film people staying at home, staying healthy and safe so we could inform everyone about their health care options during this crisis.”

Fancher reached out to his neighbors and friends who live in Oakland, Berkeley and nearby cities to share his idea of how they could film the ads while keeping a safe distance. He drove across the East Bay and filmed them from outside their homes, while providing instructions and guidance over the phone.

“These commercials put a human face on the resilience and sense of community that we’re seeing across California,” Lee said. “Californians are supporting those on the front lines and changing their lives to limit the spread of COVID-19. These ads tell the story of what is happening in every community across that state — friends and family finding new ways to reach out and stay connected.”

Several people connected to the ad have either benefitted from quality health insurance coverage provided through Covered California or Medi-Cal. Maurice Ramirez is a self-employed photographer who lives in Alameda and appears in the ad with his wife and son (right). He says he could not imagine raising his family without the protection of a health insurance plan.

“It’s such a huge relief to know that we will not be going bankrupt if some kind of health problem comes up for our family,” Ramirez said. “It’s a big weight off my shoulders, and one less thing to worry about, knowing that we have health insurance.”

Ralna Ramse worked to help Maximize Video Productions arrange and set up the filming. She requires regular medication to keep her asthma under control.

“It is comforting to know that, because of Covered California, I will get the care I need at a price I can afford,” she said. “Covered California is on your side and will help you find a plan that is right for you.”

Another member of the production team, video editor Eric Wahlstrom, also benefits from coverage through Covered California. He says it is critically important right now to make sure people understand their health care options.

“Everyone should know that if they lose their health insurance coverage, or they are not making as much money as they did before, that there is help out there for them,” Wahlstrom said. “There’s no reason not to go to Covered California and find out what options are available to you.”

Signing Up for Health Care Coverage

The ads highlight Covered California’s current special-enrollment period, which allows any eligible individual who needs health insurance amid the COVID-19 emergency to sign up for coverage. Covered California’s eligibility requirements are similar to those in place during the annual open-enrollment period, and consumers can sign up for coverage through June 30.

Consumers can visit CoveredCA.com and find out if they are eligible for Covered California or Medi-Cal, and see which plans are available in their area, by using the Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage. People who sign up through Covered California will have their coverage begin on the first day of the following month. Also, when applying, those found eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

In addition to enrolling online, consumers who need health care coverage can visit Covered California’s Find Help page to get assistance over the phone from one of Covered California’s thousands of Certified Insurance Agents. Help on Demand allows consumers to get a call back from a certified enroller.

Those interested in learning more about their coverage options can also call Covered California at (800) 300-1506.

Lessons From Covered California's First Five Years For Marketplaces And The Employer Sector: Part 1
Peter V. Lee, Elliott S. Fisher and Kelly Green

One of the underlying principles of the Affordable Care Act of 2010 (ACA) is that public health is a public good. The landmark legislation dramatically changed how we view health care in the United States and brought meaningful health insurance coverage within reach of millions of Americans. Today the importance of our public health takes on a critical new meaning with a global COVID-19 pandemic because having more people insured when the worst is happening in health care means more people have access to the care they need.

The nation made historic progress in reducing the number of uninsured Americans through sweeping reforms to Medicare, dramatic expansion of Medicaid, establishment of Marketplaces and subsidies in the individual market, and landmark health insurance market reforms. These were important achievements representing the biggest changes to coverage since the launch of Medicare and Medicaid more than 50 years ago. Serious challenges, however, remain. Concerns about health care affordability and access to needed services and health insurance coverage in the face of the COVID-19 pandemic are top of mind to consumers and voters across the nation. In addition, recent federal actions threaten to unravel some of the progress made, and there has been a resurgence of uninsurance in many states.

The next steps in the future of health care policy will not only be influenced by how the pandemic plays out but will also hinge on the outcomes of upcoming elections. In all likelihood, states and employers will continue to play a critical role. The experience of Covered California—California's state-based Marketplace—shows that when the tools of the ACA are used effectively, progress is possible in coverage, affordability, quality, and delivery system improvement.

In this two-part commentary, we share key accomplishments and lessons learned from Covered California's first five years to help inform those who share the goals of reaching meaningful, affordable, universal coverage and health system performance improvement. The first part highlights key areas of progress and outlines persistent challenges that require more work. In the second part, to be published tomorrow on the Health Affairs Blog, we discuss how these important lessons are relevant not only to the

federal government and states seeking to foster effective individual markets but for employers who are not effectively meeting the needs of many of the nearly 160 million Americans with employer-based coverage, as is being highlighted by the coronavirus epidemic. In a recent national survey of US adults by the Commonwealth Fund, 68 percent of total respondents, and 69 percent of respondents with employer-based coverage, reported that out-of-pocket costs would be an important factor in their decision to seek care for coronavirus symptoms.

California: Positive Impacts, Remaining Challenges
Through bipartisan leadership, California embraced the ACA and sought to implement it as effectively and comprehensively as possible. California expanded Medicaid and established Covered California as a publicly accountable, independent entity with authority to actively structure the market on consumers' behalf. Through these actions, and others as outlined in this commentary, the state has leveraged the tools provided in the ACA in ways that dramatically expanded coverage; fostered a healthy, stable Marketplace where consumers benefit from competition and choice among health insurance plans; and placed continued focus on health care quality and delivery system reform.

Covered California continues to invest heavily in marketing to encourage enrollment and maintains one of the healthiest consumer risk pools in the nation. Recently, California took significant steps to improve coverage and affordability in the face of federal actions that undermine the ACA. First, in response to federal action zeroing-out the ACA penalty as of 2019, California joined five other states and the District of Columbia in enacting a state individual mandate penalty. Second, the state established new premium subsidies for low- and middle-income consumers. In doing so, California became the first state in the nation to provide premium support to eligible consumers with incomes between 400 percent and 600 percent of the federal poverty level whose income renders them otherwise ineligible for federal financial help. Because of these two policies, health plans priced 2020 products with record-low premium increases as they anticipated higher, healthier enrollment. To date, enrollment for the 2020 open enrollment period is up, and new enrollment increased by 41 percent from 2019.

California's embrace of the ACA has led to notable accomplishments in the state. However, more work needs to be done as persistent challenges remain (exhibit 1).

Exhibit 1: Covered California's accomplishments and persistent challenges
Source: Authors' analysis, based on data from: Covered California's First Five Years: Improving Access, Affordability and Accountability. 1Berchick ER, Barnett JC, Upton RD. Current population reports, P60-267(RV), health insurance coverage in the United States: 2018. Washington (DC): Government Printing Office; 2019. 2For risk score differences, see: Bingham A, Cohen M, Bertko J. National vs. California Comparison:

detailed data help explain the risk differences which drive Covered California's success. Health Affairs Blog; 2019 Jul 11. Covered California analysis of hypothetical savings derived using data from the Center for Consumer Information and Insurance Oversight (see risk adjustment reports) and the Centers for Medicare and Medicaid Services (effectuated enrollment snapshots), along with Covered California administrative data. Savings were determined by holding observed enrollment constant and estimating hypothetical premiums if the risk mix in California had instead experienced the risk mix observed in the rest of the US for each of the respective years (using the enrollment-weighted average risk score for all states for which risk adjustment data are reported, excluding California).

Coverage Expansion

The effect of the ACA on expanding coverage in California is clear. In 2014, California launched two of the ACA's most transformative policies: Medicaid expansion and the establishment of its state-based Marketplace, Covered California. Since 2014, more than 5 million more Californians enrolled in the state's Medicaid program, bringing total enrollment to nearly 13 million (serving approximately one in three Californians), and more than 4 million consumers have enrolled in coverage through Covered California. Taken together, these two policies reduced the rate of uninsurance from more than 17 percent in 2013 to 7.2 percent in 2018—the largest percentage-point drop in any state. Taking into account the fact that more than half of the state's uninsured population is composed of undocumented individuals ineligible for Medicaid or Marketplace coverage, the state's eligible uninsured rate dropped to an estimated 3 percent in the same period (exhibit 2). California has been an exception to the national trend of recent increases in the percentage of the population who are uninsured due to various federal policies enacted since 2016 (for examples of such federal policies, see pages 31–4 of: Covered California, Covered California's First Five Years).

While California has made good progress on coverage expansion, the current tools provided by the ACA make getting to true universal coverage virtually impossible. This is because the structure of federal financial support often falls short of providing the level of assistance needed by many to get covered, and major affordability gaps remain for those who have employer-based coverage. In addition, there is an absence of federal support for coverage of the undocumented.

Addressing Cost: Slowing Premium Growth

Compared to most of the nation, California has made significant progress in slowing premium growth in the individual market, directly benefiting unsubsidized Californians and the federal government by lowering the cost of Advanced Premium Tax Credits. California's healthy risk mix, among the healthiest in the nation, is the product of multiple state actions such as coverage expansion, extensive marketing, and common benefit designs. That healthier risk mix is a primary driver of lower premiums in the

state, with premiums for Covered California and most off-Marketplace plans 20 percent lower than if the state's risk mix reflected that of the rest of the nation.

Over the past five years, premium growth for the approximately 1.4 million Covered California enrollees and the approximately 600,000 individual consumers purchasing plans off-Marketplace has been substantially lower compared to other states. From 2014 to 2019, the average benchmark premium in California grew by 45 percent, compared to 79 percent for the rest of the country. For those without subsidies, the slower premium growth translates to annual savings that exceed $1,500 per California enrollee, compared to what they would have paid under national average premium growth rates. Slowing premium growth also reduces the amount of premium subsidies paid by the federal government. Taken together, California's lower premiums have resulted in an estimated savings of $12.5 billion to enrollees and the US Treasury over the past five years—with about $6.8 billion accruing to the federal government and $5.7 billion to California consumers.

Quality And Safety

Covered California holds its contracted plans accountable for delivering quality care. Many enrollees are cared for in Kaiser Permanente and Sharp health plans that are among the top decile of performance nationally for most clinical quality measures. In addition, consumer satisfaction is generally high across all plans. In 2019, 95 percent of Covered California enrollees were in plans that ranked above the 50th percentile nationally for enrollee experience, based on Centers for Medicare and Medicaid Services Quality Rating System reporting using the Consumer Assessment of Healthcare Providers and Systems satisfaction with health plan question. At the same time, quality performance across the nine other health plans was highly variable and often in need of improvement—reflecting the reality of all Americans who face great uncertainty regarding the quality of care they receive. Covered California is updating the contractual expectations of its plans to require improvement in the coming years.

Covered California has also sought to use its market power in concert with other purchasers to promote better care for all Californians. Specifically, it has required its contracted plans to support initiatives to address unnecessary c-sections and reduce the rate of hospital acquired infections. Driven in part by these efforts, California has made meaningful progress on patient safety and quality. In the state as a whole, c-section rates among women at low risk of needing the procedure have fallen by 12 percentage points, avoiding an estimated 7,200 c-sections between 2015 and 2018. Hospital associated infection rates fell by more than 20 percent between 2015 and 2018, avoiding more than 3,000 infections, with an estimated savings of approximately 250 lives and $62 million in a one-year period ending in 2018. Also, statewide progress is being achieved in implementing evidence-based practices aimed at reducing harm from opioid use disorders.

Advancing Delivery System Reform
Finally, Covered California seeks to be a catalyst for promoting improvements in how care is delivered and has made significant progress advancing delivery system reform. Almost all enrollees have a primary care provider, and enrollment in patient-centered medical home models has increased. Enrollment in integrated delivery models is increasing: As of 2018, the most recent year for which data are available, 60 percent of Covered California enrollees were cared for in an integrated delivery system or accountable care organization (ACO). This is a 12 percent increase from 2015. Much of this growth is due to increased enrollment in Kaiser Permanente and Sharp Health Plan. However, even after excluding these two systems, 25 percent of Covered California enrollees were cared for in an ACO in 2018, which equates to 350,000 consumers and is well above the 10 percent average for the nation as a whole.

What's Next?
The California experience suggests that it is possible for states to make meaningful progress. In Part 2 of this commentary, we will describe the design elements that made progress possible and their implications for policy makers, business leaders, and the employer-based insurance market as a whole.

Lessons From Covered California's First Five Years For Marketplaces And The Employer Sector: Part 2
Peter V. Lee, Elliott S. Fisher and Kelly Green

Last month, stakeholders around the country marked the tenth anniversary of the Affordable Care Act (ACA)—a milestone that has been given even greater significance by the explosive growth of the COVID-19 pandemic. This public health crisis has made even clearer the crucial importance of the ACA's coverage expansions, which help ensure that when the worst is happening in health care, more people have access to the care they need.

In a two-part blog post, we are highlighting the achievements, challenges, and lessons learned from California's coverage expansion efforts and its Marketplace, Covered California. We believe these lessons are particularly relevant not only to the federal government and states, but to employers who are not effectively meeting the needs of many of the nearly 160 million Americans with employer-based coverage.

What Made California's Progress Possible—Building A Consumer-Driven Marketplace
Part 1 of our post described some of California's achievements under the ACA. Several key factors have led to these successes. Some of these factors can inform how the federal government could refocus its efforts or how states could respond to federal policies that undermine their capacity to maintain coverage expansions. Many could also inform the efforts of employers hoping to transition to a role as an active purchaser committed to driving improvement through consumer-focused plan designs and effective competition. Among various design elements of Covered California, the following three features are particularly important for these purposes:

Independence and Public Accountability
Covered California is established in state law as an independent entity in state government. It is governed by a public board, enabling it to have a high degree of independence and public accountability. The decision to establish a state-based exchange, rather than defaulting to the federally facilitated exchange, allows California to implement state-level policies that have strengthened the individual market to the benefit of consumers. For example, while the federal government has drastically reduced its investments in marketing and outreach, Covered California has maintained and bolstered these efforts, which we believe is one of the key factors that explains the high subsidized and unsubsidized enrollment and relatively healthy risk pools seen in California.

Being An "Active Purchaser" And Holding Health Insurance Plans Accountable
Rather than simply creating an expanded market for health insurance plans, Covered California was established as an "active purchaser" on behalf of consumers, empowered to contract selectively with health insurance plans, fostering competition in the Marketplace and value for consumers. Plans are selected based on: their ability to serve multiple markets, the adequacy of their networks, competitive pricing, and their willingness to be held accountable for measured improvements in care delivery and efforts to reduce health disparities. By restricting the number of plans in any regional market, Covered California gives plans the assurance of meaningful enrollment. In turn, plans are willing to meet the high expectations established by Covered California. This has led to stable plan participation, with 10 of the initial 11 plans still participating. Additionally, Covered California made the early decision to establish uniform patient-centered benefit designs for each plan level (bronze, silver, and so forth), under which there are minimal copayments for primary care outpatient services, and most outpatient care is exempt from a deductible. This uniformity of benefit design enables consumers to make apples-to-apples plan comparisons based on price, provider network, and customer service. This is a departure from the wide, disparate array of benefit designs offered to consumers under the federal Marketplaces and those of many other states.

Effective Partnerships And Collaboration

Over the past five years, Covered California impacted care delivery in large part due to effective partnerships with other public and private purchasers. Covered California has supported statewide efforts in areas such as reducing unnecessary c-sections, improving hospital safety, and responding to the opioid epidemic. Covered California has also participated in efforts to strengthen the infrastructure for performance measurement. This work led by the Integrated Healthcare Association, which draws on data for 29 million Californians and combines clinical, patient-reported, and claims measures to compare quality and costs for 220 medical groups. The dramatic variations in performance have highlighted opportunities for plans to work together to support improvement at the provider level, with benefits accruing to all patients, not just those enrolled through Covered California.

Lessons For Employer-Based Coverage

California's experience can help inform the federal and state individual Marketplaces on how to leverage the tools of the ACA. However, even if other Marketplaces adopt the many lessons from California to improve coverage and care in the individual market, they will not address the fundamental health care insecurity felt by many Americans with employer-based coverage. The ACA was always understood to be a work in progress—not the end point of needed reforms—and current national policy discussions about coverage expansion include a variety of proposals ranging from incremental steps building on the ACA to Medicare for All. Many of those proposals are implicit critiques of employer-based coverage. If, as seems likely, employer-sponsored coverage remains an important component of the US health care system going forward, there are concrete lessons from the experience of Covered California that employers and policy makers can use to address affordability, access, and quality challenges facing those with this type of coverage:

Premium contributions and cost sharing should be adjusted based on employee income. Under the ACA, the amount of financial help consumers in the individual market receive varies by income. This is a central design element of the law. In concrete terms, those making close to minimum wage will never pay more than about 4 percent of their income on premiums, and they pay less out of pocket at the point of care than their higher-income counterparts. Those making close to 400 percent of the federal poverty level will never pay more than 9 percent of their income on premiums. These standards reflect the real world of consumers; lower-income consumers have less flexibility to afford unexpected high premium and out-of-pocket costs. These policies make sense from both economic and social-equity perspectives, yet today fewer than 5 percent of employers adjust their benefits (employee contributions) based on the income of their employees. The well-documented movement to higher-deductible plans by employers exacerbates this problem since lower-income households are the ones most likely to avoid needed care with these new financial burdens.

Employers should promote benefit designs that are standardized and patient-centered. Health care costs in the United States are double that of most developed countries, largely driven by higher prices and richer compensation in the health care sector. But, a key contributor to those higher costs is bloated administrative spending in the US system. While there are multiple contributing factors for this excessive spending, a key driver is that most employers have their own “special flavor” of benefit designs. This means that health plans—and the providers they contract with—need to manage thousands of variations of benefit designs. The ACA implemented broad guardrails of levels and types of required coverage, but within those standards, designs may differ in terms of deductible size and applicability, copayments, co-insurance, and a range of other factors. This diversity in plan designs is not consumer-centered nor is it about fostering competition among employers for the best employees. While employers can and do compete for employees—in part—based on the overall richness of their benefits, employees are unlikely to choose employers based on complicated and often obscure differences in the design of health benefits they offer. Employers should base their benefits on the evidence about what design best encourages employees to get the right care at the right time. Employers should enable employees to shop for value. For most employers, the primary strategy for reducing health care spending growth has been to shift a greater burden to their employees. This movement has often been described as giving consumers more “skin in the game” to encourage better health care shopping. However, few employers design their benefit offerings to encourage employees to recognize or choose value. Of employers providing a subsidy to employees, 32 percent do so as a fixed percentage of premium. This contribution strategy provides a weaker incentive for “value shopping” than the alternative of providing a fixed dollar amount. Under the latter approach, employees pay all of the additional cost of more expensive plans, a powerful incentive to choose a lower-cost plan. In addition, most employees currently have relatively little choice in terms of carrier or benefit designs. Finally, most employers have not adopted the curated networks strategies that are the norm, not only in Covered California but in many individual markets nationally. While employers have been reticent about narrowing networks due to concern about employee complaints, there is strong evidence that they can do so while maintaining quality and employee satisfaction—thus providing a potentially high-value option to their employees. In contrast, at Covered California, consumers are sensitive to premium differences because they pay 100 percent of the difference in price above the subsidized benchmark plan, and their financial support is tied to their income. In addition, consumers can choose between multiple plans—with 75 percent having four or more carriers from which to choose, reflecting a mix of health maintenance organization and preferred provider organization designs—and each of those carriers offers catastrophic, bronze, silver, gold, and platinum designs. At Covered California, virtually all carriers offer selective/curated networks rather than the broad open networks offered by many employers.

Employers should push for changes in underlying care delivery that will lower costs over the long term. The value failures of the US health care system have been well documented with the blame being directed at health plans, pharmaceutical companies, hospitals, consolidation, and poor care delivery (among others). However, some of that blame should fall on employers, who have ceded their responsibility to consultants and insurance companies. The latter have not pushed for needed change in payment or other incentives to improve care delivery. Underlying health care costs will not change unless those paying the bills demand that the delivery system itself changes—driven by changes in measurement and payment. The notable exceptions of coordination and alignment across groups (such as Catalyst for Payment Reform, the Leapfrog Group, and the Pacific Business Group on Health) sadly prove the rule that most employers are not holding their health plans responsible for changing how they pay and for supporting changes in care delivery. Covered California is seeking to do just that but must collaborate with other public and private purchasers to create the market power to push changes in a health care market of more than 35 million people.

Looking Ahead

The Affordable Care Act enabled the nation to make great progress in expanding coverage. But, we cannot accept the progress made in California and other states as an end point. There is much more work to be done to enable millions more Americans to see their health care lives improve in the future. There are still 1.1 million uninsured Californians who are eligible to enroll through the Marketplace, Medi-Cal, or their employer—but are not now insured, whether by choice or due to lack of knowledge of what is available. Rising health care costs are a serious threat, and the affordability of health coverage and care remains a problem to many with and without coverage. Widespread racial and ethnic disparities remain largely unaddressed, as do marked variations in quality performance across plans and providers. On the delivery reform front, far too many enrollees continue to receive care in fragmented delivery models, subjecting them to lower quality and higher costs. These challenges are not unique to California and demonstrate intrinsic issues that states, the federal government, and employers need to work to resolve. The current coronavirus epidemic poses perhaps the greatest threat to US health care in modern times, making predictions about future policy directions more challenging than ever. However, when policy makers consider the next round of health care reforms, we could well face a choice between a single-payer system that radically transforms the financing, coverage, organization, and delivery of care or more modest reforms that build on the current employer-based system. For the latter path to succeed, it will be important to take the lessons from the ACA and apply them to the employer sector. Otherwise, the next 10 years are likely to be marked by continued erosion in coverage and availability of care for the vast majority of Americans. In any future, however, dramatic changes will be necessary, so that all Americans can receive more financial help, have good benefits that bring value and quality, and experience a high-quality, cost-efficient care delivery system.

The Bulletin
THE INGLEWOOD TRIBUNE
CARSON BULLETIN, WILMINGTON
BEACON, THE CALIFORNIAN
& THE SOUTH LA VOICE

Covered California offers surprise grace-period enrollment extension
Staff

SACRAMENTO—Covered California is giving those without health care coverage another chance.

With the new year came new subsidies for middle-income households and a new penalty from the Franchise Tax Board (FTB). Because many people were unaware of the changes, California's exchange has established a special-enrollment period for people who did not hear about the state penalty or the new financial help during open enrollment.

Consumers who fall into those categories, or who are currently insured off-exchange and want to switch to Covered California to benefit from the new state subsidies, will have until April 30 to sign up for coverage.

"We as a state—whether it is Covered California, the Franchise Tax Board or the governor—do not want anyone to pay a penalty," said Covered California Executive Director Peter V. Lee.

People who can afford health insurance coverage, but choose to go without it, could face a penalty when they file their state taxes with the FTB in 2021. The penalty can be more than $2,000 for a family of four.

Covered California, carrying out the Patient Protection and Affordable Care Act in the nation's most populous state, announced that 418,052 new individuals signed up for health insurance for 2020 during open enrollment, which ran from Oct. 15 to Jan. 31.

The exchange now has over 1.5 million enrollees, but there are hundreds of thousands of people, both low-income and middle-income, who are insured off-exchange but could be saving significant amounts of money if they switched to Covered California to benefit from federal financial help, the new state subsidies, or both.

The state expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage. The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500. The average subsidy for eligible middle-income households is $504 per month.

Covered California launched a new campaign to publicize the special-enrollment period, starting with social media messaging and consumers' emails on Feb. 16. Television ads in English and Spanish will start March 9 along with radio and digital ads in English, Spanish, Mandarin, Cantonese, Korean and Vietnamese. This marks Covered California's first use of television and radio ads to promote a special-enrollment period.

In addition, the FTB has sent letters to more than 2 million households alerting them to the penalty and informing them on how to get coverage. FTB has also worked with tax-filing software companies to include penalty information that consumers will see when they file their taxes this spring. The Department of Motor Vehicles is also playing videos at its offices that describe the penalty to visiting consumers.

"Covered California is working with everyone it can to put consumers first by maximizing the amount of time that people can get covered and minimizing those who are subject to a penalty," Lee said. "We will make it loud and clear: You must have coverage effective April 1 to avoid paying a penalty."

Covered California re-opens enrollment amid expected surge in coronavirus cases
Cathie Anderson

Covered California is launching a second open enrollment period, effective now, to offer health insurance coverage to all Californians as the state faces a surge in cases of COVID-19, the disease brought on by the new coronavirus.

"We want to get as many people covered as possible to ensure they have access to the health care they need," said Peter V. Lee, executive director of Covered California. "Having more people insured is the right thing to do, and this action builds on our efforts to leave no one behind in California."

This special enrollment period will last through June 30. Lee noted that those who sign up will still be eligible for new subsidies that Gov. Gavin Newsom and state legislators established last year as a way to help defray the cost of coverage.

Nationally, more than 70 health plans that serve more than 20 million poor and disadvantaged U.S. citizens called on the U.S. Centers for Medicare & Medicaid Services to open a special enrollment period in the federal insurance marketplace serving more than 30 states.

“We’re already seeing stories of people who are afraid to come forward for testing or treatment because they do not have comprehensive health coverage,” said Margaret A. Murray, chief executive of the Association for Community Affiliated Plans, which serve the 70-plus safety net health plans.

Murray said that short-term ‘junk’ insurance plans are putting up barriers to paying for testing and care, leaving their customers liable for the bill. A federal special enrollment period will at least give people who hadn’t enrolled this year in coverage compliant with the Affordable Care Act the opportunity to do so.

Maryland, Massachusetts and Washington have also opened enrollment in their state-based exchanges for a limited period.

Medi-Cal renewals on hold
In addition to Covered California’s move, the state of California has put a 90-day hold on reviews of Medi-Cal renewals to make sure that individuals who already are enrolled can continue with their coverage. It also frees up state workers to process the anticipated new enrollments that will come during this period.

The California Department of Health Care Services, which runs Medi-Cal, also is seeking to expedite applications for senior citizens and other populations considered vulnerable to the disease. COVID-19 is a respiratory illness, and can cause coughing, shortness of breath and fever that can lead to pneumonia.

“The extraordinary challenges posed by COVID-19 demand an equally extraordinary response, and the Medi-Cal and Covered California systems are stepping up to meet the need for health coverage and ease access to services,” said Dr. Bradley P. Gilbert, director of the Department of Health Care Services.

It is not the first time Covered California has used a special enrollment to assist consumers. The state-based health insurance marketplace also did so in 2015 to allow Californians who had not signed up for any insurance plan to enroll and thus avoid tax penalties.

Created under the ACA, Covered California offers policies to those who qualify for coverage at subsidized rates. Typically, individuals can only sign up for coverage during open enrollment or if they have a qualifying life event such as a job loss.

Both consumer advocates and health plans commended Covered California for opening a special enrollment period. The California Association of Health Plans said Americans

are experiencing unprecedented disruption in their lives because of COVID-19, from losing jobs to working from home.

Since the new coronavirus is spread through droplets, CAHP Chief Executive Officer Charles Bacchi said health plans also have expanded access to telehealth services to allow people to get advice without leaving their homes. When directed by physicians, the plans are also screening and testing for COVID-19 at no cost.

Consumer advocate Anthony Wright, executive director of Health Access California, urged state residents to take advantage of actions by DHS and Covered California.

“Families who have lost income and coverage should check out their options in Covered California, now with new state subsidies to provide additional affordability assistance,” he said. “Folks should sign up, so they can get the testing and treatment they need. If you or a family member need a hospitalization because of coronavirus or other reason, having any level of coverage can prevent financial ruin.”

KHN
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Hoping That Insurance Expansion Will Help Tamp Outbreak, 9 States Reopen Marketplaces
Carmen Heredia Rodriguez

At least nine states are offering their uninsured residents another opportunity to sign up for a health plan this year as they seek new ways to fight the novel coronavirus pandemic.

The states have reopened their health insurance exchanges this month to help ease consumers’ concerns about the cost of health care so that the sick will not be deterred from seeking medical attention and inadvertently spread the virus.

Generally, consumers who buy their own insurance must purchase a policy during the regular open enrollment period in the fall. If they do not buy a plan and do not qualify for a special enrollment period, they cannot obtain health insurance from the exchange until the next open enrollment.

The states that have reopened exchanges — Colorado, Connecticut, Maryland, Massachusetts, Nevada, New York, Rhode Island and Washington — have more flexibility than most states to create a special enrollment period because they run their own health exchanges.

California announced Friday that its exchange, which had been open for reasons unrelated to the outbreak, will continue to allow residents to enroll through June because of the upheaval caused by the coronavirus.

The District of Columbia is also allowing residents to sign up for coverage for reasons unrelated to the outbreak.

Michael Marchand, chief marketing officer for the Washington Health Benefit Exchange, said uninsured residents who don't get tested for the novel coronavirus because of the fear of costs for that and treatment would represent an "extremely weak link in the response chain and would make things much worse."

"The bottom line is, in a pandemic situation, your response will only be as strong as the most vulnerable link in the chain," he said.

As of 2:30 p.m. ET Friday, more than 16,000 cases of COVID-19 — the disease caused by the virus — had been identified in the United States and over 200 people had died, according to Johns Hopkins University researchers.

Nearly 28 million people in the United States do not have health insurance.

In most of the states, people enrolling now will get coverage starting April 1.

The federal government, which runs the marketplaces for 32 states on healthcare.gov, is not making a similar offer.

Twenty-five senators sent a letter to the Department of Health and Human Services on March 12, urging them to give consumers a special opportunity to enroll.

"It is imperative for patients to receive covered care, regardless of whether they test positive or negative for the virus," the letter said.

In a statement, the Centers for Medicare & Medicaid Services, which runs the federal marketplaces, said it is not offering a special enrollment period but continues to evaluate options in light of the coronavirus outbreak. It encouraged people to check whether they qualify for a special enrollment period for other reasons, like a job loss that ends their health coverage.

All consumers are allowed to sign up for insurance anytime if they meet certain qualifying conditions, such as losing health coverage, getting married or having a baby.

Seth Merritt, 42, enrolled in a health plan Thursday in Providence, Rhode Island, after losing his job as a bartender when the brewpub closed because of concerns about the spread of the virus, he said.

He was uninsured and didn't want to deal with medical expense concerns if he contracted COVID-19.

The night he lost his job, Merritt said, he went online to sign up for a plan and he was enrolled the next morning.

"I assumed it would be hard. I assumed it wouldn't make sense," he said, but he was pleased it didn't take long.

Details of the special open enrollment period vary. Some states, like Nevada and Maryland, are making coverage available to people without insurance and those with short-term health insurance that does not offer comprehensive benefits. Massachusetts and Washington, on the other hand, allow enrollments only for people who have no coverage.

The response, state officials said, has been positive. In Rhode Island, nearly 175 people signed up for a plan within the first 72 hours of the special enrollment period, said Lindsay Lang, director of the state's exchange. Michele Eberle, executive director of Maryland's health exchange, said more than 1,500 people enrolled in 48 hours. Washington has had 2,970 applications, and 530 people have been enrolled.

"There are things beyond our control that may happen, such as the coronavirus," said Eberle, "and it's really helpful to have that peace of mind, such as health insurance."

Renata Marinaro works with a population whose health insurance status is volatile even under ordinary circumstances: employees in the entertainment industry.

As the national director of health services for the Actors Fund, a nonprofit that offers support services for professional entertainers, Marinaro has seen requests for help skyrocket over the past week as businesses that employ artists are closing. Of the 2,000 calls the organization has received, she said, many are looking for financial help. But insurance is a major concern, too. Because many in the industry face inconsistent work hours and income, she said, they tend to switch plans often or go without coverage.

“We see them moving in and out of many different types of insurance, public and private,” said Marinaro. She said she fears more upheaval ahead.

Whether driven by unemployment or the virus, the demand for health insurance during the special enrollment period could pose a financial risk for insurers in these states, said Sabrina Corlette, a research professor and co-director of the Center on Health Insurance Reforms at Georgetown University. Insurers rely on covering a stable number of people — or risk pool — to calculate how much to charge for health coverage.

A run on health coverage now — after insurers have set prices for plans — could lead to insurers paying out more to cover the sick than they take in.

“The rules of the game changed on them in the middle of the plan year,” said Corlette.

Requests to the Association of Health Insurance Plans, an industry trade group, for comment on the states’ efforts were not returned.

State officials said insurers have been supportive of the move to create a special enrollment period to respond to COVID-19. Nevada has taken steps to mitigate the risk by prohibiting people who lost insurance because they did not pay for their plan on time, said Heather Korbulic, executive director of the state’s exchange. But those people can try to work with their insurer to resume coverage.

Despite the gamble, state officials said they don’t view reopening the exchanges as rewarding residents who ignored regular enrollment efforts. A second chance to get coverage may translate to healthier, younger people buying plans and offsetting the costs of the sick, some said.

However, only time will tell whether the healthy or sick will sign up, said Dr. Charlene Wong, a pediatrician and health care researcher at Duke University.

“It’s hard to know how people are going to behave right now,” Wong said, “because it’s an unusual time.”

The Mercury News

Covered California extends special enrollment for health coverage until June 30
Erica Hallerstein

As coronavirus cases rise throughout California, health officials announced Friday that Covered California, the state's health insurance marketplace, would extend its special enrollment period until the end of June in an effort to provide health insurance to more people.

"The human and economic impacts of the coronavirus will be far reaching, long-lasting and impacting many Californians' health and economic security," Covered California executive director Peter V. Lee said on a conference call with reporters. "And we as a state and nation must rise to that challenge."

The extension is effective immediately and will allow anyone who is eligible for health care coverage through Covered California — which offers subsidized Obamacare care plans to individuals without employer-sponsored health insurance — to sign up until the end of June. Eligibility is based on federal poverty levels. Individuals making up to $17,237 qualify for MediCal, while those making over $17,327 and up to $49,960 are eligible for a subsidy on a Covered California plan.

Lee also stressed that all screening and testing for the coronavirus is free for anyone with coverage, whether through Covered California, MediCal, or employer-sponsored insurance, and emphasized that Californians who are eligible for MediCal can get insurance effective immediately. Covered California and MediCal plans also offer telehealth options for patients seeking medical assistance but who do not need to visit a doctor's office or the hospital.

MediCal accepts applications year round, said Jacey Cooper, the California State Medicaid director, and is extending the renewal period for open enrollment for 90 days.

"We are very committed to making sure our beneficiaries have access to the needed care and coverage during this public emergency and reminding everyone their health is our number one priority," Cooper said.

Health officials said MediCal enrollment has increased and insurance agents have seen a higher volume of requests for assistance as coronavirus-related closures and layoffs take a toll on the economy. The state received 80,000 unemployment claims on

Tuesday alone, Governor Gavin Newsom said, a dramatic increase from the typical daily average of about 2,000 claims.

KQED Radio

Covered California Opens Special Enrollment Period in Response to Coronavirus Crisis
April Dembosky

California health officials are now allowing anyone who lost a job or work hours because of business closures related to the coronavirus to sign up for health insurance, making it the seventh state to do so.

Earlier this week, 80,000 Californians filed for unemployment in one day – the normal rate is 2,000 a day – and many of them lost their health coverage along with their jobs. Officials at Covered California, the state's Affordable Care Act marketplace, are expecting hundreds of thousands of people to seek coverage due to job loss through the course of the pandemic.

"We think there's so much fear, so much confusion that we need to step up," said Peter Lee, executive director of Covered California, in announcing the new special enrollment period that will last through June. "If we need to extend it after that, we will."

More broadly, experts believe the collision of a global health pandemic with an economic downturn will be a stress test for the Affordable Care Act, with favorability likely to grow as more people need and use it. Monday marks 10 years since the health reforms were signed into law.

"This will be the first recession since the Affordable Care Act went into place," said Larry Levitt, a health policy expert at the Kaiser Family Foundation. "There's a safety net for people who lose employer-based insurance that never existed in previous recessions."

California has various protections in place for people who may find themselves in need of a new plan or struggling to pay their premiums.

How do I get coverage if I lost my job?
Start with Covered California. If you've lost your job and have no income, most likely you will qualify for free or low-cost coverage through Medi-Cal, the state's insurance program for low-income Californians. If you lost hours at work and are earning less

money, you may qualify for a subsidy to help you pay for a new plan; if you already have a plan through Covered California, you will likely qualify for additional financial aid.

Even if you didn't have insurance when you were employed, you can still buy a new plan now. Previously, only people who lost a health plan after losing their job could sign up through the individual marketplace anytime. During the special enrollment period, anyone can sign up.

What if I have a health plan but I miss a payment?
California and most other states have a three-month grace period on paying health premiums. If you miss a monthly payment, your insurer will continue to pay your health care bills. If you miss a second or third payment, your insurer can stop paying claims, but can't cancel your coverage. You have three months to catch up on your payments.

If I get the coronavirus, will I be facing a big medical bill?
California regulators now require insurers to cover the complete cost of testing for the virus, so no copays for consumers. On the other hand, experts estimate the cost of a hospital stay for coronavirus is about $20,000. If you're insured, out-of-pocket costs are an estimated $1,300. But if you have a high-deductible plan, which a lot of people do, you may be required to pay the maximum annual out-of-pocket cost, which is $6,000 in California.

Still, Levitt points out, that's better than having no insurance.

"We're hearing stories out of Italy, of hospitals needing to ration care," Levitt said. "We're not hearing stories of people getting enormous hospital bills in the mail and we are going to see those stories here."

Is this outbreak going to bankrupt the health insurance industry?
Health insurance companies are very concerned about the costs they are facing in this pandemic, says Peter Lee. They are required to spend 80% of their revenues on patient care, so they're operating on slim profit margins. Companies may be able to offset some of the costs of coronavirus treatment because they won't have to pay for many elective surgeries that have been canceled. But insurers are already looking to Congress and federal officials for financial help, just like the airlines industry.

Will my premiums go up next year?
Probably. It all depends on how many people become severely ill from the virus. If the costs are extreme and insurers see their financial reserves dwindle, they are allowed to raise premiums the following year to refill them.

What could this mean for the political future of the Affordable Care Act?

While public sentiment toward the health law was generally low in the early years, that changed when Republicans tried to repeal it in 2017. Millions of Americans had come to depend on its protections, and experts believe millions more will come to benefit from it this year.

“Americans are historically ambivalent about government,” said Jonathan Oberlander, a political science professor at the University of North Carolina-Chapel Hill. “In times of desperation, they’re not afraid to embrace high doses of government intervention.”

Similarly, Oberlander believes the Supreme Court will be very unlikely to strike down the law in the case currently before it. “It is unimaginable to me that the court will rule that the Affordable Care Act is unconstitutional and throw out the law in the middle of this pandemic,” he said. “That would devastate the legitimacy of the Supreme Court, and the human toll of that decision would be awful.”

San Francisco Chronicle

Covered California extends enrollment, plans to offer free coronavirus testing
Kellie Hwang and Mike Massa

As the coronavirus upends life for many Californians, health officials announced that Covered California has extended its enrollment period to allow more people to sign up for health coverage during the global health crisis.

Covered California, the state’s health insurance marketplace, announced Friday that it has expanded its special enrollment period, which was going to end April 30, through June 30 so that anyone who is uninsured and eligible can sign up.

“We want to get as many people covered as possible to ensure they have access to the health care they need,” said Peter Lee, executive director of Covered California, in a statement. “Having more people insured is the right thing to do, and this action builds on our efforts to leave no one behind in California.”

Under Covered California, people have access to private health insurance plans with monthly premiums that may be lowered as new federal and state financial help becomes available, according to a news release. Coverage begins on the first day of the following month after a person chooses a plan.

Some people may also be eligible for no-cost or low-cost Medi-Cal, which becomes effective right away after signing up online.

Covered California and Medi-Cal plans offer tele-health options, which allows people to speak to a medical professional via phone or video-chat — meaning they would not have to set foot in a doctor's office or hospital. The coverage includes free coronavirus testing and visits to emergency rooms or urgent care for screening or testing.

Medi-Cal, which covers 13 million Californians, has put a 90-day hold on renewal reviews so that people now covered can automatically continue coverage. The decision also frees resources to handle the expected influx of enrollment.

Officials urge people to explore health care options online or on the phone in order to practice social distancing and follow the state's stay-at-home order.

Eleven States Now Letting Uninsured Sign Up for Obamacare
Margot Sanger-Katz and Reed Abelson

Eleven states and the District of Columbia have opened enrollment under the Affordable Care Act to allow laid-off workers to get subsidized health insurance, and the Trump administration, which has been gunning to repeal the law, is considering opening the federal exchange to new customers.

The new enrollment periods will ease insurance sign-ups for people who have recently lost health coverage along with their jobs. And they will provide an opportunity for people who didn't buy insurance for the year to reconsider that choice.

California, Colorado, Connecticut, Maryland, Massachusetts, Minnesota, Nevada, New York, Rhode Island, Vermont and Washington are the states that run their own exchanges that have made the move to open enrollment. (Idaho is the exception in this grouping.)

In California, state officials had already extended the normal enrollment window because of changes in state policy. But Peter Lee, the executive director of that state's marketplace, Covered California, said he was doing everything he could to alert residents that they could buy insurance if they needed it now.

"There's no economic or public health rationale to not open the doors wide in the face of the pandemic," he said.

Rhode Island officials also chose to create a special enrollment period to prevent people from hesitating to get testing or treatment if they were uninsured, said Lindsay Lang, the director of the state's marketplace, HealthSource RI.

"We don't know how big this will be in Rhode Island," she said. The hope, she said, is to protect individuals and the state's health system from large sums of uncompensated care as they wait for federal officials to take action, adding, "This is what we can do while we wait."

The Affordable Care Act was set up with a short annual window for insurance sign-ups. That was meant to encourage Americans to buy coverage while they were still healthy, keeping down premiums. Under the Affordable Care Act, people who lose insurance coverage when they lose their job are already allowed to buy their own insurance. But the creation of a broad special enrollment period would mean that anyone without comprehensive insurance could simply sign up for a health plan, without having to prove such special conditions. Early reports from states suggest that a recent wave of layoffs will leave millions of Americans in need of new health coverage.

The federal government has established this type of special enrollment period in the past, typically during natural disasters. But over all, the Trump administration has worked to shorten enrollment periods and tighten eligibility rules for those seeking exceptions.

It is not clear whether the administration will establish a special enrollment period for the 32 states with markets it manages. (There are also six state-run exchanges that use the federal platform, and those states can't proceed without federal sign-off.) The administration continues to argue in court for the law's invalidation. In a press briefing on Sunday, President Trump reiterated that he would like to eliminate Obamacare altogether and replace it with an unspecified program he prefers.

"What we want to do is get rid of the bad health care and put in a great health care," he said, in response to a question about the lawsuit.

There are also an estimated 17 million people already uninsured but eligible for marketplace coverage, according to a recent study from the Kaiser Family Foundation. That study found that more than a quarter of those people were eligible for a bronze plan that would cost them nothing in premiums after federal subsidies were applied (they would still have a high deductible). A broad special enrollment period could protect that group from big bills, too, if they contract the disease known as Covid-19.

“If open enrollment were more broad, and there were fewer barriers, that could make it easier for people to sign up,” said Cynthia Cox, a vice president at Kaiser and a co-author of the study.

People in so-called short-term, limited-duration health plans — those offering skimpier coverage that doesn’t meet all the requirements of an A.C.A. plan — could also sign up. Although the administration has encouraged the availability of alternatives, many may now want more comprehensive coverage.

Washington State, which has been enrolling people since March 10, has had 2,973 residents indicate they plan to sign up as of last Thursday. About 500 have actually done so. In New York, during the first four days of the enrollment period, 150 people signed up, according to state officials.

In Rhode Island, which has had open enrollment since March 14, “we’ve had a really strong response,” Ms. Lang said. As of Friday, 233 people had enrolled, with a further 150 or so in the process of doing so.

For Americans whose income has dipped low enough to qualify them for Medicaid, that program accepts applications all year long. In the 36 states that expanded their Medicaid programs under the Affordable Care Act, that means anyone now earning less than 138 percent of the federal poverty level — about $17,000 for a single person and $35,500 for a family of four, annually — can qualify for coverage right away. Eligibility rules vary in the other states. Many people who have lost their jobs and have very low incomes are now likely to qualify.

Marketplace coverage is more complicated: In addition to the need for an enrollment period, enrollees typically qualify for financial assistance with their premiums based on their income declared on their last tax return. Individuals can use a different estimated annual income but may have to provide documentation that their circumstances have changed, Ms. Cox said.

Anyone who already has marketplace coverage but has had an income change can return to the marketplace to apply for an increased subsidy. This is true even in states that have not yet established a special enrollment period.

Initially hesitant to reopen the federal marketplaces, health insurers recently began pushing for a special enrollment period to insure people who suddenly find themselves without a job. Last Thursday, the two main trade associations sent a letter to Congress calling for a special enrollment period, allowing people to sign up regardless of whether they’re currently insured.

While it is true that people can already apply for coverage when they lose their employer-based coverage, a special enrollment period would require less paperwork and could be the quickest way for people to get coverage, said Justine Handelman, a senior vice president for the Blue Cross Blue Shield Association.

HUFFPOST

Uninsured And Worried About COVID-19? You May Be Able To Get Covered.
Jeffery Young

As the novel coronavirus continues its spread across the United States, Americans are understandably worried about the high costs of treatment. Most vulnerable are those without health insurance, and some states are stepping up to offer assistance.

The open enrollment period for health insurance on state and federally run exchanges, which are for people obtaining coverage on their own rather than through employers, ended months ago. But people looking for insurance, either because they lost coverage or because they suddenly decided to get it, have opportunities to buy — although the exact circumstances will vary depending on the state.

The exchanges in Colorado, Connecticut, Maryland, Massachusetts, Minnesota, Nevada, New York, Rhode Island, Vermont and Washington state have reopened under “special enrollment periods” in response to the growing number of Americans who have or may have contracted COVID-19. As of Monday, enrollment was underway in each of those states.

In addition, California, which was already accepting new sign-ups to help people avoid paying tax penalties for not adhering to the state’s new individual mandate to get coverage, has extended its deadline to accommodate people needing coverage during the coronavirus outbreak. The District of Columbia’s exchange already had been reactivated to enable uninsured people to get insurance at the same time of year they file their income taxes.

The special enrollment periods allow residents of those states who are uninsured an opportunity to protect themselves from high medical costs, but time is limited, and every jurisdiction except California and the District of Columbia has April deadlines to sign up.

Enrollment Not Happening In Most States

The federal government hasn't announced a special enrollment period for the people in the 38 states that use HealthCare.gov for enrollment, and neither has the state-run exchange Your Health Idaho. But it might still be possible to get covered in those states.

The Affordable Care Act, which created the exchanges, allows states that run their own insurance marketplaces and the federal government in other cases to enact special enrollment periods like this under certain circumstances.

"Special enrollment periods are part of the ACA and are required for all marketplaces, state-based as well as the federal marketplaces," said Jennifer Tolbert, director of state health reform at the Henry J. Kaiser Family Foundation in Washington. "There is discretion, however, and in the case of a number of state-based marketplaces — these are states that run their own marketplaces, have their own websites — they have made this decision to create a special enrollment period in response to the coronavirus."

In the states that have taken this action, exchange coverage is available to any uninsured people who would otherwise qualify to use the marketplace: U.S. citizens or lawful residents who are not incarcerated. People who bought alternative forms of health coverage, such as short-term plans, may also be eligible to shop on the exchanges.

People with incomes between the federal poverty level and 400% of that amount — a range from $12,760 to $51,040 for a single person — may be eligible for tax credits that reduce monthly premiums.

Those who earn between the poverty level and 250% of that, or up to $31,900 for a single person, may qualify for extra assistance that reduces out-of-pocket costs, such as deductibles and copayments. Anyone who is offered employer health benefits that meet the ACA's standards for affordability is not permitted to receive tax credit subsidies on exchange policies.

As of Monday, the deadlines to sign up in those 11 states and the District of Columbia that are running special enrollment periods are:

In other states, people may also still have a chance to get coverage if they need it. The same special enrollment periods under the ACA that enable states to reopen their exchanges also permit customers everywhere to enroll in health coverage under certain circumstances, even though HealthCare.gov and the state-run exchange in Idaho remain closed.

One of the main reasons a person would become eligible to shop for insurance outside of the annual open enrollment period is when she loses her job.

With a growing number of workers unemployed or otherwise unable to work because of the coronavirus outbreak, this could apply to a substantial number of people. Other life changes — such as getting married, having a baby, getting divorced, moving, or involuntarily losing health insurance for any reason — also would allow people to use an exchange right now.

Medicaid Is Always Available
In addition to access to private insurance from the health insurance exchange, people with low incomes may qualify for Medicaid coverage, and enrollment in the joint federal-state program is open year-round. The income limits are different among the states and vary for different populations, such as children, pregnant women, people with disabilities, parents and adults without children.

Typically, Medicaid only is available to adults earning up to 133% of the federal poverty level, which is $16,971 for a single person, although coverage may be available for some groups, such as children, in families with higher incomes. Children from households with incomes too high to qualify for Medicaid may be eligible for the Children's Health Insurance Program.

Adults who don't have a disability and don't have minor children living at home cannot qualify for Medicaid, no matter how low their incomes are, in the 14 states that refused to participate in the Affordable Care Act's expansion of the program.

The federal government has taken two actions to bolster Medicaid during the coronavirus emergency. The Centers for Medicare and Medicaid Services has invited states to seek permission to waive certain Medicaid rules to facilitate enrolling eligible people who need coverage, such as relaxing income documentation requirements and fast-tracking applications. In addition, the coronavirus relief legislation Congress passed last week boosts federal funding for state Medicaid programs.

The Centers for Medicare and Medicaid Services is "looking closely at all its policies and across all its programs" to assist with the federal coronavirus response, the agency said in an email to HuffPost.

"CMS is not currently offering a special enrollment period specifically designated for COVID-19. However, consumers who are not currently enrolled in coverage can see if they qualify for other special enrollment periods by visiting HealthCare.gov. We will continue to work closely with states and health plans around the country to assess what additional actions are necessary to ensure the American people have coverage for and access to the services they need during this time," the agency said.

Coronavirus is “not currently considered grounds for a Special Enrollment Period in Idaho,” a Your Health Idaho spokesperson wrote in an email.

THE SACRAMENTO BEE

Insurance rates will spike without US action on coronavirus costs, Covered California says
Cathie Anderson

Without federal action, insurance premiums are likely to skyrocket by as much as 40 percent or more in 2021 because of the costs of testing and caring for patients with COVID-19, Covered California reported Monday.

“Consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion, said Covered California Executive Director Peter V. Lee. “Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees.”

The agency’s chief actuary, John Bertko, prepared the report after conferring with actuarial experts in the commercial insurance markets and analyzing interviews with health insurances plan leaders.

In a report to congressional representatives, Covered California leaders noted that insurers are in the process of setting premiums right now. The report made several recommendations that Lee said could mitigate the potential impact of cost increases for consumers and businesses:

Expand subsidies for people earning 400 percent above the federal poverty level, and increase tax credits for those earning under 400 percent of that level.
Temporarily set limits on costs for COVID-19 testing and treatment to provide more certainty on pricing for health insurers and self-insured employers and those they cover.
Set up a national special-enrollment period this year for the individual market, just as 12 state-based marketplaces have already done.

“There is no time to waste,” Lee said. “We must take action now to prevent the pain of this epidemic from becoming worse for hundreds of millions of Americans next year.”

Lee advocated for policies under consideration in Washington that would provide federal funding for portions of unforeseen COVID-19 costs for the individual and

employer markets, along with Medicare managed care programs, saying the measures could provide needed funds and certainty for consumers, small and large employers, and states across the nation.

COVID-19, a respiratory illness caused by the new coronavirus SARS-CoV2, has posed a great challenge to health care systems worldwide because so many people require intensive or critical care to support their breathing. To reduce the strain on hospitals, public health officials have ordered people around the world to shelter in place to reduce these numbers, and those orders have led to economic .turmoil as companies shut down operations, sometimes laying off employees or providing no pay.

Last week, Covered California joined other state-based health insurance marketplaces in opening a special enrollment period to allow all consumers to sign up for coverage. Typically, coverage is only open to everyone during open enrollment from November to January.

In addition to federal subsidies, the state of California is also offering a range of financial help to make coverage more affordable. Consumers can find out more at www.CoveredCA.com.

California Extends Special Enrollment Period
Robert Sheen

Due to the enormous challenges the coronavirus crisis is imposing on our healthcare system, the state of California has extended its Special Enrollment period.

Effective immediately, the Special Enrollment period for 2020 has been extended through June 30. According to a press release by Covered California, the healthcare exchange will be hosting two webinars explaining the Special Enrollment periods, as well as tips, tools, and resources for ensuring individuals can enroll successfully.

Residents that live within the Los Angeles and Inland Empire regions should register for this webinar.

Residents that live within the Orange County and San Diego regions should register for this webinar.

Covered California has also released a COVID-19 fact sheet for healthcare enrollees, new and current. You can view it here.

Amidst one of the largest pandemics in U.S. history and the unprecedented statewide ‘Stay at Home’ order from Governor Newsom asking residents to limit unnecessary contact and engage in social distancing, enrollees should know that all Medi-Cal and Covered California plans offer telehealth options. In addition, “all medically necessary screening and testing for COVID-19 are free of charge.”

Executive Director of Covered California, Peter V. Lee stated in a press release, “We want to get as many people covered as possible to ensure they have access to the health care they need.”

Earlier this year the Covered California announced the special enrollment period as a result of the Individual Mandate penalty that went into effect this year. The further extension of the Special Enrollment period reflects the severity of the coronavirus’s impact on our healthcare.

Everyone is being affected by coronavirus, COVID-19 and employers should ensure that their staff have the coverage they need during this critical time. Employers should note that it is also their responsibility to offer ACAcompliant health coverage to full-timeemployees,as required by the Employer Mandate.

Under the ACA’s Employer Mandate, Applicable Large Employers (ALEs) organizations with 50 or more full-time employees and full-time equivalent employees) are required to offer Minimum Essential Coverage (MEC) to at least 95% of their full-time workforce (and their dependents) whereby such coverage meets Minimum Value (MV) and is Affordable for the employee or be subject to Internal Revenue Code (IRC) Section 4980H penalties.

For the seeable future, daily business activities will continue to be disrupted by the coronavirus pandemic. Fluctuating hours, telecommunicating, and temporary hires are just some of the challenges employers may face during this critical time. These challenges could significantly impact your ACA compliance process, subjecting your organization to significant IRS penalty assessments.

Now would be a great time to consider outsourcing ACA compliance.Contact us to see how ACA Complete could help your organization.

To learn more about ACA compliance in 2020, click here.

COVID-19 Could Mean $251B Spike In Health Costs, Calif. Says
Adam Lidgett

Law360 is providing free access to its coronavirus coverage to make sure all members of the legal community have accurate information in this time of uncertainty and change. Use the form below to sign up for any of our daily newsletters. Signing up for any of our section newsletters will opt you in to the daily Coronavirus briefing.

Law360 (March 23, 2020, 7:31 PM EDT) -- California health insurance officials are projecting that the coronavirus pandemic could cause health care costs in the commercial insurance market to spike to as much as $251 billion during just the first year of the deadly crisis.

In what is being billed as a first-of-its-kind study of the health costs of the COVID-19 pandemic in the U.S., Covered California said in a Monday news release that its projections estimated that coronavirus tests and care will end up between $34 billion and $251 billion over the course of the year in the commercial health care marketplace.

Covered California, the state's health care marketplace, said the costs would spike without some sort of federal intervention.

"These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis," Peter V. Lee, Covered California's executive director, said in a statement. "These are not 'insurer' costs — these are costs directly borne by individual Americans in the form of cost-sharing and premiums; these are costs to small and large businesses that are struggling; these are costs to individuals who may avoid needed care."

As for 2021, Covered California also said coronavirus costs would likely jack up premiums without federal intervention. Insurers would increase those premiums to make up for losses related to the pandemic and also to account for any losses related to the virus that may come up next year, according to Covered California.

Covered California said it sent its policy brief to Congress and made suggestions on how to dull the virus' financial impact, like expanding federal monetary assistance for people living well below the federal poverty line and temporarily limiting coronavirus' costs for self-insured employers and also insurers.

"We must take action now to prevent the pain of this epidemic from becoming worse for hundreds of millions of Americans next year," Lee said in a statement. "Reinsurance policies under consideration in Washington — that offer mechanisms to provide federal funding for portions of unforeseen COVID-19 costs for the individual and employer markets, along with Medicaid managed care programs — could provide needed funds and certainty for consumers, small and large employers and states across the nation."

Covered California has also recently said it has opened up a special enrollment time frame that will allow those without insurance to get coverage during the pandemic, saying eligible uninsured Californians have until the end of June to enroll.

James Scullary, a spokesperson for Covered California, told Law360 on Monday that health care companies are now coming up with their premiums, and Covered California's analysis is meant to give everyone an idea of the increased costs they could be facing.

He said in many of those costs would be passed onto consumers, absent federal action.

"While much of the attention right now is rightfully placed on the immediate needs of Americans during this time, we also want to shine a light on what's ahead of us in the next six months or so," he said.

SACRAMENTO BUSINESS JOURNAL

Health care premiums could skyrocket from coronavirus
Felicia Alvarez

The costs of providing care amid the coronavirus pandemic could cost billions for health insurers, according to a new report by Covered California.

Covered California released its findings on what the outbreak means for the nation's insurers on Monday. Covered California is the state’s marketplace for individual health care coverage under the Affordable Care Act, and provided coverage for about 1.5 million Californians as of February.

The commercial health care market is projected to face anywhere from $34 billion to $251 billion related to testing and treatment for COVID-19, the report states. To make up for those costs, premiums could rise 40% in the individual and employer markets, if the federal government doesn't intervene.

The analysis is based on projections that 4 million to 15 million Americans could test positive for the virus, and that 10% to 15% would be hospitalized. The projected cost covers a one-year period.

"Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums," said John Bertko, chief actuary for Covered California, in a written statement. Bertko prepared the report after working with external actuaries with expertise in the commercial insurance markets, clinical experts and health insurance plan leaders, according to Covered California.

"While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action," Bertko said.

Without federal action, employers could end up in a situation where they are no longer able to provide affordable coverage, and consumers may drop their health insurance due to cost, according to the report. Small insurers could also risk insolvency.

Covered California is calling on Congress to increase tax credits for those earning under 400% of the federal poverty level and expand subsidies for those earning more than 400% of the federal poverty level.

The agency is also suggesting that the federal government establish a temporary program to limit the costs of COVID-19 for health insurers and self-insured employers.

Covered California took similar actions last week, when it announced a special enrollment period for uninsured individuals who need health coverage during the COVID-19 outbreak. The enrollment period is open until June 30.

"These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis," said Peter Lee, executive director of Covered California, in a prepared statement. "These are not 'insurer' costs — these are costs directly borne by individual Americans in the form of cost-sharing and premiums; these are costs to small

and large businesses that are struggling; these are costs to individuals who may avoid needed care."

Representatives of the California Association of Health Plans, the state's association for commercial plans, declined to comment on potential premium increases.

"We appreciate Covered California's analysis, but there are many factors that will go into estimating premiums for 2021 and many unknowns regarding how this crisis will unfold and what actions will be taken," said Mary Ellen Grant, spokeswoman for the association, in an email.

She added that the "most important" thing at this time is social distancing and for individuals to heed warnings from public health officials.

FierceHealthcare

COVID-19 could cause insurance premiums to spike as much as $251B next year: report
Robert King

The COVID-19 outbreak could cause premiums for individuals and employers to spike from 4% to 40% next year, a new analysis from California's Affordable Care Act (ACA) exchange found.

The analysis, published Saturday by Covered California, said insurers are in the process of setting rates now for the 2021 coverage year. Those rates will likely have to factor in any costs for the COVID-19 outbreak that has spread across the country.

Covered California said the actuarial analysis underscores the need for the federal government to step in and help cover the costs for testing and treatment of the virus that has already exceeded 40,000 cases in the U.S.

The state-run ACA exchange warned that more unsubsidized people could flee the exchanges, exacerbating a current trend. Smaller insurers could also risk insolvency, and employers may not be able to afford coverage due to the higher rates.

The federal government would also be on the hook for the higher premiums in the form of ACA cost-sharing subsidies such as tax credits. Both federal and state governments could also pay more for Medicaid as individuals and employers drop coverage, the analysis found.

The analysis examines the projection for a nationwide outbreak where more than 100 million Americans will need to be tested.

Many major insurers have agreed to cover the cost of getting a COVID-19 test.

Treatment costs could also vary dramatically, as they could be roughly $30,000 per admission for COVID-19. That figure is based on Medicare rates and the average length of stay of 12 days, which is a similar length for other respiratory cases such as the flu or pneumonia.

“The one-year projected costs in the national commercial market range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19—with the potential that costs could be higher than on the high end of the range,” Covered California said.

Insurers will have to recoup those staggering costs by raising rates. It also remains unclear for insurers the costs associated with COVID-19 in 2021, which they will have to predict as they set their new rates.

Research on vaccines and antivirals is still underway, and it remains unclear whether COVID-19 is a seasonal virus like the flu.

“While projections of 2021 costs is difficult, we suggest that it is not prudent to plan today on lower costs related to COVID-19 in the 2021 calendar year than we project for 2020,” Covered California said. “Only when we know more about COVID-19 and whether drug treatments or a vaccine are effective should we consider modifying cost estimates for 2021.”

The Health 202: Coronavirus could drive up insurance premiums for tens of millions of Americans, projection shows
Paige Winfield Cunningham

Severely ill coronavirus patients will generate such costly hospital bills that it could drive up insurance premiums by double digits for tens of millions of Americans next year.

That’s according to Peter Lee, director of California’s individual insurance marketplace, whose actuaries have estimated that medical care stemming from the virus could generate between $29 billion and $216 billion in hospital costs nationally for patients on

employer-sponsored or individual market coverage, depending on the number of people ultimately infected.

The report out of California — which, like a half-dozen other states, is allowing people special permission to sign up for Affordable Care Act plans during the pandemic — underscores yet another economic ripple effect of the virus: It will spur large new health-care costs that many Americans will eventually feel.

While the vast majority of coronavirus patients will experience only mild symptoms, a subset of the infected will develop pneumonia or other respiratory trouble, requiring a hospital stay where they can have access to oxygen or a ventilator.

Actuaries for Covered California, the state's ACA marketplace, estimated that patients hospitalized because of coronavirus would stay an average of 12 days, generating an average bill of $72,000.

A majority of these patients will be over age 65, so the federal Medicare program will pay their bills, which are typically around half or two-thirds of what commercial insurers pay. Low-income people on Medicaid will have coverage, too.

But the outlook is troubling for other Americans. If they are insured, they'll mostly be covered after meeting their annual deductible, but they'll still cause a boost in health-care spending that will make future premiums more expensive for everyone else.

And uninsured patients who require hospitalization will incur tens of thousands of dollars in costs.

Covered California estimate calculated total costs to the system based on three scenarios. There's the scenario in which coronavirus has "low" impact, in which 400,000 people are hospitalized in the U.S.; "medium" impact where 1.2 million are hospitalized; and "high" impact where 3 million people are hospitalized.

In any of these scenarios, insurers will face large, unexpected bills that could prompt widespread premium spikes next year.

"It's a phenomenally large implication," Lee told me.

California's $72,000 estimate for a hospital stay for coronavirus is considerably larger than what other analysts have projected. Kaiser Family Foundation researchers found the average employer-sponsored plan pays an average of $20,292 for hospital admission of a patient with pneumonia and major complications. The average cost ranged from $11,533 to $24,178, depending on the area of the country.

But this much is clear: The coronavirus outbreak, which killed 100 people in the United State in a single day yesterday, will further strain a U.S. health-care system whose patients are already plagued by perpetually rising costs and inefficiencies all around.

The Washington Examiner's Philip Klein:

CNN reporter Jeremy Diamond:

Yet the pandemic has also offered Obamacare advocates a chance to tout the law's successes on its 10th anniversary yesterday.

"We couldn't need it more in terms of this pandemic," House Speaker Nancy Pelosi (D-Calif.) said on a call yesterday hosted by the Democrat-connected group Protect Our Care. "As we prayerfully go into this further discussion on the coronavirus challenge, thank God for the Patient Protection and Affordable Care Act."

Advocates were forced to dramatically scale back their plans to celebrate the ACA's decade of existence on March 23. President Obama released a video message instead of delivering an address at American University, which was canceled.

Congressional Democrats still seized the opportunity to tout the law's expansion of coverage to around 20 million Americans through the individual marketplaces and Medicaid expansion and its requirements for plans to cover essential services — including hospital visits and vaccinations, services that are particularly relevant during this pandemic.

They resurrected their frequent pre-coronavirus messaging about the Trump administration's constant bombardment of the law, most specifically its position that the entire measure is unconstitutional and should be struck down by the courts. Pelosi asked the administration to reverse its position on the ACA and to instead encourage the states still resisting Medicaid expansion to accept it.

Chris Lu, deputy secretary of labor under Obama:

Larry Levitt, a senior vice president with the Kaiser Family Foundation:

And they called on the administration to further promote the law during the pandemic, by opening up HealthCare.gov for a special enrollment period.

Sign-ups are typically allowed only in the final two months of the year, but Colorado, Connecticut, Maryland, Massachusetts, Nevada, New York, Rhode Island and

Washington (which all run their own marketplaces) have all temporarily reopened sign-ups. Enrollment was already open in California and the District of Columbia for other reasons, but both jurisdictions have said they'll keep it open longer.

Rep. Lauren Underwood (D-Ill.), who worked at the Department of Health and Human Services as the ACA was being passed, said it's "really important we leverage all existing authorities to ensure the American people have access to the care and coverage they need."

"We just haven't seen any move toward that end from the administration," she said.

40% hike for health insurance premiums possible after coronavirus pandemic, Covered California warns
Eric Escalante

CALIFORNIA, USA — Covered California is sounding an alarm for a potentially drastic premium hike on health insurance across the country due to the coronavirus [COVID-19] impact.

The health insurance marketplace says, due to the pandemic, premiums could increase by 40% nationwide in 2021 without federal help. For comparison, the rate increase for Californians in 2020 was 0.8%.

The findings were released in their national projection of the coronavirus' impact on people with employer or individual insurance plans, which covers about 170 million Americans.

"Covered California's analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion," said Covered California Executive Director Peter V. Lee. "Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees."

While there is uncertainty with cost projections and the coronavirus, the study says one-year projected costs in the commercial market range from $34 billion to $251 billion for testing, treatment, and care related to the virus.

James Scullary, a spokesperson for Covered California, says the midpoint would be around $100 billion.

"It's important because these would be unanticipated costs," Scullary explained. "These are not costs that are baked into the current insurance premiums that people are paying throughout 2020. These would be on top of that."

Scullary said insurers set their rates between May and June, so federal action would be needed to impact the potential premium hike and protect both people and insurers.

"If there's an extra $100 billion that [insurance companies] need to account for… there is the potential situation where they would try to pass that cost onto consumers in the form of higher premiums or higher cost sharing," Scullary said. "Really, while there is a lot of uncertainty, we know that this is a situation that will be very significant and expensive and, at those costs, were not planned for."

All in all, the problem is likely more than California alone can handle, which is part of the reason why Covered California's study covered the national market and not just the local market.

It wanted to get the attention of lawmakers in Washington D.C.

"This is not a situation where we're in our own little golden state of California [and] it doesn’t matter what happens to the rest of the country," Scullary said. "This is a national issue."

Madison Voss, spokesperson for California Insurance Commissioner Ricardo Lara, says the commissioner has department's actuaries to reviewing Covered California's study.

She says Lara will also work with leaders at the state and federal levels to decrease the impact of the coronavirus on health insurance rates.

"Congress needs to take immediate action by increasing tax credits and expanding subsidies to protect consumers from future rate increases," Voss said. "It is important to note that individual health insurance rates are already set for this year. With Covered California extending its special enrollment period, nothing should stop uninsured Californians from obtaining coverage now."

According to Covered California, some of the possible mitigation efforts Congress could take include enhanced federal assistance for the individual market; a temporary program limiting coronavirus costs for health insurers, self-insured employers, and those they cover; and set up a national special-enrollment period for the individual market.

Otherwise, with the federal help,the increased costs could mean many people in commercial market losing coverage and going without needed care.

Coronavirus pandemic: 1 million Californians could lose healthcare in midst of COVID-19 pandemic
Michael Finney and Renee Koury

SAN FRANCISCO (KGO) -- An alarming projection: The state's health insurance advocacy group says as many as one million Californians could lose their health insurance during the pandemic -- just as folks need medical care the most to stop the spread of novel coronavirus. The state is now re-opening its open enrollment period.

Covered California, the state's insurance marketplace, now considers COVID-19 a life-changing event. It means if you lose your job or work less because of it, you may qualify for free or low cost health insurance.

As tens of thousands of Californians suddenly lose their jobs or work fewer hours, thousands are also losing health insurance -- just as the pandemic is spreading.

Public health advocates say thousands are losing coverage provided by employers. Not only that, gig workers and hourly employees are earning less, and can no longer afford premiums -- they may choose food over health coverage -- so the numbers of uninsured may skyrocket.

"We expect that as people lose hours and lose their jobs they'll also lose coverage and that's not just tens of thousands. That's possibly over a million Californians," says Anthony Wright, director of California's Health Access.

He says it's not only vital for personal medical care; insurance is a vital tool for stopping the spread of coronavirus.

"This is absolutely the worst time for people to be uninsured. We want people to be insured, to have a doctor to have a usual source of care to be able to call if they have the symptoms, so they can get screened and tested. We need that not just for them but for the public health effort of controlling this and containing this coronavirus," says Wright.

So, Covered California has now added the coronavirus impact as a "life-changing event." That means those who lose coverage due to the pandemic can now apply for free or low-cost health insurance. You can be eligible based on your new estimated income.

Here's who can get help:

Individuals earning less than $17,200 per year will qualify for a free or low-cost Medi-Cal PLAN

A family of four with an income up to about $35,000 will also qualify for a free or low cost plan

Individuals earning up to $75,000 may qualify for a subsidized plan under Covered California

A family of four can earn up to $150,000 and still receive a subsidy for health insurance.

Even before the pandemic, three million Californians had no insurance. If they get COVID-19, their hospital charges would be enormous. And without a doctor to refer patients for screening, the disease spreads.

"The ability to contain this coronavirus is dependent on our ability to screen and test for it and to know where it is. If people are afraid to go to a doctor... because of fear of a bill that will hamper our ability to control this virus," Wright says.

To see if you qualify for free or low cost insurance, go to Covered California.

Bloomberg LAW

Coronavirus Stimulus Bill to Unveil Covid Lab Testing Prices
Alex Ruoff

Providers of coronavirus tests will have to publish their prices under the sweeping economic stimulus bill expected to be cleared by both chambers of Congress this week.

Lawmakers are worried that efforts to make coronavirus testing free for many Americans could increase the cost of the tests, putting added costs on many of the same employers the stimulus bill is supposed to rescue from a slumping economy.

The stimulus bill agreed to on Wednesday would also require all providers to publish a “cash price” for coronavirus testing, a move meant to keep providers from dramatically raising the cost of coronavirus tests once insurers offer to cover them at no cost.

Medical personnel collect a sample from a patient at a drive-thru COVID-19 testing clinic at a Kaiser Permanente facility in San Francisco, Calif., on March 12, 2020.

Publishing the “cash price"—what a person could pay instead of using their insurance—of the tests could allow employers, who pay for the bulk of private insurance coverage, to nudge their employees away from providers charging high rates for the tests, supporters say.

“Having these prices could at least help employers try to use cash incentives or something else to steer patients to low-cost providers,” Katy Talento, a health-care benefits consultant and former White House adviser who has advocated for more pricing transparency in the health industry, said in an interview.

However, some economists argue publishing prices will do little to change how people potentially infected with the coronavirus will behave because lawmakers and insurers have largely ended cost-sharing for patients through previous legislation passed this month in Congress.

“Given that the test is free for patients wherever they get it, they have no reason at all to care about the ‘cash price,” Loren Alder, associate director of the USC-Brookings Schaeffer Initiative for Health Policy, said in an email.

Rising Cost Concerns
Employers are growing more concerned about the costs they'll incur from the coronavirus outbreak.

For the 170 million Americans covered by commercial insurance, testing, treatment and care specifically related to Covid-19 this year will cost $251 billion, according to a report from Covered California, the state's insurance marketplace. Premiums in the individual and employer markets for 2021 could increase more than 40% solely because of these unexpected COVID-19 costs, according to the report.

Earlier in the month President Donald Trump signed into law a bill (PL 116-127) that eliminated cost-sharing for coronavirus testing for people with public insurance and on employer-sponsored plans. The latest stimulus bill stipulates that if insurers and providers have already agreed for a cost for such a test then that rate won't change as long as a public health emergency is in place.

The White House sought to use the stimulus to codify into law its own demands for hospitals and other health-care providers to publish their prices, but congressional leaders ultimately decided against it, according to Senate aides familiar with the discussions.

HEALTHCAREDIVE

Coronavirus could hike premiums by double digits next year
Rebecca Pifer

Dive Brief:

- The COVID-19 outbreak could cause insurance premiums to increase by double digits next year for tens of millions Americans as hospitals struggle with an influx of severely ill patients, according to one analysis.
- Actuaries in California's individual insurance marketplace estimate medical care from the virus could add between $29 billion and $216 billion in hospital costs nationwide for patients covered by their employers or those in individual market plans, depending on how many people in the U.S. are infected.
- Payers, smack dab in the middle of rate-setting for 2021, could increase premiums from 4% to more than 40% if they aim to recoup all COVID-19 costs and protect solvency, the new report from California warns.

Dive Insight:
The new coronavirus is sending the U.S. economy into a tailspin, but could also have far-reaching economic impacts that could hit Americans over the next few years, too. The outbreak has killed more than 800 people in the U.S. and infected more than 55,000 as of Wednesday, highlighting gaps in the U.S. healthcare system already plagued by ever-rising costs.

The majority of coronavirus cases are relatively mild, or may not even show symptoms within the two week incubation period. However, a small subset of those infected — most over the age of 65 or with underlying chronic conditions — result in severe respiratory complications requiring a hospital stay to receive oxygen and other treatment.

Actuaries in California's ACA marketplace, Covered California, project that patients hospitalized due to COVID-19 will stay in the hospital an average of 12 days and generate an average bill of $72,000.

A majority of those patients will likely be covered by Medicare, as the virus disproportionately hits older people. But the bills racked up by COVID-19 treatment could prove disastrous for the uninsured, or even those insured with a high deductible. And, down the line, that uptick in healthcare spending will raise future premiums across the entire risk pool, according to the Covered California estimate.

California actuaries looked at three scenarios: a "low impact" scenario where 400,000 people are hospitalized across the country; a "medium impact" where 1.2 million people are hospitalized; and a "high impact" scenario with 3 million hospitalizations. Each case would result in bills insurers didn't plan for in the 2020 plan year and could send premiums skyrocketing in 2021.

The $72,000 estimate for a hospital bill is higher than some other projections: For example, researchers at the Kaiser Family Foundation estimate an average of $20,292 for a COVID-19 hospital stay, based on the average cost of admission for pneumonia with major complications and comorbidities in 2018. FAIR Health estimates between roughly $42,000 and $74,000 per patient, depending on case severity.

Public and private payers alike have mobilized to expand access to COVID-19 testing and treatment. California, along with a handful of other states, is opening up a special enrollment window for Affordable Care Act plans amid the pandemic.

UnitedHealthcare, the largest private health insurer in the U.S., is offering a special enrollment period for its commercial members and reducing some of its prior authorization requirements. Aetna said Wednesday it would waive cost-sharing and

copays for its commercial members admitted to a hospital with COVID-19, while Humana is expanding access to telehealth coverage across all its plans.

HUFFPOST

Free Tests Won't Be Enough To Protect Americans With COVID-19 From High Costs
Jeffery Young

Congress has already assured that anyone who can actually get tested for coronavirus won't face any costs for the diagnosis. But in the high-priced U.S. health care system, that won't be nearly enough.

The free testing for COVID-19, the disease caused by coronavirus, that was made available in the legislation President Donald Trump signed last week alleviates only one concern.

Patients who show possible symptoms of the coronavirus are typically first screened for other illnesses, such as influenza, to determine whether they need a coronavirus test. Those diagnostics and any other services a patient receives while undergoing COVID-19 testing will still cost money, which can deter someone from seeking the test at all.

Then there are the treatment costs for those diagnosed with COVID-19. While there is no proven medical treatment to fight the viral infection itself, patients who are too sick to recover at home frequently require hospitalizations, and with hospital stays come hospital bills. Intensive care unit beds, ventilators and specialized physician treatment can get very expensive.

The American health care system is particularly unsuited to a moment like this, when potential millions of people get sick at the same time with a disease for which there is no cure and that requires aggressive medical interventions.

High Costs For Everything But The Coronavirus Test
The medical costs of the coronavirus will be considerable, as high as $251 billion over the next year, according to an analysis from Covered California, the state's health insurance exchange. That assumes 15 million Americans are diagnosed with COVID-19, which is the upper end of Covered California's projections. But even the low end of the Covered California projection anticipates 4 million cases and $31 billion in costs.

Patients will pay a substantial portion of that themselves in the forms of deductibles, copayments and other kinds of out-of-pocket costs required by their insurance policies. By examining job-based health benefits — the most common type of private health coverage — the Henry J. Kaiser Family Foundation estimated that the average COVID-19 patient younger than 65 will incur at least $1,300 in out-of-pocket costs for treatment, depending on the severity of their illness. That's on top of the premiums policyholders pay for their insurance.

To some, that may not seem like much money. But last year, the Federal Reserve Board reported that four in 10 Americans don't have enough savings to cover even $400 in unexpected expenses. And even under normal circumstances, big health care bills can lead to financial ruin. From 2013 through 2016, 59% of people who filed for bankruptcy cited medical costs as a reason.

Those calculations don't include other aspects of the U.S. health care system, such as higher charges from out-of-network medical providers, which can lead to surprise bills. Eighteen percent of hospital admissions for people who have pneumonia with major complications — which the sickest COVID-19 patients experience — resulted in bills from out-of-network providers, according to the Kaiser Family Foundation.

Those with deductibles into the thousands of dollars will pay even more, including people who work for small businesses and those who buy the lower-cost policies available from health insurance exchanges like HealthCare.gov or directly from insurance companies. So-called Bronze plans this year have an average deductible of $6,506, and the average Silver plan deductible is $4,554, a separate Kaiser Family Foundation report found.

Similar to people with private insurance, Medicare enrollees must pay up to their deductibles and for a share of their medical costs, unless they have supplemental "Medigap" plans that cover those. Those with private Medicare Advantage plans face cost-sharing that varies among the policies, but the federal government has instructed insurers not to charge patients more when they see out-of-network providers. In most states, Medicaid beneficiaries have little to no out-of-pocket costs.

The 28 million uninsured people in the U.S., of course, will have it much worse.

The sticker price for COVID-19 care ranges from $9,763 to $20,292 for people who have employer-sponsored health insurance. But even that doesn't capture the potential costs for an uninsured person because employers and insurers negotiate lower fees with hospitals and other medical providers while those without coverage face the full, non-discounted prices.

Time reported last week that a Massachusetts woman with no health insurance had received bills totaling $34,927.43 after getting treated for COVID-19. There will be more like her.

A System Designed To Deter Care
The private health insurance system was designed to discourage Americans from getting medical treatments and to erect financial and logistical barriers to care. During a national and personal emergency, patients who have or think they have COVID-19 still have to navigate their insurance companies' rules.

They must choose from the providers in their networks or be subject to higher costs, including surprise bills from hospital personnel who aren't in a network even when a hospital is. In 2018, 39% of Americans reported receiving a surprise bill.

High cost-sharing, especially large deductibles, has been a growing trend in private insurance for more than a decade, and is a big reason why 45% of those who have health coverage are "underinsured" and have coverage that doesn't meet their financial needs.

Insurers — and employers, in the case of job-based benefits — want patients to get less medical care and discourage them with big deductibles, copays and the like. And it works: More than one-quarter of Americans had gone without medical care they needed over the past 12 months due to the cost, according to a 2019 West Health/Gallup poll. Since it's only March, most patients won't have paid down much of their annual deductible yet.

Eleven states and the District of Columbia are offering some help by re-opening their health insurance exchanges to uninsured people during the outbreak. So far, however, Idaho's state-run exchange and federally run exchanges in the rest of the country remain closed, although people can still apply for coverage in those places under certain circumstances, such as losing a job. The federal government also is fielding requests from states that want to make it easier, temporarily, for qualified individuals to sign up for Medicaid.

There are 14 states that have refused to adopt the Affordable Care Act's Medicaid expansion — 90% of which is financed by the federal government — that could do so at any time if they want to protect low-income residents from coronavirus costs. That would allow 4.4 million uninsured people in those states to qualify for Medicaid coverage.

ACA exchange warns of 40% or more premium increase in 2021 due to COVID-19
Katie Kuehner-Hebert

Congress needs to mitigate what could be substantial cost increases for both insurers and their members due to the COVID-19 pandemic, warns Covered California, the Golden State's Affordable Care Act marketplace.

The one-year projected costs in the commercial market range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19, according to Covered California's policy/actuarial brief, "The Potential National Health Cost Impacts to Consumers, Employers and Insurers in the Commercial Market Due to COVID-19."

In the absence of federal action, premium increases in the individual and employer markets for 2021 — which are in the process of being set now — could be 40 percent or more solely because of COVID-19 costs.

"Covered California's analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion," says Covered California executive director Peter V. Lee. "Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees."

The brief recommends that Congress consider these actions to mitigate the potential impact of these cost increases:

– Enhance the federal financial assistance provided in the individual market to increase the level of tax credits for those earning under 400 percent of the federal poverty level and expand subsidies to those earning more than 400 percent FPL, as California implemented on a three-year basis in 2020.

– Establish a temporary program to limit the costs of COVID-19 for health insurers, self-insured employers and those they cover, which would directly benefit individuals and small employers for 2020 and allow for more certainty in their pricing for 2021.

– Establish a national special-enrollment period for the individual market, such as has already been adopted by 12 marketplaces representing 30 percent of Americans.

“As we have seen throughout this crisis, there is no time to waste. We must take action now to prevent the pain of this epidemic from becoming worse for hundreds of millions of Americans next year,” Lee says. “Reinsurance policies under consideration in Washington — that offer mechanisms to provide federal funding for portions of unforeseen COVID-19 costs for the individual and employer markets, along with Medicaid managed care programs — could provide needed funds and certainty for consumers, small and large employers and states across the nation.”

While Covered California’s analysis deals with the commercial market, other populations — including those in Medicare, Medicaid, other public programs and the uninsured — will also need a comprehensive review and solutions to address the unplanned for costs, he adds.

Others are also lobbying Congress, including insurance industry groups America’s Health Insurance Plans and the Blue Cross and Blue Shield Association, urging federal lawmakers to enact policies to maintain a stable marketplace for insurance, according to Modern Healthcare.

“They are pushing for a temporary risk mitigation program to compensate insurers for extreme costs to keep premiums from spiking,” Modern Healthcare writes. “Among other recommendations, they have also asked Congress to provide funding to support coverage for employees who lose their jobs, and to allow those workers to enroll in individual market coverage through a special enrollment period, as several states have already done.”

Covered California expands Special Enrollment Period through June 30, due to coronavirus pandemic
Staff

In response to the coronavirus (COVID-19) pandemic, it was just announced that anyone uninsured and eligible to enroll in health coverage through Covered California can sign up for health plans through June 30. This move comes amid widespread

disruption in the lives and livelihoods of Californians as public health officials seek to reduce the spread of COVID-19.

In addition, the California Department of Health Care Services announced new steps to help those eligible for low-cost or no-cost Medi-Cal health plans sign up easily and get immediate coverage. Medi-Cal enrollment is year-round.

Covered California also assured the state's consumers that all medically-necessary screening and testing for COVID-19 are free of charge, and that all health plans available through Covered California and Medi-Cal are offering telehealth options to minimize in-person medical visits at this time.

These actions build upon Covered California's Special Enrollment Period, which took effect in January 2020, to help consumers who didn't know about tax penalties for not having health insurance, or weren't aware of the new state subsidy program and financial help available to pay their monthly health care costs.

Those interested in enrolling in Covered California or Medi-Cal health plans can:

• Visit www.CoveredCA.com.
• Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
• Have a certified enroller call them and help them for free.
• Call Covered California at (800) 300-1506.

HEALTH EVOLUTION

The current and coming costs of coronavirus
Staff

Covered California, a health insurance marketplace, released an actuarial brief projecting the potential costs associated with coronavirus (COVID-19) testing and treatment on the national commercial health insurance markets. The analysis looked at the commercial market, 170 million Americans, including up to 20 million high-risk people under age 60 who are at higher risk of having significant health needs due to the virus.

The findings are startling (see infographic above). According to estimates, costs range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19. Those costs endured by health insurance companies would likely be impacted in 2021 health premiums.

“Covered California’s analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion,” Covered California Executive Director Peter V. Lee said in a statement. “Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees.”

These cost estimates may get even higher in 2021, with additional treatment costs for anti-viral drug treatments and efforts to get a vaccine for COVID-19. While there are a lot of mysteries to be solved, Covered California say it’s not prudent to plan today on lower costs related to COVID-19 in the 2021 calendar year than they are projecting for 2020.

The group made suggestions to Congress, in order to mitigate the potential impact of these cost increases on consumers including the establishment of a national special-enrollment period for the individual market, a temporary program to limit the costs of COVID-19 for health insurers, self-insured employers and those they cover, and enhancing the federal financial assistance provided in the individual market to increase the level of tax credits for those earning under 400 percent of the federal poverty level (FPL).

Meanwhile, on the provider side, the costs of coronavirus are already taking their toll. With health systems largely postponing elective surgeries, revenues are guaranteed to take a hit. According to analysis from Strata Decision Technology, a health care financial analytics company, 97 percent of health systems are destined to lose an average of $2,800 per coronavirus case, with many losing between $8,000 and $10,000 per case.

Even factoring in the proposed 20% increase in Medicare reimbursement for COVID-19 patients, hospitals face an average loss of about $1,200 per case and up to $6,000 to $8,000 per case for some hospital systems. The company says many hospitals “will not be able to survive the damage to their cash flow for longer than 60-90 days.”

“Without additional financial relief from government or other sources, they will be forced to take decisive action to reduce costs such as dismissing/furloughing large numbers of non-clinical workers who are already overwhelmed converting hospital beds,

maintaining equipment, and performing other non-clinical but essential jobs," Strata says in the analysis. To help stave off this potential disaster, Strata proposes a 35% increase in Medicare reimbursement for COVID-19 patients.

Mother Jones

Coronavirus could cause health premiums to skyrocket, new study finds
Samantha Michaels

The coronavirus is a rapidly developing news story, so some of the content in this article might be out of date. Check out our most recent coverage of the coronavirus crisis, and subscribe to Mother Jones' newsletters.

When health insurance companies set premiums for 2020, they weren't counting on a global pandemic that could potentially cost them hundreds of billions of dollars. Now a new analysis estimates that premiums could increase substantially next year if insurance companies try to recoup those costs and Congress doesn't provide emergency assistance.

Covered California, the state's Obamacare marketplace, explains that insurance companies set prices for the commercial plans that individuals and employers buy "well before there was even any hint of the virus." Peter V. Lee, Covered California's executive director, told the New York Times, "No insurer, no state, planned and put money away for something of this significance."

How much premiums are likely to rise is still highly uncertain. Covered California estimates that the nationwide costs related to COVID-19 for commercial plans could range from $34 billion to more than $250 billion. In 2020, premiums would have been between 2 percent and 21 percent higher if those costs had been factored in, according to the analysis. If companies try to make up for the 2020 costs next year, while also budgeting for more pandemic-related spending, premiums could increase anywhere from 4 percent to more than 40 percent across the nation.

"These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis," Lee said in a statement that accompanied the analysis. To prevent that from happening, Covered California is calling on Congress to increase assistance to individuals who buy health insurance through individual marketplaces, and to establish a temporary program to limit the costs of COVID-19 for insurers.

Others are projecting less dramatic cost increases. Edward Kaplan, a senior vice president at Segal, a company that advises clients on health benefits, told the Times, “We think claims are really going to drop off over the next month or two.” He estimated that even in New York, the hardest hit state in the nation, health insurance costs would only increase by 4 to 5 percent.

John Bertko, Covered California’s chief actuary, argued there is an urgent need for Congress to help stabilize insurance markets. “Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums,” Bertko said in a statement. “While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action.”

Coronavirus May Add Billions to U.S. Health Care Bill
Reed Abelson

With so much still uncertain about how widespread hospitalizations for coronavirus patients will be around the United States, a new analysis says premiums could increase as much as 40 percent next year if the pandemic results in millions of Americans needing hospital stays.

“Health plans went into 2020 with no hint of coronavirus on the horizon,” said Peter V. Lee, the executive director of Covered California, the state insurance marketplace created under the Affordable Care Act, which conducted the analysis. To protect businesses and individuals from sharply higher rates, he supports a temporary federal program that would cover some of these costs.

“No insurer, no state, planned and put money away for something of this significance,” Mr. Lee said.

So far, some 94,000 people have become infected in the United States, according to official counts, and at least 1,400 have died. In New York state alone, nearly 1,600 patients were in intensive-care units as of Friday morning and the numbers have been rising all week.

Mr. Lee’s organization estimated the total cost to the commercial insurance market, which represents the coverage currently offered to 170 million workers and individuals

through private health plans. The analysis does not include costs for people enrolled in government programs like Medicare and Medicaid.

Depending on how many people need care, insurers, employers and individuals could face anywhere from $34 billion to $251 billion in additional expenses from the testing and treatment of Covid-19. according to the analysis. At the high end, the virus would add 20 percent or more to current costs of roughly $1.2 trillion a year.

“There’s a lot we don’t know,” Mr. Lee said. “These are ranges.”

While the bill before Congress would provide hospitals some financial relief, it may not result in any change to how much hospitals charge private insurers and employers for care, he said.

Insurers and employers are already prodding Congress to consider helping them pay for the crisis by setting up a special reinsurance program that would cover the most expensive medical claims. The federal government would fund the program to lower the amount being paid by employers and insurers.

While insurers have enjoyed strong profits in recent years, they say the cost of the pandemic could be overwhelming, especially to employers and workers already struggling to pay for coverage.

“As more people seek coverage and care due to this pandemic, this temporary, emergency program would protect Americans from the consequences of potential catastrophic costs,” the executives of the two major health insurance trade groups wrote Congress earlier this month.

Employers and others have launched a new group, the Alliance to Fight for Health Care, that includes many of the same parties that worked together to defeat the enactment of the so-called Cadillac tax on high-cost employer plans. They, too, recently told lawmakers they think a federal reinsurance program might make sense.

Without help lowering their costs by having the government pay for the most expensive hospital stays, Mr. Lee warned that insurers are likely to seek rates that are double their additional costs from the virus. If their costs go up 20 percent, Mr. Lee says rates could jump as much as 40 percent in 2021.

“These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis,” Lee said in a statement, outlining his group’s proposals.

While state government insurance officials may push back, they may be inclined to allow the increases if they believe companies would need the additional revenue to pay medical claims. “Regulators would take a sharp eye to big premium increases,” said John Bertko, Covered California’s chief actuary, but if insurers “chew up half or more of their solvency reserves, regulators will say they need to build them up.” The group warned that smaller insurers could be especially at risk.

Rate increase requests still might be difficult for some states and consumers to swallow. The nation’s largest insurers, which include giant for-profit companies like Anthem, CVS Health and UnitedHealth, reported billions of dollars in profits last year, and analysts say these companies have abundant capital to absorb any losses because of the pandemic. Since the enactment of the Affordable Care Act, health care inflation has remained in the single digits.

Increases in medical costs of 3 to 4 percent “would be manageable by most insurers,” concluded a recent analysts at S&P Global Ratings. If costs were to go up by 10 to 12 percent, the analysts say the stress on the companies would be greater, with insurers reporting losses and forced to use their capital reserves to pay claims.

But some actuaries are predicting costs are likely to be much lower. One actuary said insurers have told him that they have no plans to raise rates sharply because the do not think the pandemic will change their predictions about ongoing medical expenses once it has run its course.

And other actuaries are coming up with estimates that are lower because they have different assumptions about how many people might be hospitalized and whether that would be offset by the declines in medical care for other illnesses or surgeries as people stay home and elective procedures are postponed indefinitely. The cost of the epidemic could be tempered if people don’t seek other kinds of care, like a routine check up or hip replacement. That also happened during the 2008 recession, when people postponed any type of care and procedures.

“We think claims are really going to drop off over the next month or two,” said Edward Kaplan, a senior vice president at Segal, which advises clients on their health benefits. He thinks his clients in New York, which is being particularly hard hit by the virus, could see additional costs of 4 to 5 percent. In other areas, if there are many fewer cases, costs could be less.

Another big unknown is whether people will be able to get treatment for Covid-19 or other illnesses, in spite of needing care. Depending on the course of the pandemic, health systems could become so overwhelmed that they have no available hospital beds or staff to treat patients who would otherwise receive care.

If patients can't get care, overall costs could be much lower than they would otherwise be, said Trevis Parson, chief actuary for Willis Towers Watson, which advises companies on benefits. His group is estimating costs could increase by as much as 7 percent because of the pandemic.

Even then, how much the private sector will pay is unclear, especially if the government starts setting up hospital beds and temporary hospitals in various regions, and supplying staff to treat patients.

Another unknown factor is how much it will cost to treat those coronavirus patients who are hospitalized. "Everybody is still guessing what a coronavirus hospitalization stay looks like," said Mr. Lee of Covered California.

While there are some estimates hovering around $20,000 for a hospital stay based on a typical pneumonia case, his group is estimating that the average could be closer to $72,000 for severe cases. New York State is already reporting that patients with severe cases are staying on ventilators much longer than those with pneumonia might.

How employers and insurers will ultimately react to any spike in costs is also unclear. While health care costs have historically risen by double digits in any given year, companies have been caught off guard by the dramatic change in circumstances. "It's hard to think of anything that rivals this," Mr. Parson said.

International Business Times

Coronavirus Side Effects: Could Health Insurance Premiums Rise In 2020 Due To The Pandemic?
Marcy Kreiter

An analysis by California's Affordable Care Act marketplace indicates health insurance premiums could spike 40% next year as a result of costs of treating patients for COVID-19. Projected costs for commercial insurance companies for testing, treatment and care range as high as $251 billion.

"No insurer, no state, planned and put money away for something of this significance," Peter V. Lee, the executive director of Covered California, told the New York Times.

The number of confirmed U.S. coronavirus infections topped 157,000 and 2,900 deaths by midafternoon Monday, with thousands hospitalized. Estimates of the eventual death toll range from 200,000 to 2.2 million.

Lee said if insurers see a 20% increase in costs this year from the pandemic, they likely will hike premiums by 40% next year, making coverage too expensive for many Americans.

Covered California reopened its enrollment period through June 30 to enable uninsured eligible Californians to acquire coverage. The insurance exchange warned sharp premium increases likely will add to the ranks of the uninsured as employers pass increased costs on to employees.

Additionally, small insurance companies could face insolvency, reducing competition.

The analysis estimates there are 20 million people less than 60 years of age at higher risk of serious illness from COVID-19 in the commercial insurance market.

“We expect relatively few COVID-19 cases for those under age 65 will end up in hospitalization, but that cases involving hospitalization will have lengths of stay around 10-14 days,” the analysis says, estimating hospitalization will be required in about 5% to 17% of those who test positive.

The cost of treating a case for 12 days in a hospital is roughly $30,000, the analysis estimates based on Medicare rates for similar diseases like flu and pneumonia. Treating an individual as an outpatient would cost an estimated $600 to $1,800. The estimates do not include the costs of treating underlying conditions.

Cigna and Humana announced Sunday they would waive out-of-pocket costs for subscribers treated for COVID-19. Aetna made a similar announcement last week.

Covered California provides coverage to 170 million workers and individuals through private health plans. The analysis does not include Medicare and Medicaid recipients.

The $2.2 trillion relief package signed into law Friday provides funds to ease the financial burden on hospitals but does not require hospitals to pass on any funds to insurers. Insurance companies are seeking a federal reinsurance program to handle the most expensive claims.

Health care is a human right
Rev. Jesse Jackson

Who is going to pay for this? For months that question was used as a weapon against supporters of Medicare for All. Now, it is on everyone's mind as they worry about the costs of the testing and treatment for the coronavirus. The virus is highly contagious. We need everyone with symptoms to get tested and all with the virus to get treatment. If anyone hesitates because they fear they can't afford the cost, they put the rest of us at risk. No one should be worried about the costs of treatment.

Those costs, however, are going to be staggering, particularly if the fears of the administration's leading expert, Dr. Anthony Fauci, are realized and a million or more may become infected with the disease. Hospitalization and treatment will cost hundreds of billions. The average cost of hospitalization for pneumonia patients is about $20,000, but many coronavirus patients tend to need to stay on ventilators longer and fight off more complications than pneumonia patients.

Across the country, Americans are terrified at the potential costs if they get sick. Twenty-seven million Americans have no health insurance at all. Four in 10 working Americans have a high-deductible plan that forces them to pay thousands of dollars out of pocket before they get benefit from the premiums taken out of the paychecks each week. A 2009 Harvard Medical School study estimated that every year an estimated 45,000 people in the U.S. die because of lack of health care coverage. Many suffer because they put off necessary treatment because they can't afford it. Now, as Rep. Ro Khanna (D-Calif) put it, "The reality is, there are a lot of people that are thinking, 'I don't want a couple thousand-dollar bill to get tested or get treated.'"

The rescue bill just passed by Congress covers the costs of testing. Trump promised that any cost of treatment would also be covered, but the insurance lobby immediately corrected him. Since then, under immense pressure, Cigna and Humana have joined CVS Aetna insurance in agreeing to waive patient cost-sharing on treatment for those insured.

Hopefully, this will reassure people enough that they won't avoid getting tested and treated, posing the threat to all. But this won't be charity. Some health-care analysts

think the insurance industry could benefit from the pandemic because people generally are putting off visits to doctors and hospitals as much as possible.

In any case, insurers admit, if the costs soar, they will factor it into the cost of plans next year. As Peter Lee, the head of Covered California, an independent state agency, noted, insurers are likely to seek rates next year that are double their additional costs from the virus. If costs go up 20 percent, rates could jump as much as 40 percent. That could mean, he warned “that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care.” The insurers will sustain their profits; it’s the patients who will suffer.

The government is investing billions to develop a vaccine for the virus, and to develop other drugs that can help treat it. Yet, because the government turns over any drug developed to the private pharmaceutical companies, Health Secretary Alex Azar — a former lobbyist for the drug companies — said he couldn’t guarantee that the treatments would be affordable. Already, as the Intercept reported, bankers are goading drug companies to prepare to raise prices to benefit from the expected demand.

The U.S. spends about twice as much per capita for its patchwork health-care system than most industrialized countries. Why were we caught with such shortages of masks, ventilators or hospital beds? A central reason is that about $500 billion of what we spend on health care each year doesn’t go to health care. It is wasted on costly bureaucracies needed to bill the maze of private insurers or track down patients for their co-pays. It goes to hundreds of billions in profits for insurance companies and drug companies. It goes to excessive CEO salaries rising to 80 million or so a year.

In the end, the federal government will and should step up to cover the costs of all testing and treatment for the pandemic. It will have to reimburse states to cover soaring Medicaid and hospital costs. It will pay for developing the necessary drugs. It will pay for the costs of covering seniors under Medicare. It will pay for the costs incurred by those without insurance or with employer-based insurance. Yet, in part because of this, the insurance companies and drug companies will keep racking up record profits.

At this point, the overriding imperative is that every person in the U.S. understand that they should get the testing and treatment they need. All should be reassured that their costs will be covered. Congress went part of the way with the last rescue package. It should finish the job, preferably by having Medicare pay for all the costs directly.

But we shouldn’t be satisfied with single-payer coverage just during a massive pandemic. This crisis exposes dramatically the foolishness of pretending that health care is a private marketplace. Health care is a human right. This pandemic gives ample

evidence of why we need to move to a Medicare for All system where high-quality health care is guaranteed to all.

(You can write to the Rev. Jesse Jackson in care of this newspaper or by email at jjackson@rainbowpush.org. Follow him on Twitter @RevJJackson.)

TIMES of SAN DIEGO

Covered California Enrollment Deadline Expanded Due to Pandemic
Christine Huard

In response to the coronavirus pandemic, Covered California is expanding its special enrollment period through June 30 to help anyone uninsured and eligible to obtain health coverage because of job loss or other qualifying life events.

The action builds upon Covered California's special enrollment period that took effect in January, to help consumers who didn't know about tax penalties for not having health insurance, or weren't aware of the new state subsidy program and financial help available to pay their monthly health care costs.

"The goal is to have as many people covered as possible to ensure they have access to vitally needed health care," said Peter V. Lee, executive director of Covered California. "This is the right thing to do and we to make sure no one is left behind in California during this pandemic."

Those signing up through Covered California will have access to private health insurance plans with monthly premiums that may be lowered due to federal subsidies and new state financial help that became effective in 2020. Once a plan is chosen, coverage begins on the first of the following month, meaning individuals losing job-based coverage will not face a gap in coverage.

Individuals who sign up through CoveredCA.com may find out that they are eligible for no-cost or low-cost coverage through Medi-Cal, for which they can enroll online year-round. Those eligible for Medi-Cal can have coverage that is immediately effective, because California has put a 90-day hold on Medi-Cal renewal reviews, ensuring those already enrolled can continue their coverage and freeing up resources to quickly process the expected new enrollments.

All medically-necessary screening and testing for COVID-19 is free of charge, including telehealth or doctor's office visits, network emergency room or urgent care visits, when necessary for the purpose of screening and testing for the virus. In addition, Medi-Cal covers costs associated with COVID-19 in both its managed care plans and with fee-for-service providers.

Covered California health plans will help cover costs that arise from any required treatment or hospitalization.

In addition, all health plans offered through Covered California and by Medi-Cal will provide telehealth options for enrollees, giving individuals the ability to connect with a health care professional by phone or video without having to personally visit a doctor's office or hospital.

People can easily find out if they are eligible Medi-Cal or other forms of financial help and see which plans are available in their area by using the CoveredCA.Com Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

To enroll in Covered California or Medi-Cal health plans, visit www.CoveredCA.com. Free and confidential assistance is available over the phone, in a variety of languages, from a certified enroller, by calling Call Covered California at 1-800-300-1506.

Covered California announces program for those who lose their job over virus
Staff

These are unprecedented and challenging times for the nation and the state of California, as the coronavirus (COVID-19) pandemic has altered the course of our lives for the foreseeable future.

As job loss claims hit record-highs, more and more Californians will be dealing with a loss of income and their health insurance coverage. Covered California and Medi-Cal are providing a path to coverage for those affected by this pandemic.

Covered California recently announced a special-enrollment period related to the crisis. Anyone who meets Covered California's eligibility requirements, which are like those in place during the annual open-enrollment period, can sign up for coverage from now through June 30.

"The goal is to have as many people covered as possible to ensure they have access to vitally needed health care," said Peter V. Lee, executive director of Covered California. "This is the right thing to do and we to make sure no one is left behind in California during this pandemic."

Those signing up through Covered California will have access to private health insurance plans with monthly premiums that may be lowered due to federal subsidies and new state financial help that became effective in 2020. Once a plan is chosen, coverage begins on the first of the following month — meaning individuals losing job-based coverage will not face a gap in coverage.

That was the case for Jose Gonzalez Fernandez. The 60-year-old Bay Area resident lost his construction job and health insurance at the end of February, but in March he heard on the local news that Covered California's special-enrollment period would apply to his circumstances.

"I have always had health insurance through my union," Gonzalez Fernandez said. "It was scary to think that I would not be able to go to the doctor if I got sick or if I catch the coronavirus. I can't imagine getting sick, not having health insurance and not having money to pay for the medicine and medical services. That truly is scary."

Gonzalez Fernandez is thrilled to be enrolled in Covered California plan for just $2 a month for him and his wife, Luz. "The best thing ever is that I get to keep my same coverage. I get to keep my doctors."

Also, consumers who sign up through CoveredCA.com may find out that they are eligible for no-cost or low-cost coverage through Medi-Cal, for which they can enroll in online year-round. Those eligible for Medi-Cal can have coverage that is immediately effective, because California has put a 90-day hold on Medi-Cal renewal reviews, ensuring those already enrolled can continue their coverage and freeing up resources to quickly process the expected new enrollments.

All medically necessary screening and testing for COVID-19 is free of charge. This includes telehealth or doctor's office visits, as well as network emergency room or urgent care visits, when necessary for the purpose of screening and testing for COVID-19. In addition, Medi-Cal covers costs associated with COVID-19 in both its managed

care plans and with fee for service providers. Covered California health plans will help cover costs that arise from any required treatment or hospitalization.

In addition, all health plans offered through Covered California and by Medi-Cal will provide telehealth options for enrollees, giving individuals the ability to connect with a health care professional by phone or video without having to personally visit a doctor's office or hospital.

"A core part of our mission is improving access to high-quality health care, and that has never been more important than it is right now in California," Lee said. "Covered California will help you find a path to the coverage you need for you and your family."

Consumers can easily find out if they are eligible Medi-Cal or other forms of financial help and see which plans are available in their area by using the CoveredCA.Com Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

To enroll in Covered California or Medi-Cal health plans:

- Visit www.CoveredCA.com.
- Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
- Have a certified enroller call you and help you for free.
- Call Covered California at 800-300-1506.

HEALTH PAYER INTELLIGENCE

COVID-19 Projected to Drive Increased Costs for Consumers, Employers
Kyle Murphy, MD

April 01, 2020 - A new report warns of rising premiums and out-of-pocket expenses for beneficiaries resulting from healthcare spending to combat the COVID-19 pandemic. Covered California, the state's health insurance marketplace, released a policy/actuarial brief projecting between $34 billion and $251 billion will be spent on testing, treatment, and care for COVID-19. The brief is the first national projection of costs tied to the coronavirus pandemic.
The organization, an independent part of the state government, warns that a lack of federal intervention could have significant financial consequences for the American healthcare industry in the coming year.

“Covered California’s analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion,” said Covered California Executive Director Peter V. Lee. “Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees.”

Prepared by chief actuary John Bertko, the findings are based on an analysis of commercial insurance markets, expert clinical reviews, and interviews with leaders of health plans.

Beyond one-year projected costs, the report projects premium increases of 40 percent or more barring federal action, noting that premiums in the individual and employer markets for 2021 are currently in the process of being set. According to the analysis, premium hikes would come as a result of insurers seeking to “recoup unplanned losses from 2020 and budget for pandemic-related costs in 2020.”

“Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums,” Bertko said. “While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action.”

Table 2: Projected First Year COVID-19 National Commercial Market Treatment Costs[1]

ESTIMATE RANGE	LOW	MEDIUM	HIGH
Projected number of positive cases (among those tested)	4.0 million	8.0 million	15 million
Assumed % requiring hospitalization (for those under 60)	10%	15%	20%
Projected number of cases requiring hospitalization	400,000	1,200,000	3,000,000
Assumed Length of Stay (severe cases)	12 days		
Assumed Insurance Reimbursement — Commercial (includes consumer out of pocket portion)[2]	$72,000		
Projected Hospital Costs for severe cases	$28.8 billion	$86.4 billion	$216.0 billion
Assumed % of cases that require outpatient services	90%	85%	80%
Projected number of cases that require outpatient services	3,600,000	6,800,000	12,000,000
Assumed physician reimbursement for cases that require outpatient services — Commercial (includes consumer out-of-pocket portion)	$600	$1,200	$1,800
Projected physician cost for cases that require outpatient services	$2.2 billion	$8.2 billion	$21.6 billion
Total projected costs for treatments at commercial insurance rates (includes consumer out of pocket portion)	$31.0 billion	$94.6 billion	$237.6 billion

Source: Covered California

Covered California recommended Congressional actions to prevent cost increases:

- Enhance the federal financial assistance provided in the individual market to increase the level of tax credits for those earning under 400 percent of the federal poverty level (FPL) and expand subsidies to those earning more than 400 percent FPL as California implemented on a three-year basis in 2020.
- Establish a temporary program to limit the costs of COVID-19 for health insurers, self-insured employers and those they cover, which would directly benefit individuals and small employers for 2020 and allow for more certainty in their pricing for 2021.
- Establish a national special-enrollment period for the individual market, such as has already been adopted by 12 marketplaces representing 30 percent of Americans.

"These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis," Lee explained. "These are not 'insurer' costs — these are costs directly borne by individual Americans in the form of cost-sharing and premiums; these are costs to small and large businesses that are struggling; these are costs to individuals who may avoid needed care."

The organization highlighted that reinsurance policies currently under Congressional consideration (i.e., federal funding to support the individual and employer markets and Medicaid managed care programs) could provide the funding necessary to stave off lasting financial consequences.

"As we have seen throughout this crisis, there is no time to waste. We must take action now to prevent the pain of this epidemic from becoming worse for hundreds of millions of Americans next year," said Lee, who also called for a similar analysis of public programs to address rising costs.

Beginning last month, American's Health Insurance Plans (AHIP) continues to maintain a list of actions taken by payers in response to the COVID-19 pandemic. Experts estimate that treatments for those with employer-sponsored health plans could amount to costs in excess of $1,300.

VIDA EN EL VALLE
Central California's Leading Bilingual Newspaper

Covered California health insurance premiums could see spike due to COVID-19
Juliette Fairley

It's been nearly two months since Covered California issued its report estimating that health care premiums could increase by 40% due to the COVID-19 outbreak but the landscape has changed dramatically in that short period of time.

“It was a good faith estimate issued at the very beginning of the crisis based on very little data,” said Anthony Wright, executive director of Health Access California, a health consumer advocacy coalition. “Now we have more information to work with.”

Covered California, created under the Affordable Care Act, is the health insurance marketplace for consumers who have incomes above the MediCal poverty line cutoff however millions of Californians have reportedly lost their job and Covered California health insurance due to COVID-19.

“Covered California established a special enrollment period for consumers who were uninsured or impacted by the pandemic,” said James Scullary, Covered California's communications and public relations broadcast and media relations branch chief.

As a result, more than 84,000 people signed up for Covered California coverage between March 20 and April 24, 2020, which is a pace more than 2.5 times higher than the same time period last year, according to Scullary.

While an anticipated 40% hike was based on potential costs of testing and treatment according to the best available data at the time, proactive steps have mitigated the impact of the coronavirus. Those steps include social distancing and increased use of face masks, experts say.

“There's been a significant reduction in claims because people following the shelter in place orders, especially older folks who are more likely to go to the doctor, have put physician appointments on hold,” Wright told the Southern California Record.

Staying home has also reduced the rate of coronavirus infection and its impact on hospitals, according to Edwin Park, research professor with the Center for Children and Families at the Health Policy Institute in the Bay Area, and as a result, the 40% projected increase could prove to be lower.

“It depends on what assumptions insurers make about what next year looks like and that depends on some factors that we don't entirely know right now,” Wright said in an interview.

One of the unknown factors is whether there will be a new spike in coronavirus infections later in the year.

To date, there are 67,939 coronavirus cases statewide and 2,770 fatalities, according to the Department of Health.

“The estimated premium projected could be higher than what was assumed or it could be less because of the success of the shelter in place orders in reducing the impact on hospital costs and other health care costs but if more elective procedures are allowed and people return to outpatient clinics for care that they've delayed and now there's a pent up need for those services, then that offsetting reduction in costs would no longer be there,” Park told the Southern California Record.

Experts foresee negotiations for 2021 health insurance premiums to begin in June 2020 with Covered California and the 11 healthcare plans that operate in the individual insurance market, including Blue Anthem, Blue Cross and Kaiser.

“Because COVID-19 costs weren't anticipated when premiums were set for this year, when insurers set premiums for 2021, they'll build in higher costs to make up for the unexpected losses as well as provide room for costs that may be associated with further outbreaks of COVID-19,” said Park.

The uncertainty around Covered California health insurance premium costs for 2021 comes at a time when the state budget has slipped into arrears.

Prior to the COVID-19 plague arriving in January, the state had projected a $6 billion budget surplus.

“Those numbers are completely flipped today,” Gov. Newsom said on May 11 at a Facebook Live press conference. “We now are struggling with a budget deficit of billions of dollars directly caused by COVID-19.”

Adding to the debt burden is the number of newly unemployed enrolling in MediCal.

“With all the people losing their jobs and health insurance through their employers, MediCal is a key coverage source for those losing job-based coverage,” said Park.

The Urban Institute expects Medicare enrollment to rise by more than 2 million people while Gov. Newsom told journalists at the press conference yesterday that the state had disbursed $13.1 million in unemployment assistance to 4.5 million people since March 12.

“The higher enrollment in MediCal and the potentially higher Covered California premiums is a clear lifeline for those who are losing coverage,” said Park. “Higher MediCal enrollment will add to the state budget deficit, which speaks to the need for further financial support for states and local governments that is being debated in Congress today.”

Covered California enrollment deadline expanded due to pandemic
Staff

LOS ANGELES – In response to the coronavirus pandemic, Covered California is expanding its special enrollment period through June 30 to help anyone uninsured and eligible to obtain health coverage because of job loss or other qualifying life events.

The action builds upon Covered California’s special enrollment period that took effect in January, to help consumers who didn’t know about tax penalties for not having health insurance, or weren’t aware of the new state subsidy program and financial help available to pay their monthly health care costs.

“The goal is to have as many people covered as possible to ensure they have access to vitally needed health care,” said Peter V. Lee, executive director of Covered California. “This is the right thing to do and we to make sure no one is left behind in California during this pandemic.”

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already enrolled can continue their coverage and freeing up resources to quickly process the expected new enrollments.

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salon.com

Health care insurers expected to raise premiums by as much as 40% to recoup coronavirus costs
Igor Derysh

Private health insurers are expected to raise premiums by as much as 40% to recoup the costs of coronavirus testing and treatment, according to a new analysis from Covered California, the state's health care marketplace.

Though it remains unclear how much the coronavirus crisis will ultimately cost in health care expenditures, insurers will be submitting their 2021 rates to state regulators next

month. Analyzing a wide range of models, Covered California expects that this year's care associated with the virus will cost between $34 billion and $251 billion, or between 2% of premiums and 21% of premiums. The analysis estimates that insurers would price the costs at double the rate into their 2021 premiums, projecting increases that range from as little as 4% to more than 40% for the 170 million workers and individuals who have private plans.

"Covered California's analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion," said Peter V. Lee, the executive director of the marketplace. "Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees."

Setting next year's premiums will not be as simple as increasing the rates at double the costs of the 2020 care. Their proposed rates must reflect their "expected costs in 2021, not what they spent in 2020" to get approval from state health exchange regulators, Dave Dillon of the Society of Actuaries explained to Vox.

"Issuers are not allowed to include past losses in prospective premium rates if those costs are not expected to persist," he said. "Therefore, for the majority of health insurance issuers, premiums would not be expected to increase as a result of Covid-19-related costs if the pandemic is limited to 2020."

"Nowhere in those calculations can they say, 'We're gonna lose this much money in 2020,'" agreed Cynthia Cox, the senior vice president at the Kaiser Family Foundation.

If the virus stretches into next year, insurers can project higher costs. But the costs of the pandemic are not limited to testing and hospitalization over the upcoming months even if the spread wanes. A vaccine is not expected to be available until at least 2021, and top health officials have said that wide-scale immunization is the only way to contain the virus longterm. Pharmaceutical companies are also testing a range of therapeutic options that could also add to the overall cost.

And although insurers cannot set increases based on the previous year's losses, they are able to raise premiums if they are forced to dip into their existing capital reserves, which became more likely after numerous top insurers announced they would waive co-pays and out-of-pocket costs for coronavirus testing and treatment.

Insurers set their 2020 premiums in mid-2019 with "no hint of coronavirus on the horizon," Lee told The New York Times. "No insurer, no state, planned and put money away for something of this significance."

"Regulators would take a sharp eye to big premium increases," added John Bertko, the chief actuary for the California marketplace, but if insurance companies "chew up half or more of their solvency reserves, regulators will say they need to build them up."

A separate analysis by S&P Global Ratings found that insurers would be able to absorb a 3% to 4% increase in medical costs but increases between10% to 12% would force them to use their reserves.

Some experts think the cost projections are overblown.

"We think claims are really going to drop off over the next month or two," Edward Kaplan of the corporate consulting firm Segal told The Times, predicting that hard-hit New York may see costs increase by 4% to 5% but other areas would see lower increases if any.

But Lee noted that "everybody is still guessing what a coronavirus hospitalization stay looks like."

Though estimates show that typical pneumonia hospitalizations cost about $20,000, Covered California projects that the average for severe coronavirus cases will be closer to $72,000.

Insurer costs will also be greatly affected by the decision to bar elective surgeries in most states to preserve hospital capacity and personal protective equipment for health workers. Insurers could argue that they expect to see a large increase in demand for elective procedures in 2021 because of a months-long delay. But Dillon pointed out to Vox that this also cuts both ways since these insurers can "offset" this year's coronavirus costs with the savings on elective surgeries.

The Covered California analysis projects that, on the high end, costs associated with the virus would add about 20% to the current $1.2 trillion in annual costs. But Lee admitted that it would impossible to know at this point.

"There's a lot we don't know," he told The Times. "These are ranges."

It's also possible that insurers may decide to pull out of the insurance marketplaces altogether, leaving 20 million people who get their insurance through the exchanges without coverage.

"They might decide not to participate if it's too hard to predict what their costs are going to be," Cox told Vox.

Lee agreed that millions "may lose their coverage and go without needed care as we battle a global health crisis."

For now, insurers are calling on Congress to provide financial assistance to help insurers absorb these costs.

"Health insurance providers are covering COVID-19 tests and needed treatments. As more people seek coverage and care due to this pandemic, this temporary, emergency program would protect Americans from the consequences of potential catastrophic costs," the two top health insurance trade groups said in a letter to Congressional leaders last month.

Some employers and others also launched the Alliance to Fight for Health Care to urge Congress to approve a federal reinsurance program that would help cover the costliest medical claims and "solutions to support special enrollment periods."

Congress appears to be working toward this sort of program in the House Democrats' latest proposal for the next phase of coronavirus relief. The proposal would create a two-year program that would "provide payments to individuals and small group market plans for extreme losses and help mitigate premium increases for consumers."

Bertko said that Congress, which is on recess until April 20, must act as quickly to prevent these premium increases.

"Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums," he said in a statement. "While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action."

Lee said that this program was necessary to protect the public, not the insurance companies.

"These are not 'insurer' costs — these are costs directly borne by individual Americans in the form of cost-sharing and premiums," he said. "These are costs to small and large businesses that are struggling; these are costs to individuals who may avoid needed care."

Santa Monica Daily Press

Lost your job and health coverage because of coronavirus? Covered California is here to help

Staff

These are unprecedented and challenging times for the nation and the state of California, as the coronavirus (COVID-19) pandemic has altered the course of our lives for the foreseeable future.

As job loss claims hit record-highs, more and more Californians will be dealing with a loss of in-come and their health insurance coverage. Covered California and MediCal are providing a path to coverage for those affected by this pandemic.

Covered California recently announced a special-enrollment period related to the crisis. Anyone who meets Covered California's eligibility requirements, which are like those in place during the annual open-enrollment period, can sign up for coverage from now through June 30.

"The goal is to have as many people covered as possible to ensure they have access to vitally needed health care," said Peter V. Lee, executive director of Covered California. "This is the right thing to do and we to make sure no one is left behind in California during this pandemic."

Those signing up through Covered California will have access to private health insurance plans with monthly premiums that may be lowered due to federal subsidies and new state financial help that became effective in 2020. Once a plan is chosen, coverage begins on the first of the following month — meaning individuals losing job-based coverage will not face a gap in coverage.

That was the case for Jose Gonzalez Fernandez. The 60-year-old Bay Area resident lost his construction job and health insurance at the end of February, but in March he heard on the local news that Covered California's special-enrollment period would apply to his circumstances.

"I have always had health insurance through my union," Gonzalez Fernandez said. "It was scary to think that I would not be able to go to the doctor if I got sick or if I catch the

coronavirus. I can't imagine getting sick, not having health insurance and not having money to pay for the medicine and medical services. That truly is scary."

Gonzalez Fernandez is thrilled to be enrolled in Covered California plan for just $2 a month for him and his wife, Luz. "The best thing ever is that I get to keep my same coverage. I get to keep my doctors."

Also, consumers who sign up through CoveredCA.com may find out that they are eligible for no-cost or low-cost coverage through MediCal, for which they can enroll in online. Those eligible for MediCal can have coverage that is immediately effective, because California has put a 90-day hold on MediCal renewal reviews, ensuring those already enrolled can continue their coverage and freeing up resources to quickly process the expected new enrollments.

All medically-necessary screening and testing for COVID-19 is free of charge. This includes tele-health or doctor's office visits, as well as network emergency room or urgent care visits, when necessary for the purpose of screening and testing for COVID-19. In addition, MediCal covers costs associated with COVID-19 in both its managed care plans and with fee for service providers. Covered California health plans will help cover costs that arise from any required treatment or hospitalization.

In addition, all health plans offered through Covered California and by MediCal will provide tele-health options for enrollees, giving individuals the ability to connect with a health care professional by phone or video without having to personally visit a doctor's office or hospital.

"A core part of our mission is improving access to high-quality health care, and that has never been more important than it is right now in California," Lee said. "Covered California will help you find a path to the coverage you need for you and your family."

Consumers can easily find out if they are eligible MediCal or other forms of financial help and see which plans are available in their area by using the CoveredCA.Com Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

To enroll in Covered California or MediCal health plans:

– Visit www.CoveredCA.com.

– Get free and confidential assistance over the phone, in a variety of languages, from a certified en-roller.

– Have a certified enroller call you and help you for free.

– Call Covered California at (800) 300-1506.

Health insurance industry eyes federal aid amid coronavirus pandemic
Anjalee Khemlani and Adriana Belmonte

As American insurers expand coverage for treatment related to the coronavirus, questions are arising about whether insurers will ask for federal aid and whether premiums for Americans will rise in 2021.

President Donald Trump indicated the administration could weigh helping health insurers in the same way hospitals received more than $100 billion in the $2.2 trillion stimulus package he recently signed.

“We haven’t discussed it but we’re talking to them,” Trump said at a daily coronavirus briefing Thursday. “Getting them not to pay copays, in the case of the big ones... that’s a lot of money they gave up. We’re discussing it with the insurance companies.”

Most insurers declined to comment on the potential to ask for government help. Cigna executive Timothy Wentworth recently told Yahoo Finance he doesn’t see the company seeking aid from the federal government.

But America’s Health Insurance Plans, a lobbying group, has already asked the federal government for federal aid in a letter penned to Congress on March 19.

“Establish a temporary, emergency risk mitigation program to ensure that health care premiums do not spike, and that benefits are stable in the future,” the group said in the letter. “Health insurance providers are covering COVID-19 tests and needed treatments.”

‘The federal government could have a payment or reinsurance program’
Cigna (CI), CVS Health (CVS), Humana (HUM), United Health Group (UNH), and Blue Cross Blue Shields have announced increased COVID-19 treatment coverage. Humana, Cigna and BCBS stand out, committing to cover both in-network and out-of-

network visits and treatment sought related to the virus. The remainder are covering only in-network.

“The federal government could have a payment or reinsurance program that says the federal government will step up and pay for these costs or a portion of them,” Peter Lee, executive director of Covered California, told Yahoo Finance. “Insurers that could never have priced for a pandemic of this scale [would be] shielded from passing on huge costs to households at America’s businesses.”

Wendell Potter, a former Cigna executive who now advocates for Medicare for All, noted that insurers are saving money by not paying for elective surgeries— which have all but halted in most of the country.

“They will certainly be looking for a handout if they think this gets to be such a pandemic that a large percent of their (enrollees) will need expensive treatment,” Potter told Yahoo Finance.

Will Americans’ premiums rise?
A recent report from Covered California predicting a premium spike as high as 40% for covering treatment has stoked fear that a blanket spike could be coming in 2021.

“There will be a very large bill to pay for caring for the COVID epidemic,” Lee said. “And up til now, rightly, the focus has been on supporting hospitals and looking at the current effects on the economy. But if we don’t turn our attention soon to how these bills will be paid for providing care for millions of Americans, we’re facing another economic tsunami in fall of this year as health care premiums start taking effect for large businesses, small businesses, local and state governments.”

Larry Levitt, executive vice president for health policy at the Kaiser Family Foundation, told Yahoo Finance the situation is still fluid— and that insurers could actually end up benefitting.

“It’s not actually clear they are going to lose money in 2020,” Levitt said.

That’s because the cost of covering copays and deductibles for COVID-19 hospitalizations— which KFF estimates at $13,000 for pneumonia, which has similar treatment plan — might be fairly low compared to the insurer’s burden for hospitalizations.

In addition, insurers aren’t allowed to use previous year’s losses to raise premiums the following year, unless they end up tapping into their reserves, Levitt said.

Matthew Rae, also with Kaiser, said the California report is based on very large assumptions, which would have a catastrophic impact on the sector if realized.

“What this highlights is that we have a serious problem on our hands in terms of the number of people who are getting sick and that we have to treat,” Rae said. “It’s their estimate that 60% of the population gets affected — that means about 15 or 20 million people need a hospital admission, that’s what it is.”

Moody’s analysts Dean Ungar and Stefan Kahandaliyanage told Yahoo Finance that if costs stay low, it will be a pretty good year for the industry.

“It’s not going to move the needle all that much” just covering the copays for testing and visits, Kahandaliyanage said, since the amount paid by insurers is usually the larger portion.

In any case, there is an open question about who will ultimately bear the cost of coronavirus-related treatment, or if it is balanced out by savings from reduced utilization of the health system in other areas.

"The main thing that I’ve noticed is this is an epidemic of such scale that no insurance company can hide from it,” Lee said. “No insurance company can avoid the costs. These are costs to Americans. We need to figure out how to address them head on, so we don’t have continued ripple effects in future years that aren’t near ripples, but could be economic tsunamis.”

Employer-sponsored insurance also a factor
Potter stressed that employers are likely “going to be hit with this at a time when many of them are going to be trying to emerge from the financial setback they will be suffering from this epidemic.”

Employers currently have the option of providing the treatment coverage benefits, through the plans managed by major insurers, and the cost is borne by the company.

As a result, employers could see their health care benefit costs jump by as much as 7%, according to an actuarial analysis of self-funded employers by Willis Towers Watson (WLTW).

That 7% is in addition to an already projected 5% increase anticipated for year-over-year.

“Despite employers and employees taking the right precautions at this perilous time, the coronavirus continues to spread and place enormous pressure on our nation’s health

care system," Trevis Parson, chief actuary at Willis Towers Watson, told Yahoo Finance. "This spike in the demand for care is likely to lead to a significant jump in employer health care costs beyond previous expectations. However, the ultimate financial impact will depend on many factors, including the portion of the population infected and the severity of their illness."

An ambulance crew transports a patient at the Massachusetts General Hospital emergency entrance in Boston. The new coronavirus causes mild or moderate symptoms for most people, but for some, especially older adults and people with existing health problems, it can cause more severe illness or death. (AP Photo/Michael Dwyer)

The WLTW analysis determined how much pain employers could feel at various infection levels of the population — noting the costs would be offset by savings from declines in elective procedures, dental, and vision care.

At a 30% infection level, the analysis found total costs could increase between 4% and 7%, depending on how sick COVID-19 patients become. At a 10% infection level, costs could rise between 1% and 3%. And at a 50% infection level — costs could rise from 5% to 7%.

The analysis assumed $250 per person costs for mild cases, $2,500 for moderate, and $30,000 for sever cases of inpatient stays. Catastrophic cases requiring intensive care were estimated at $100,000 per person.

"The effectiveness of our containment strategy will determine what portion of the U.S. population will become infected," Parson said. "And that will have an impact on additional costs, which employers will need to consider as they design and finalize their benefit strategy and plan for 2021."

SFGATE

Massive Surge In Covered California Signups In Past 3 Weeks
Bay City News Service

Over the past three weeks, as the impacts of the novel coronavirus pandemic have led to more than 22,000 infections in California and many people losing their jobs, the state is reporting huge numbers of people signing up for health insurance.

Since March 20, more than 58,000 Californians have signed up for insurance through the Covered California health insurance exchange, according to state officials. That's three times more than the number of people who signed up during the same period last year.

"We know there are hundreds of thousands of people out there who have either lost their health insurance or were uninsured when this crisis began, and we want them to know there is a path to coverage ready for them," said Peter Lee, executive director of Covered California.

The surge in enrollment coincides with the state's decision to open the exchange through April 10 to people who need coverage, according to Covered California officials.

People are able to compare plans and sign up for health insurance by visiting coveredcalifornia.com, which during the past three weeks has seen a surge of more than 885,000 new visitors, state officials said.

There were also more than 129,000 unique page views to the Medi-Cal page.

In addition to encouraging new signups, Covered California officials are urging people who have lost their jobs during the pandemic to visit the website to see if they are eligible for subsidized health insurance coverage.

People can also call Covered California at (800) 300-1506 to get help navigating the sign-up process.

All health plans offered through Covered California and by Medi-Cal provide "telehealth" options, which give people the ability to talk with a health care professional by phone or video.

Also, all medically necessary screening and testing for COVID-19 are free of charge, including telehealth or doctor's office visits as well as network emergency room or urgent care visits, according to state officials.

Coronavirus pandemic: Number of Covered California participants soars as newly unemployed seek health insurance
Denise Dador

The number of Covered California participants has soared in recent weeks as tens of thousands of newly unemployed workers seek health insurance.

Dwight Armentrout had worked in telecommunications for 48 years until his job disappeared a few weeks ago -- and along with it, the employer-based health plan he and his partner relied on.

"The company I had been working for," Armentrout said, "they had been downsizing and I kind of had an inkling that this was going to happen."

He lost his job as fears over the coronavirus started to grip Southern California. Armentrout's age, combined with diabetes and hypertension, compounded his concern.

"I've never been without insurance," he said.

Armentrout is one of the nearly 60,000 Californians who signed up for a Covered California health plan between March 20. and April 10.

"Compared to last year during the same three-week period, this is three times the number of people who signed up. So, this isn't just a little tiny blip. This is a surge of people saying they need coverage," said Covered California's executive director, Peter V. Lee.

He said the enrollment window has been extended through June 30 to help the newly unemployed and newly uninsured.

"Millions of people are going to be getting unemployment checks from the Employment Development Department " Lee said, "Every one of those checks come with a flyer from Covered California saying, you don't need to do without insurance."

Armentrout was able to buy an affordable Blue Shield plan thanks to new state subsidies.

Lee said 85% of people on Covered California get financial help.

"That means we have tens of thousands of people in Los Angeles County that weren't eligible for financial aid last year and are today," Lee said.

Armentrout did his entire enrollment online.

"The process was quite easy," he said.

For applicants who may have questions, insurance agents are manning phones lines to help.

"They're answering phones from places like living rooms, kitchen tables," Lee said, "We've moved, everyone to telework. And it's a great reminder to me, that we are all in this together."

Studies show the average cost of hospitalization for COVID-19 could be around $72,000. Enrollment runs until June 30, but may be adjusted according to the need.

More than 58,000 buy insurance during special Covered California period amid coronavirus
Cathie Anderson

Tens of thousands of Californians have signed up for health insurance through Covered California since the state-based marketplace announced a special enrollment period March 20 in response to the coronavirus pandemic.

Enrollment will remain open until June 30.

“We want to remind consumers that they can get access to the care they need during this crisis, either through Covered California or Medi-Cal,” said Peter V. Lee, executive director of Covered California. “We know there are hundreds of thousands of people out there who have either lost their health insurance or were uninsured when this crisis began, and we want them to know there is a path to coverage ready for them.”

Since the announcement, almost 1 million new users have visited the CoveredCA.com website, twice the number that visited at this same time last year. More than 58,400 Californians have signed up for coverage.

During this special enrollment period, state residents do not need a qualifying life event such as a job loss or new baby to sign up for insurance.

Health advocate Anthony Wright said this is an opportunity that many other U.S. residents will not get since the Trump administration has refused to open marketplaces in the 35 states where the federal government runs the insurance exchanges.

Open enrollment closed in all the marketplaces before Americans became aware that COVID-19, the respiratory illness caused by the coronavirus, was being spread nationwide.

Wright said the special enrollment period could help even some people who already signed up for health insurance on the exchange.

“Those already in Covered California but whose income has changed should take advantage of the opportunity to re-evaluate the subsidies they may be eligible for, or to change to a different plan that might be more appropriate for their current circumstance,” he said. “Many may find they now qualify for no-cost Medi-Cal coverage, which is a lifeline for many who lost income and need coverage and care in the middle of this pandemic.”

In addition to federal subsidies, the state of California started offering subsidies this year to middle-income residents and families.

yahoo! money

Over 9 million Americans lost health insurance amid coronavirus pandemic, analysis finds
Adriana Belmonte

The coronavirus pandemic has had a devastating impact on the U.S., wreaking both economic and health-related havoc on the American workforce.

In the four weeks leading up to April 11, the number of unemployment claims topped 22 million. According to the Economic Policy Institute (EPI), that means that roughly 9.2 million workers likely lost their employer-sponsored health insurance during that time.

“As people continue to lose their jobs, which we expect that they will do unfortunately, we’re going to see losses in health insurance coverage,” Ben Zipperer, an economist at EPI, told Yahoo Finance. “That’s because in the United States, we’ve chosen as a country, unfortunately, to tie access to health insurance with employment.”

He continued: “If we avoided that, if we made sure everybody was covered, everybody has access to health insurance regardless of their employment status, we wouldn’t be in this kind of predicament.”

‘We could see continued growth of uninsured Americans’
Nearly half of all Americans receive their health insurance through their employer. And given the cost of treatment for COVID-19 (and the cost of health care in the U.S. more generally), that’s a problem.

Roughly 29 million Americans were uninsured in 2019. A chart from Deutsche Bank shows the main reasons why. These include costs being too high, losing jobs or changing employers, and losing Medicaid.

There are more than 750,000 confirmed cases of coronavirus in the U.S. and over 39,000 deaths. The number of hospitalizations brought about by the virus could lead to higher health care costs down the road.

“The danger is that if there isn’t a concerted effort to address the health care costs, we could see continued growth of uninsured Americans and small and large businesses dropping out of operating health coverage,” Peter Lee, executive director of Covered California, the state’s health care marketplace, previously told Yahoo Finance.

A recent survey by sidecar health polled individuals who lost their jobs and employer-provided health insurance due to coronavirus. It found that 55% have faced challenges finding health insurance and 43% were unlikely (somewhat or very) to seek medical care while without health coverage. The biggest challenges facing these individuals, according to the survey, were the high costs and lack of options.

What to do if you’ve lost your health care coverage
For those who have lost their job (and therefore their health insurance) because of coronavirus, they are eligible for a special enrollment period (SEP), which involves re-opening the Healthcare.gov enrollment site.

Read more: How to get ACA health insurance if you lose your job

Generally, people are only able to obtain health care coverage during open enrollment. However, getting laid off is considered a “qualifying event,” which means the person can sign up for health care coverage outside of open enrollment.

Another option is COBRA, which means the individual continues the same health care coverage they had under their employer-based health insurance, though COBRA has higher premium payments since there is no longer an employer contribution. And if income is considered low enough, a person may be eligible for Medicaid.

These could be expensive options, however, if there isn’t any income to supplement the cost.

“That’s why many countries — rich countries especially — have publicly subsidized their health insurance so that people pay through for public health insurance just like they do for our public education system,” Zipperer said. “So that everybody has access to health insurance at all times.”

Among the richest countries in the world, the U.S. spends the most on health care despite the jarring lack of coverage. Amidst this pandemic, support for Medicare for All stands at 55% — a 9-month high.

“There are a lot of different solutions, but they all involve covering everyone regardless of their employment status,” Zipperer said. “We already have public health insurance programs that are limited to a small segment of the population, like Medicare and Medicaid, and in principle, it would be easy to expand those to the rest of the population. One way to start is to expand those to include people who have lost their jobs.”

HEALTH PAYER INTELLIGENCE

Individual Market COVID-19 Treatments May Cost Less Than Expected
Kelsey Waddill

April 20, 2020 - The individual health insurance market will experience the economic impact of coronavirus in three major ways, including potentially lower COVID-19 treatment costs, a Robert Wood Johnson Foundation (RWJF) report recently found.

The coronavirus could economically impact the individual health insurance market through increased healthcare spending, shifts in healthcare service utilization, and a recession.

For more coronavirus updates, visit our resource page, updated twice daily by Xtelligent Healthcare Media.

“With its dramatic impacts on both population health and the economy, COVID-19 is disrupting every segment of health insurance,” the report explained. “The individual insurance market, recently more stable after a precarious beginning, will undoubtedly feel the impact of large changes.”

Healthcare spending shifts in a couple of areas could have conflicting impacts on the individual health insurance market.

Testing costs could be escalating.

The federal government has passed legislation intended to protect patients from healthcare costs. The legislation relieves patients on group health insurance market plans and individual health insurance market plans from having to pay for healthcare visits related to coronavirus testing, the tests themselves, and other testing-related products and services.

However, for hospital systems that have created their own tests, patients are still at risk of out-of-network bills, the report warned.

Furthermore, as more patients need to undergo coronavirus testing, healthcare spending on coronavirus testing will naturally scale upward. Some patients may even be tested multiple times, which means estimates, such as Covered California’s, counting the number of patients who will be tested may be vastly underestimating the actual costs, the RWJF report warned.

However, as coronavirus testing costs escalate, coronavirus treatment costs may be lower than projected.

This is in part due to the surge of coronavirus testing. Higher levels of testing are intended to prevent the spread of the disease, which, if successful, would lower disease incidence and naturally lead to lower treatment costs.

Beyond the declining incidence of coronavirus, the initial projections of treatment costs could be overblown, the RWJF report suggested.

In March toward the beginning of the US outbreak of coronavirus, experts estimated a wide variation in coronavirus treatment costs. Those with no comorbidities or complications would see overall treatment costs of on average $9,763. Those with less serious complications would see around $13,767 in treatment costs, and for those with comorbidities or complications the costs on average would total $20,292.

For the individual health insurance market, these estimates were particularly ominous because the individual market has a higher rate of chronic conditions which could lead to more complicated—and more expensive—coronavirus treatments. Individual health insurance markets also serve a more urban demographic, which is the environment in which this virus thrives, and more narrow provider networks, which may expose payers to out-of-network costs.

Thus, it is understandable that estimates for individual health insurance market costs have been high. RWJF estimated individual health insurance market plans would pay out around $4 billion dollars for coronavirus treatment in 2020. This assumes 215,000 hospitalizations of individual health insurance market members with 47,000 members requiring intensive care, based on America's Health Insurance Plans and Covered California data.

But the most recent Institute for Health Metrics and Evaluation projections of the US death rate has scaled down dramatically, which has implications for treatment costs as well. According to the RWJF's calculations, this decrease could bring the number of individual health insurance market hospitalizations to around 34,000, costing a total of around $623 million, a full $3.37 billion less than the original projection.

Coronavirus is also changing healthcare utilizations. Non-urgent conditions and elective care has been postponed, which is expected to offset some of the coronavirus-related costs. This is one of the major economic factors hitting most health insurance markets, not the least of which being the individual health insurance market.

And lastly, the recession could strike the individual health insurance market in unpredictable ways as this is the first recession the market will have to endure. Doubtless, it will be characterized by a lot of market churn. RWJF predicted that there would be an influx of previously group health insurance market members as well as an outflow to Medicaid.
The report also anticipated that nonpayment could increase as a result of the recession, but the recession could also put a damper on healthcare utilization as people may avoid healthcare costs in difficult economic times.

With all of the uncertainties in mind, though, RWJF concluded that the short-term impacts could be positive for the individual health insurance market, with the reduction in healthcare utilization costs cushion the industry for the impact of claims costs which will follow.

“Recession will likely change the size and composition of enrollment and could continue to depress health care spending into next year, as members with high deductibles conserve their resources,” RWJF explained.

These factors will have significant implications for individual health insurance market payers as they determine premiums for 2021.

KCRA 3

Newsom turns to another state agency to help EDD with calls surge
Emily Maher

SACRAMENTO, Calif. — Gov. Gavin Newsom said the state’s unemployment department needs help handling the unprecedented number of claims.

“We got the phone lines operational 8 a.m. to 8 p.m., seven days a week,” Newsom said.

But, it isn’t enough. The Employment Development Department is overwhelmed.

KCRA 3 has received countless calls, emails and messages from people unable to reach anyone at the call center.

“None of us are naive about the responsibility we have as a state and administration to make sure that call center gets cleaned up,” Newsom said.

On Thursday, Newsom admitted the EDD needed help. He said they’ve turned to other state agencies for advice.

“We have some business process improvement strategies. We’re organizing with Covered California,” Newsom said. “A lot of best practices we’re taking from their call centers.”

KCRA 3 reached out to Covered California to find out more about those best practices, but no one was available to answer our questions.

The state's health insurance marketplace is no stranger to handling large numbers of inquiries. Last year, staff helped people sign up for 1.5 million plans during open enrollment.

Newsom is hoping Covered California can advise the EDD on how to make call centers more efficient.

"Everybody's coming together, not just to increase points of access, but to quality, as well," he said. "We are working overtime on that."

EDD said in a statement Thursday it has paid out more than $3 billion in unemployment benefits to workers who have been impacted by the novel coronavirus outbreak.

"The amount disbursed over the last six weeks ending April 18 includes $2 billion paid just last week alone," the EDD said. "Last week's total includes the extra $600 in federal stimulus payments the EDD is now automatically adding to every week of regular UI payments between March 29 and the end of July."

The EDD has processed 3.2 million claims since the pandemic began impacting Californians.

"The 533,568 claims filed in the week ending April 18 is more than a 1,000% increase over the 44,729 claims filed in the same week last year," EDD said.

Newsom said he is adding a few hundred more people to help process claims and answer questions.

23ABC NEWS BAKERSFIELD

Covered California continues to see consumer interest during COVID-19
Ashley Valenzuela

SACRAMENTO, Calif. — More than 84,000 people have signed up for coverage through Covered California since March 20, when the exchange announced a special-enrollment period in response to the COVID-19 pandemic.

"During this challenging time, Covered California continues to see tremendous interest, with thousands of people signing up for quality health care coverage each day," said Peter V. Lee, executive director of Covered California. "We want to remind consumers

that if they lost their health insurance, or were uninsured when this crisis began, there is a path to coverage for them through either Covered California or Medi-Cal."

The enrollment data covers the period from March 20, when Covered California opened the health insurance exchange to any eligible uninsured individuals who need health care coverage amid the COVID-19 emergency, through April 24. Anyone who is uninsured and meets Covered California's eligibility requirements, can sign up for coverage through June 30.

"In many ways, the pandemic has made clear the crucial importance of the Affordable Care Act's coverage expansions," Lee said. "Over the years, California's leaders have put a system in place that protects Californians and provides them with a way to get the care they need when they need it the most."

Consumers can easily enroll and find out whether they are eligible for financial help through Covered California or if they are eligible for no-cost or low-cost coverage through Medi-Cal. People who sign up through Covered California will have their coverage begin on the first day of the following month. Those eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

"Health insurance is only a phone call away, and consumers can get free and confidential assistance from one of Covered California's trained professionals while remaining safe and protecting themselves and their families," Lee said.

Call Covered California at (800) 300-1506.

Covered California offers Special Enrollment
Yarazeth Tapia

CHICO, Calif. — Covered California is offering a new Special Enrollment to those affected by the pandemic.

Covered California announced more than 84,000 people applied to obtain medical coverage since opening special enrollment on March 20 in response to COVID-19. Through this enrollment people who have lost their health insurance or were uninsured when the outbreak began can rest assured there are medical options for them. Either through Covered California or Medi-Cal.

Coverage is based on your income and family size. Anyone who is uninsured and meets Covered California eligibility requirements can signup through June 30.

Covered California Spokesperson James Scullary says education is key.

"If someone out there in Northern California or on the North Coast is watching this and they don't have healthcare coverage it just takes a few minutes to see what your options are and what that means to you and your family. Education is a very powerful thing in a moment like this, give some certainty to your life. Find out what you're eligible for know what your options are and know what plans are available in your area," says Scullary.

People can find out if they're eligible for financial assistance through Covered California or if they are eligible for low to no-cost coverage through Medi-Cal by going online and visiting coveredca.com or calling the 1-800 number on the website.

Covered California also provides Telemed to those who are having a difficult time getting to a hospital and speaking with a doctor.

Forbes

COVID-19: Health Insurance & Employee Well-being
Jim Purcell

Covered California released the first national projection of how the COVID-19 pandemic will affect employer health insurance. The report predicts that employer premiums will rise in 2021 by 40 percent or more, absent federal action, which is certain to alarm many employers.

As the former CEO of Blue Cross & Blue Shield of Rhode Island, I disagree with these ominous projections, and believe that in the wake of COVID-19, any rise in health premiums will be minimal, one-time events (which I explain below).

Moreover, I believe it's time for employers to consider a more important question: whether they should pass any future rate increases to employees, which for years has become a common practice with profound ramifications for both employee well-being and employers' bottom lines.

COVID-19 & Insurance Premiums

As a former healthcare CEO, I've taken part in the complexities of health insurance ratings for years. To better understand how the COVID-19 crisis might impact insurance premiums, I consulted with insurance actuaries about changes that may arise in the coming year.

Overall, I believe that COVID-19 will significantly increase claims expenses in line with Covered California's projections, which will include higher ER intake and ICU overflows, and increased hospital staffing.

However, I do not believe that COVID-19 will lead to significantly higher employer insurance premiums in 2020, and definitely nowhere near the 21% increases predicted by Covered California.

Why? Because 2020 insurance rates have already been issued for most employers, and they include almost no COVID-19 claims expenses. This means most employers will see a minimal impact to their existing 2020 rates.

The real issue is how COVID-19 will affect 2021 premiums, which will be based on claims expenses over twelve-month periods ending June 30, 2020, and beyond that for policy renewal dates in the last three quarters of 2021.

For most employers, this means four or more months of COVID expenses will factor into their base. And while this may lead to some premium increases, I believe several countervailing factors will offset the COVID-19 expenses and minimize potential rate increases.

First, insurance regulators rarely include one-time events in base claims. Assuming that COVID-19 is a one-time event, this means that 2021 insurance rates are not likely to soar because of the current crisis.

Second, social distancing has lowered overall claims expenses in other areas. Since March 1, hospitals and physician offices have suffered enormous losses because of fewer elective surgeries, office visits, lab tests, outpatient care, and inpatient stays. This will, in my opinion, outweigh any increases from COVID-19.

Third, COVID-19 claims by seniors and the poor, the groups most severely affected by COVID-19, are largely paid for by federal Medicare and Medicaid programs. Their claims will not affect employer health coverage costs.

Insurers will experience significant losses from unpaid employer premiums. But because health insurers are required to maintain minimum “risk-based capital” reserves to cushion unforeseen disasters like COVID-19, this should cover related revenue shortfalls and not affect employer insurance rates.

Insurers are often criticized for amassing large reserves, which happened in Rhode Island for my Blue Cross plan. Yet, these reserves protect subscribers and providers during catastrophes and ensure that they can pay healthcare expenses regardless of higher claims or lower revenues not factored into current rates.

Bottom line: while worrisome, it won’t be all that bad. There should be little if any impact on 2020 or 2021 health insurance premiums because of COVID-19.

Passing Increases to Employees? Don’t Do It!

But that is not the end of the story.

Even though most employers should not see large premium increases, there will be some increases. And many employers will be tempted to pass any increases to their workforce to soften their financial losses from COVID-19.

The question arises: should employers expect workers to shoulder more of the burden by passing on health insurance cost increases? The answer is no.

Absorbing higher health coverage costs might be a bitter pill for employers. Yet, from a bottom-line perspective, there are good, evidence-based reasons employers should not pass health insurance costs increases to employees.

#1 It Hurts Employees

While employers have suffered, employees have suffered more, starting long before the current crisis.

Since 2009, average family health insurance premiums increased 54% with workers’ contributions increasing 71%, while employee wages only rose (26%) and with inflation going up (20%).

This means that employees are already choking on large deductibles and avoiding needed care because they can't afford it. When lower-paid employees shoulder more of their healthcare costs, it harms their health and well-being.

#2 It Costs Employers More

Evidence shows that passing substantial healthcare costs onto employees hurts profits and far outweighs any financial benefits for employers.

Higher employee healthcare costs leads to skipping preventive care and doctor visits, which exacerbates long-term chronic illnesses, increases healthcare costs and creates a "claims spiral."

Add to that rising stress and depression, already high before COVID-19, and declining physical and financial well-being, and it's easy to see why further burdening struggling employees will hurt productivity, boost absenteeism and lead to higher future employer insurance costs.

#3 Lower Engagement and Loyalty

If employers hope to cultivate high employee well-being, which evidence shows leads to higher workplace engagement and many other bottom line benefits, first dollar, no-deductible health insurance is a primary component.

Dollar-for-dollar, employees value good health insurance coverage, even more than even salary increases. Families appreciate great first-dollar coverage. It provides security in scary times which has implications for employee stress, depression, and retention, all of which center on employee well-being.

Gallup has shown that employees who are engaged and who have high well-being are more loyal and productive. They are 30% more likely not to miss work days because of poor health in a given month, and miss 70% fewer work days because of poor health over the course of a year.

The same study found that employees who are engaged and have high well-being are 59% less likely to look for a new job with a different organization in the next 12 months. Many companies save much more from lowering turnover than passing health insurance increases onto workforces.

A Better Strategy

Employers must not pass further health insurance increases onto employees. Instead, they must approach this as an opportunity to support employees and their families during these hard times, which not only benefits employees but can help employers see bottom line returns.

According to research in the book, Firms of Endearment, Southwest Airlines, Costco, Patagonia and other employers saw a 1025% cumulative return over ten years, compared to 122% for S&P 500 companies, by protecting employees during hard times by refusing layoffs and continuing benefits.

If you are an employer and receive a premium increase, tell your employees the dollar amount of the increase, and that your company will cover it, in full, so their families need not worry about additional health coverage expenses from COVID-19 or whatever else this uncertain future will bring.

At the end of this crisis, employees will remember how your company treated them when they were most vulnerable. This can ultimately boost engagement, lower turnover and lead to better customer service with returns that will dwarf the cost of a COVID-19 or any other rate increase.

ORANGE COUNTY
REGISTER

Providers prepare for major surge in Medi-Cal and Covered California enrollment due to pandemic
Deepa Bharath

Dwight Armentrout was among about 4 million Californians who lost their jobs about the time the state began locking things down in response to the coronavirus pandemic.

Armentrout's position as a telecommunications field technician was eliminated in March, a week before COVID-19-related stay-at-home orders began. But that was only half the bad news.

Like many others who became unemployed in subsequent weeks, the 64-year-old Cathedral City resident also found himself without employer-provided health insurance. Making matters worse, his husband works for a smaller company and relied on Armentrout for health-care coverage.

“The situation did scare me quite a bit because I’ve heard nightmare stories about how hard it is to qualify for programs and health plans,” said Armentrout, who had relied on employer-paid health insurance his entire adult life.

He and his husband eventually were able to find a health plan through a Covered California representative in Riverside County. But, because they have income and assets, they must pay a higher deductible and don’t qualify for subsidies provided by the Affordable Care Act.

“But, the good news is, at least we are covered,” he said.

Unemployed and uninsured
For the ranks of the unemployed or underemployed, Covered California, the state’s health insurance marketplace, typically is the first option for those seeking health insurance. But health-care providers in Southern California also are ramping up for a surge in Medi-Cal enrollment as millions more could become newly eligible for the state’s Medicaid program for low-income individuals.

Anthony Wright, executive director of Health Access California, a group that advocates for universal healthcare, noted that Gov. Gavin Newsom announced that nearly 4 million Californians have lost their jobs over the past seven weeks due to the COVID-19 crisis.

“Early estimates show that a lot of those folks are not just losing income and employment but health-care coverage as well,” Wright said, adding that nearly 2 million may have lost employer-based coverage. “So, you’re not talking about thousands, but millions who’ve lost access to health care.”

A decade ago, the only option for someone with a preexisting condition would have been the Consolidated Omnibus Budget Reconciliation Act (COBRA), a health insurance program that allows eligible employees and their dependents the continued benefits of health insurance coverage after a job loss or reduction in hours. But the employee has to pay all costs, which makes it cost-prohibitive to many.

“But now people have other options through Covered California and could get subsidies to buy a private plan,” Wright said. “Most people will have lost all their income and will likely be eligible for Medi-Cal.”

More than 84,000 people have signed up for coverage through Covered California since March 20, when the exchange announced a special enrollment period in response to the coronavirus pandemic, said spokesman James Scullary. That special enrollment

period will be in effect until June 30 or possibly beyond that date, depending on the situation, he said.

“One of the things we really want to get across is if you’ve lost your job and your health insurance, there is help,” he said. “We have hundreds of certified agents who can help over the phone.”

People can also go to Covered California’s website, enter their income, ZIP code and ages of people in the household to find out what is available and what they might be eligible for, Scullary said.

Lobbying for change
John Baackes, CEO of L.A. Care, which serves about 2 million Medi-Cal members in Los Angeles County alone, said he expects Medi-Cal enrollment to climb 10-20%. He anticipates anywhere from 230,000 to 460,000 to sign up through L.A. Care alone. One problem the newly uninsured will encounter with Medi-Cal, he said, is the time it takes to get approved.

“This is why we’re lobbying for legislation to allow presumptive eligibility, which means they get approved now and can be removed 90 days later if they don’t meet the requirements for eligibility,” he said.

Since county social services departments are under considerable pressure to process all applications in a timely manner during this surge in Medi-Cal enrollment, presumptive eligibility will help provide immediate short-term health-care coverage for those who appear to qualify for the program after losing their jobs. Without this, they may have to wait weeks or months to complete the enrollment process and gain access to health care, Baackes said.

Baackes said states also will require much more federal funding — about $192 billion in additional funding — to sustain Medicaid programs over a two-year period.

L.A. Care is preparing for new members who might have previously had other commercial health insurance plans.

“If their doctor is not in our network, we’re contacting them to ask if they would become part of our network so these new patients can get continuity of care,” he said.

In addition, L.A. Care is among those lobbying to suspend the federal public charge rule, which could potentially deny green cards or citizenship to immigrants who use social services such as Medicaid, food stamps, cash assistance or public housing.

“The public charge rule has already created a chilling effect among those in the country legally,” Baackes said. “A pandemic is no time to have people avoid medical care in order to protect their future immigration status.”

Reaching out to those in need

The big challenge for health providers is also to reach hundreds of thousands who are newly eligible for Medi-Cal, said Thomas Pham, vice president of strategy for the Inland Empire Health Plan, which serves about 1.2 million Medi-Cal members in Riverside and San Bernardino counties. Pham said these two counties alone will have about 300,000 newly eligible members.

“How do we reach out to them and let them know about our program?” he said. “These are people who may be totally new to Medi-Cal.”

Pham said the key for his organization is to collaborate with the county, those who provide application assistance for the uninsured, Covered California and the state Employment Development Department, which assists people in accessing their unemployment benefits. It’s also important to use every channel of communication, including the media, social media and word of mouth, he said.

CalOptima, Orange County’s Medi-Cal provider, is “well prepared to welcome additional new members as a result of the COVID-19 pandemic,” said interim CEO Richard Sanchez.

“We have a history of being able to capably handle membership growth, which we also did when Medi-Cal was expanded under the Affordable Care Act,” he said. CalOptima, he noted, now serves about 720,000 members and has the capacity to grow.

Community clinics, which are the main health-care providers for individuals on Medi-Cal, also are gearing up for the surge in Medi-Cal membership, said Daisy Salinas, outreach and enrollment manager at QueensCare Health Center, which operates clinics in Hollywood, East Los Angeles, Eagle Rock, MacArthur Park and Echo Park.

“We haven’t seen a huge surge just yet, but we’re definitely expecting the numbers to go up in May and June,” Salinas said.

Salinas said QueensCare, in addition to helping with Medi-Cal enrollment, also is helping the homeless and those who are undocumented get on My Health LA, a no-cost health-care program for residents of Los Angeles County that is free to individuals and families who are unable to obtain health insurance such as Medi-Cal.

“We are reaching to immigrant families and letting them know they can apply for My Health LA because it is not part of the public charge rule,” she said. “They don’t have to be afraid to apply.”

23ABC NEWS BAKERSFIELD

Covered California launches ad campaign focusing on COVID-19, encouraging the uninsured to sign up for coverage
Ashley Valenzuela

SACRAMENTO, Calif. — Covered California today, launched a new ad campaign focusing on the COVID-19 pandemic and encouraging people without health insurance to sign up for coverage during the current special-enrollment period.

“We will get through this together, and whether you have lost your job or suffered a loss of income due to the pandemic, Covered California is here for you,” said Covered California executive director Peter V. Lee. “Covered California can help you find the health insurance you need to protect yourself and your loved ones, and most of those signing up get financial help to pay for coverage.”

The ads are 15 seconds and 30 seconds long and were created by Maximize Video Productions, a San Francisco Bay Area creative agency, just as Californians began staying home to reduce the spread of COVID-19.

“We saw how neighbors were concerned about their health and using things like video chats and window visits to stay connected and protected,” said Max Fancher, the owner of Maximize Video Productions. “We figured out how to safely film people staying at home, staying healthy and safe so we could inform everyone about their health care options during this crisis."

Fancher reached out to his neighbors and friends who live in Oakland, Berkeley and nearby cities to share his idea of how they could film the ads while keeping a safe distance. He drove across the East Bay and filmed them from outside their homes, while providing instructions and guidance over the phone.

Several people connected to the ad have either benefited from quality health insurance coverage provided through Covered California or Medi-Cal. Maurice Ramirez is a self-employed photographer who lives in Alameda and appears in the ad with his wife and son. He says he could not imagine raising his family without the protection of a health insurance plan.

The ads highlight Covered California's current special-enrollment period, which allows any eligible individual who needs health insurance amid the COVID-19 emergency to sign up for coverage. Covered California's eligibility requirements are similar to those in place during the annual open-enrollment period, and consumers can sign up for coverage through June 30.

Consumers can check here and find out if they are eligible for Covered California or Medi-Cal, and see which plans are available in their area.

People who sign up through Covered California will have their coverage begin on the first day of the following month. Also, when applying, those found eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

Those interested in learning more about their coverage options can also call Covered California at (800) 300-1506.

CALIFORNIA BROKER

Covered Cal for Small Biz Annouces Deferment AND What Are Tax Consequences of PPP?
Victoria Alexander

Covered California for Small Business announced a new program that aims to help hundreds of small businesses continue to provide insurance to their employees during the current COVID-19 pandemic. The program will allow employers, who provide coverage to their employees and were unable to pay their premiums for the month of April, an extra 30 days to make their payments for the months of April and May and a way to spread the costs of those premiums over the balance of the year. The Premium Deferral Program is currently being offered to employers who have not yet paid their premiums for April or May. The program will allow affected businesses the flexibility to pay just 25 percent of their premium payments for those two months and defer the remaining amount across the rest of the year. Covered California will continue to monitor the pandemic and determine if further actions are needed to protect small businesses seeking to keep their employees covered.

Tax Consequences of PPP Loans

Wondering about the tax consequences of Payroll Protection Program loan? This piece up on ThinkAdvisor explains the consequences, especially of loans that are forgiven. Spoiler: recipients don't have to pay taxes on the PPP money but they also won't be able to deduct certain expenses if those expenses were covered by PPP money.

Humana Recognizes Impact of Social Isolation on Brokers

During a recent conference call to go over Q1 results with security analysts, Humana CFO Brian Kane acknowledged that social isolation presents a challenge for brokers. Kane said the company is encouraging brokers to use other means to connect with clients. "…we're very focused on making sure that all of our brokers have the digital capabilities to engage with our members telephonically and digitally," Kane said. Humana Inc. has been recording strong call center sales since COVID-19-related social distancing started, but a lack of face-to-face meetings has meant lackluster sales for traditional brokers.

SAN JOSÉ spotlight

Surviving the pandemic: How can South Bay small businesses get help?
Janice Bitters

Businesses are struggling as the statewide and regional stay-home orders drag into the seventh week, and while there are many resources available, those programs are ever-changing and sometimes difficult to untangle.

Health officials and elected leaders have also demurred on providing a timeline to reopen the economy. Though many retailers will be allowed to reopen for curbside pickup as early as Friday, not all regions will behave the same, and those shops in the Bay Area will remain shuttered for now.

Meanwhile, cities, counties, the state and federal governments, alongside other major funders, have unveiled a slew of resources for those companies struggling to stay afloat during the shutdown.

Federal resources/Loans

When the federal Payroll Protection Program ran out of funds less than two weeks after launching, many small businesses faced whiplash, hopeful for some relief, only for the

opportunity to be snatched away. But the funds have been replenished with more clarity around who should apply. The pool of money, re-upped on April 27, isn't expected to last indefinitely, so businesses that qualify should apply as soon as possible.

Agricultural businesses can apply for the Economic Injury Disaster Loan advance program that can offer up to $10,000.

Small Business Administration Express Bridge Loans are for companies that already have a relationship with an SBA Express Lender and can provide up to $25,000.

Debt relief and credits

The SBA will also pay up to six months of principal, interest and the fees on certain micro-loans for small businesses through a new debt relief program funded by the federal CARES Act.

Employers who keep workers on the job despite coronavirus impacts may qualify for an Employee Retention Credit.

Delayed taxes

Employers, including those who are self-employed, can defer paying the employer's share of Social Security taxes between March 27 and Dec. 31. That money would be paid back over the next two years.

In addition, many business tax payment deadlines have been moved to July 15.

Unemployment programs

Employers looking to avoid laying employees off entirely can participate in the Unemployment Insurance Work Sharing Program to have the state help offset some of the lost hours while retaining those workers.

Despite that program, a record number of Californians have applied for unemployment across the state. But business owners, self-employed, independent and gig workers aren't typically eligible for unemployment funds — until now. The Pandemic Unemployment Assistance program, funded through the federal CARES Act but administered through the state, allows those workers to apply for unemployment benefits by clicking here.

Insurance and tax payment extensions

Covered California has offered a “grace period” for small businesses that can’t make payments on their employees’ health care plans. Call 1-844-332-8384 Monday to Friday between 8 a.m. and 5 p.m. for more information.

Employers that have had finances upended due to COVID-19 can request a 60 extension to file state payroll reports without the normal penalties and interest. Call the EDD’s helpline for more information: 1-888-745-3886

On Wednesday, Gov. Gavin Newsom signed an executive order to waive penalties on late residential and small business property tax payments for those impacted by coronavirus. Typically, late payments after April 10 come with a 10 percent penalty. Santa Clara County leaders have been advocating for such a move in recent months.

SOUTHERN CALIFORNIA RECORD

Covered California health insurance premiums could see spike due to COVID-19
Juliette Fairley

It’s been nearly two months since Covered California issued its report estimating that health care premiums could increase by 40% due to the COVID-19 outbreak but the landscape has changed dramatically in that short period of time.

“It was a good faith estimate issued at the very beginning of the crisis based on very little data,” said Anthony Wright, executive director of Health Access California, a health consumer advocacy coalition. “Now we have more information to work with.”

Covered California, created under the Affordable Care Act, is the health insurance marketplace for consumers who have incomes above the MediCal poverty line cutoff however millions of Californians have reportedly lost their job and Covered California health insurance due to COVID-19.

“Covered California established a special enrollment period for consumers who were uninsured or impacted by the pandemic,” said James Scullary, Covered California's communications and public relations broadcast and media relations branch chief.

As a result, more than 84,000 people signed up for Covered California coverage between March 20 and April 24, 2020, which is a pace more than 2.5 times higher than the same time period last year, according to Scullary.

While an anticipated 40% hike was based on potential costs of testing and treatment according to the best available data at the time, proactive steps have mitigated the impact of the coronavirus. Those steps include social distancing and increased use of face masks, experts say.

“There's been a significant reduction in claims because people following the shelter in place orders, especially older folks who are more likely to go to the doctor, have put physician appointments on hold,” Wright told the Southern California Record.

Staying home has also reduced the rate of coronavirus infection and its impact on hospitals, according to Edwin Park, research professor with the Center for Children and Families at the Health Policy Institute in the Bay Area, and as a result, the 40% projected increase could prove to be lower.

“It depends on what assumptions insurers make about what next year looks like and that depends on some factors that we don't entirely know right now,” Wright said in an interview.

One of the unknown factors is whether there will be a new spike in coronavirus infections later in the year.

To date, there are 67,939 coronavirus cases statewide and 2,770 fatalities, according to the Department of Health.

“The estimated premium projected could be higher than what was assumed or it could be less because of the success of the shelter in place orders in reducing the impact on hospital costs and other health care costs but if more elective procedures are allowed and people return to outpatient clinics for care that they've delayed and now there's a pent up need for those services, then that offsetting reduction in costs would no longer be there,” Park told the Southern California Record.

Experts foresee negotiations for 2021 health insurance premiums to begin in June 2020 with Covered California and the 11 healthcare plans that operate in the individual insurance market, including Blue Anthem, Blue Cross and Kaiser.

“Because COVID-19 costs weren't anticipated when premiums were set for this year, when insurers set premiums for 2021, they'll build in higher costs to make up for the unexpected losses as well as provide room for costs that may be associated with further outbreaks of COVID-19,” said Park.

The uncertainty around Covered California health insurance premium costs for 2021 comes at a time when the state budget has slipped into arrears.

Prior to the COVID-19 plague arriving in January, the state had projected a $6 billion budget surplus.

“Those numbers are completely flipped today,” Gov. Newsom said on May 11 at a Facebook Live press conference. “We now are struggling with a budget deficit of billions of dollars directly caused by COVID-19.”

Adding to the debt burden is the number of newly unemployed enrolling in MediCal.

“With all the people losing their jobs and health insurance through their employers, MediCal is a key coverage source for those losing job-based coverage,” said Park.

The Urban Institute expects Medicare enrollment to rise by more than 2 million people while Gov. Newsom told journalists at the press conference yesterday that the state had disbursed $13.1 million in unemployment assistance to 4.5 million people since March 12.

“The higher enrollment in MediCal and the potentially higher Covered California premiums is a clear lifeline for those who are losing coverage,” said Park. “Higher MediCal enrollment will add to the state budget deficit, which speaks to the need for further financial support for states and local governments that is being debated in Congress today.”

CAL MATTERS

Commentary: Sacrifices Californians make will help slow spread of coronavirus
Dr. Sandra R. Hernandez

We have entered an important new chapter in the response to the COVID-19 pandemic: After a week filled with school closures and the cancellation of major public events of all kinds, Congress and President Donald Trump are hopefully close to a deal to address the spread of the dangerous coronavirus.

This clear-headed collaboration by our political leaders is welcome for the immediate relief it will bring and because it restores — for at least a moment — the primacy of public health over hyper-partisan politics.

COVID-19 hit us where we are vulnerable. Unlike the flu, there is no community immunity to this virus. There is no treatment and no vaccine. The incubation period is long, and the virus is very contagious. People are being infected and infecting others faster than the system can currently respond.

Politics may be why testing didn't ramp up sooner. That has to stop immediately. Without widespread testing, our health care system is basically flying blind. It's a big reason we have to take such dramatic action to contain any possible spread right now. And going forward, it is imperative that we maintain a shared, nonpartisan interest in getting the epidemiological facts that testing will reveal.

Once testing is expanded, we will better understand case fatality rates and where to target public health interventions. Having that data will take us out of the "unknown phase" we're trapped in and enable leaders at all levels to unify around sound business decisions. It will also instill confidence and consistency to recommendations about public participation.

COVID-19 is conservatively estimated to be three to 10 times more fatal than seasonal flu. When you look at the mortality rates in China and Europe, people who also have conditions like diabetes, hypertension and coronary artery disease seem to be at much greater risk of developing a severe form of this infection. These are very common conditions in the United States. It means that the community at risk from exposure is large.

This is why it is critically important to hold down the spread of this virus. Though the risk is uneven, the responsibility must be shared.

It's true that the steps being asked of so many families and organizations may feel drastic. Closing schools, upending normal business routines and cancelling events are crucial to local economies and communities. These measures have already brought upheaval and changed the daily lives of tens of millions of Americans.

It's important to remember that these actions are not excessive – they are extremely prudent. They will buy us time, and that is perhaps our best weapon against this fast-moving virus.

Our health care system is technologically advanced, but it is also bound by physical limitations. There are only so many health professionals, beds, ventilators and masks. The sacrifices that families, schools, businesses and communities are making to slow down the spread of COVID-19 protect the health of the people who may need advanced treatment. Every time you wash your hands, practice social distancing or stay home if you are sick, you are saving lives. And we're counting on our friends, neighbors and even competitors to do the same.

COVID-19 has no party, no race and no citizenship. Health care is a basic need, as is our core public health infrastructure and the need for paid leave when workers get sick. They should be universal, not only for the health of those who are our most vulnerable, but for the health of everyone else we know and all the people in the widening concentric circles to which we connect. When some people are left out of the health system, all of us face a greater risk.

California has been leading the way toward getting everyone health insurance coverage — and expanding access to care. As this virus spreads, this goal has never been more important.

Our nation has been vulnerable to COVID-19 in part because of the divisions that have plagued us. By working together — and with our shared sacrifice — we can rebuild our immunity and strengthen the foundation of a healthier society.

10 Years Later, Obamacare's Complicated Legacy Still Shapes the Nation
Abigail Abrams

Maurine Stuart credits the Affordable Care Act (ACA) for saving her family. In 2014, Stuart was diagnosed with HELLP syndrome, a rare disease that causes heart, liver and lymphatic problems. As a result, she was unable to continue working full time—which meant losing her employer-sponsored health insurance. But thankfully, she says, that same year, her home state of West Virginia opted in to the 2010 Affordable Care Act's Medicaid-coverage expansion, and she qualified.

Over the next few years, as bad news kept rolling in, ACA protections continued to keep Stuart's family afloat. When Stuart was diagnosed with breast cancer, when her sister was diagnosed with a brain tumor, and when her daughter Peyton began having seizures, the ACA consistently offered avenues of affordable care. Stuart and her sister

received coverage under the Medicaid expansion, while Peyton got it through the Children's Health Insurance Program, which had been strengthened under the ACA. Stuart says the ACA not only gave her and her family access to the treatments they needed, it also changed their mentality about when to seek out professional care in the first place. When she and her siblings were growing up in California in the 1980s and '90s, they couldn't afford health care, Stuart says. "The criteria for going to the doctor was, 'Are you bleeding? Have you lost a limb?'" Her father and brother never shook that idea, Stuart says. Despite the passage of the ACA, they never got insurance. They thought it would be too expensive. So in recent years, when both of them began having severe health issues, neither regularly went to the doctor. By 2016, both men were dead: her father from prostate cancer and her brother, at 19, from a massive pulmonary embolism.

"My dad and my brother died; my sister, my daughter, me, we all lived," Stuart says. "The common denominator," she says, was health insurance.

It's been 10 years since President Barack Obama signed the Affordable Care Act into law—and proudly embraced its once pejorative nickname, Obamacare. But the law's legacy remains at least as layered and complicated as Stuart's family medical history. Thanks to the ACA, 20 million people in the U.S. gained health coverage, and early studies show the law improved the health of Americans across a range of measures. It also helped narrow racial, gender and ethnic gaps in coverage. Between 2013 and 2018, the uninsured rate dropped 10% for black adults and by more than a third for Hispanic adults. Other groups, including women and young people, saw significant gains in coverage as well.

But the law is also deeply flawed. Despite its framers' high hopes, plenty of health outcomes have not improved, marketplace insurance plans have remained too expensive, and while national health care spending has been lower than predicted, the ACA's record on containing costs is a mixed bag.

In many ways, the ACA today serves as a kind of sociopolitical Rorschach test in the U.S. To many mainstream Democrats, the law is an imperfect victory: in 2018, they won the majority in the House of Representatives in part by trumpeting a platform of protecting—and improving—the ACA. Progressives, meanwhile, see the law as not going nearly far enough.

To many Republicans, the law is a bête noire. Congressional Republicans have voted at least 70 times to dismantle, defund or change the ACA, and conservatives have brought three major challenges to the law to the Supreme Court. Fourteen states, most with Republican governors, still refuse to opt in to the law's Medicaid expansion, and the Trump Administration has successfully chipped away at a handful of the law's crucial

rules. But in 2017, when Republicans got their chance to kill the ACA outright, they balked. Despite having majorities in the House and Senate, they couldn't agree on a replacement—and the late Senator John McCain prevented an outright repeal, which would have left a great deal of Americans without access to insurance at all. Today, 55% of Americans support the law, an all-time high, according to the Kaiser Family Foundation's latest poll.

One of the ACA's most popular provisions ensures that people with pre-existing conditions cannot be denied coverage or charged higher premiums. Before its passage, insurers could charge excess prices for—or outright deny—coverage to all kinds of people, including pregnant women and cancer survivors. The ACA also eliminated annual and lifetime limits on coverage, a change that protects people who have had prior health emergencies.

Perhaps unsurprisingly, researchers have found that having good insurance directly correlates with better access to care--which in turn often translates to better health. Increases in coverage due to the ACA led to an uptick in early cancer diagnoses; improved rates of treatment for diabetes, high blood pressure and kidney disease; and better self-reported health, studies find. There have been other highlights too: some studies show Medicaid expansion helped people get evidence-based treatment for opioid addiction and to quit smoking. More broadly, researchers have found that the ACA reduced medical debt nationwide, lowering bankruptcy and poverty rates.

These improvements have helped reduce annual mortality rates for infants and people with cardiovascular disease, especially in states that opted in to expanded Medicaid. One study found that if all 50 states had expanded Medicaid, as the ACA's framers intended, it likely would have saved 15,600 lives from 2014 to 2017.

A foundational idea of the ACA was that it was supposed to preserve free-market competition by creating state-based marketplaces where people could buy private health insurance. Only it didn't turn out that way. Once the ACA went into effect, sick people—who require the most costly care—flooded the marketplaces, and many healthy people did not join at all. The results were grim: the cost of premiums rose, and many insurers, assessing the marketplaces as unprofitable, bailed. That meant that customers in many regions were left in the lurch: they could choose from only a handful of often very pricey plans.

And then it got worse. Under the ACA, those with incomes up to 400% of the federal poverty level received subsidies to help them afford expensive insurance plans. But many middle-class Americans made too much to qualify for that help yet far too little to afford to pay on their own. The high deductibles on marketplace and employer-sponsored plans have left more people underinsured than 10 years ago.

The Trump Administration has relentlessly pushed to dismantle the ACA. It has managed to get the individual mandate ruled unconstitutional; allowed plans that skirt ACA coverage requirements; slashed funds that helped people sign up for insurance; and imposed new regulations on Medicaid, such as new premiums and work requirements. As a result of these efforts, the ACA is weaker now than it was a decade ago, and the number of Americans with health insurance has declined.

But the law's impact remains strong, in part because it transformed the way Americans think about the role of government in health care. It stretched what they thought was possible. In the decade since former Vice President Joe Biden called the ACA a "big f-cking deal" on the day it was signed into law, Pew research shows that the majority of Americans have come to believe that it is the federal government's responsibility--through the ACA or its eventual replacement--to ensure health care to all Americans. Stuart in West Virginia says she remains grateful to the ACA for providing her family coverage over the years. Her breast-cancer prognosis now looks good, and her daughter Peyton is tapering off her antiseizure medication. But with ongoing legal challenges to the ACA and President Trump in the White House, she worries that one day it will be repealed. "I wake up every day afraid," she says.

Ten years later, Obamacare is as popular as it’s ever been
Mark Murray

WASHINGTON — As the Affordable Care Act, or Obamacare, turns 10 years old on Monday, the health care law is as popular as it has ever been, according to new numbers from the latest NBC News/Wall Street Journal national poll.

Forty-two percent of all registered voters believe the law is a good idea, compared to 35 percent who think it's a bad idea, while 23 percent don't have an opinion.

The difference between good idea and bad idea — plus-7 points — is as high as it has been since the NBC News/WSJ poll began tracking the legislation more than 10 years ago. (It was an equal plus-7 in April 2009, well before Congress passed the legislation.)

President Barack Obama signed the health care legislation into law on March 23, 2010.

Not surprisingly, attitudes about Obamacare are split along partisan lines in the poll.

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Eighty percent of Democratic primary voters, as well as 72 percent of all registered voters who describe themselves as Democrats, say the Affordable Care Act is a good idea.

That's compared to 72 percent of Republican voters in the poll who say it's a bad idea.

Among independents, it's 37 percent good idea, 23 percent bad idea and 39 percent no opinion.

Looking to the future beyond the Affordable Care Act, the NBC News/WSJ poll also finds that a public insurance option is more popular — especially among Republicans and independents — than a "Medicare for All" single-payer system is.

Seventy-three percent of all voters say they "strongly" or "somewhat" support allowing people under age 65 the option to buy their health care coverage through the Medicare program just like one might buy private insurance.

That includes 81 percent of Democratic primary voters, 81 percent of all Democrats, 76 percent of independents and 63 percent of Republicans.

By contrast, just 43 percent of all registered voters say they support adopting a Medicare for All single-payer system in which private health insurance would be eliminated and all Americans would get their health care coverage from one government plan.

A combined 67 percent of Democratic primary voters and 68 percent of all Democrats in the poll say they back Medicare for All — similar to the exit poll findings in some of the early Democratic nominating contests.

But that's compared to 51 percent of independents and just 8 percent of Republicans who agree.

POLITICO

The Obamacare predictions that didn't quite pan out
Dan Goldberg

In early 2010, Dick Cheney assured conservatives that Barack Obama would be a one-term president, Sarah Palin teased a run for the presidency, and Donald Trump fired Rod Blagojevich from “Celebrity Apprentice.”

Given how the world turns, it’s understandable why so many people were so wrong about the Affordable Care Act, signed into law 10 years ago Monday.

Some treated the law like a panacea for the nation’s broken health care system, while others decried it as a certain step toward socialism. Some predicted it would end Obama’s political career and destroy the economy, while others said it would bring health care to every American — although the coronavirus pandemic has starkly shown the perils of being uninsured, or underinsured.

We looked back at our favorite Obamacare predictions to see how they hold up in 2020. The results weren’t always pretty, but would you have ever guessed how important that one season of reality TV would be for Blagojevich?

10. 25 million people would sign up for Obamacare plans
Not even close

The law’s insurance marketplaces never came close to hitting the projection from the nonpartisan number-crunchers at the Congressional Budget Office.

Sign-ups have never topped 12.7 million, and enrollment has shrunken mildly since that peak in 2016, suggesting the marketplaces have, for now, hit a ceiling. The market never really expanded beyond those who received generous federal insurance subsidies. The CBO predicted that 4 million people would entirely pay their own way on the federal exchanges by 2016, but the actual number was closer to 1.3 million last year.

“Arguably, Congress was overly stingy” said Sabrina Corlette, a researcher at Georgetown University's Center on Health Insurance Reform, arguing that the subsidies just didn’t reach enough people. Case in point: California saw new enrollment in its marketplace soar 41 percent this year after it began providing premium subsides to more middle-income people.

At least two other important factors limited marketplace enrollment. The individual mandate penalty, before it was repealed, never pushed people to get covered as much as predicted. Also, employers were reluctant to dump workplace plans and send people onto the exchanges to buy their own coverage.

9. Obamacare is a job killer
Depends on who you ask

Republicans warned the law's mandates and new taxes would shrink the economy and kill jobs. Hardly. The private sector has grown every month since the law's passage — at least until the virtual nationwide shutdown from coronavirus. Health care industry jobs fueled much of that growth in the past decade.

In the law's early years, Republican seized on a 2014 CBO projection that Obamacare would mean the equivalent 2.5 million fewer employers within a decade. Republicans for years claimed that was proof the law would kill jobs, but the CBO was accounting for people who would voluntarily stop working or log fewer hours because they would have a new affordable source for health insurance.

In 2017, Stanford University economists found the law's impact on jobs was close to nil. While some workers reduced their hours, a nearly equal number increased their hours to move off Medicaid and onto the exchanges, they said.

Casey Mulligan, a conservative economist at the University of Chicago, argued the law's employer mandate, requiring businesses of at least 50 full-time workers to provide coverage, kept a lot of small businesses from hiring more. And that the growth in health care jobs isn't necessarily a good outcome, since that may have pulled money away from other sectors of the economy that might have benefited.

8. Obamacare would save the government $143 billion
Only if Congress kept the unpopular stuff

During Obamacare's drafting, central to Democrats' argument for the law was the idea that it would actually be a budget saver, despite its hefty new spending on insurance subsidies and Medicaid expansion.

It doesn't seem to have worked out that way, in large part because Congress has repealed or delayed many of the provisions that would have raised revenue. Roughly half of the projected CBO savings came from a long-term care insurance program that was quickly shelved when the Obama administration determined it was financially unworkable. Congress on a bipartisan basis had also delayed taxes on health insurers

and medical devices in the past decade until killing them off for good last year, blowing an estimated $373 billion hole in the budget the next decade.

All of this has made it impossible to discern the law's effect on the federal deficit. The CBO has long since given up, telling Congress in 2016 that such estimates were becoming "more challenging and less meaningful."

7. Families would save $2,500 per year on health insurance
Not so much

Candidate Barack Obama in 2008 repeatedly claimed that his health care plan would save families up to $2,500 per year on their premiums.

Obamacare critics have spent more than a decade pointing to rising premiums in workplace health plans — now over $20,000 for the average family — as proof Obama was wrong. Obama's defenders say he didn't mean people would see a $2,500 cut in their premiums — rather, the slower than expected growth in health costs would translate to savings. The math was always fuzzy, but opponents had an easy attack line.

Here's one way to think about this: The average employer premiums increased 26 percent between 2009 and 2014, when the Obamacare exchanges opened, but grew at a slightly slower pace of 22 percent in the following five years, according to the Kaiser Family Foundation. That slowdown in growth saved the average family about $1,000 per year. Not bad, but definitely not $2,500.

Of course, it's hard to say how much of those savings could be attributed to Obamacare measures promoting more efficient care. Economists have cited other factors, including hangover effects from the Great Recession and other changes in the industry, like the explosion of high-deductible plans requiring patients to pay more from their own pockets for care.

6. Long waits to see a doctor
Worst fears never materialized

Some of the law's critics predicted there just wouldn't be enough doctors to care for all of the law's new insured patients. Some Obamacare proponents argued the law's plan to boost pay for primary care providers would alleviate the physician shortage.

That didn't quite work out. The nation is still facing a shortage of primary care physicians and wait times did increase. Two 2017 studies, from JAMA Internal Medicine and the New England Journal of Medicine, found that Medicaid and privately insured

patients experienced a slight increase in wait times since Obamacare's coverage expansion took effect in 2014. But the NEJM study found more appointments were available to Medicaid patients and the rate stayed about the same for privately insured patients.

The upshot: Obamacare certainly didn't buckle the health system. While wait times in some areas may have increased, there has also been a boom in urgent care clinics to help meet demand.

5. Obamacare was a step toward single payer
Stay tuned

In a rare instance of a bipartisan agreement, top congressional leaders at the time said Obamacare laid the foundation for single-payer — albeit for different reasons. John Boehner said the ACA set up the infrastructure for the government "to eventually take control of all of our health care." Harry Reid, a few years after the law's passage, said it was a "step" toward nationalized health care.

Many on the left, fed up with ever-climbing health care costs and that 30 million Americans remain uninsured, are embracing a Sen. Bernie Sanders-style "Medicare for All" plan that would provide generous government insurance to virtually everyone. But many Democrats still view the idea skeptically, wary of its price tag and taking away private insurance.

Still, a government-run insurance alternative known as a public option, which a decade ago was considered too radical for Obamacare, now has broad support among moderates. And you'll find many progressives who say a public option is the next logical step to single payer — that was essentially Sen. Elizabeth Warren's health care plan. So, put this prediction in the TBD column.

4. The Supreme Court settled Obamacare for good
The jury is still out

There were many who thought the Supreme Court decision upholding Obamacare in 2012, followed by Obama's reelection that fall, would end existential threats to the law. The first indication that prediction wouldn't pan out came two days after the 2012 election, when Boehner's declaration that Obamacare was "the law of the land" sparked outrage on the right.

Since then, Obamacare survived another major threat at the Supreme Court, when the justices in 2015 upheld the law's insurance subsidy scheme, and a failed repeal effort during Trump's first year in office. But it's not out of the woods yet.

Trump still muses that Republicans could repeal Obamacare if they retake full control of Washington. And there's a more immediate threat to the law: The Supreme Court later this year is set to hear another case that could upend Obamacare.

Ironically, the seeds of the latest challenge were sowed by Chief Justice John Robert's 2012 decision upholding the individual mandate penalty as a tax. A group of red states, with the full support of the Trump administration, argue Congress' decision to eliminate the penalty in its 2017 tax cut invalidated the individual mandate — and that the entire law must be struck.

The lawsuit was once seen as a longshot, but it's gained traction with Republican-appointed judges who have reviewed it. Roberts, just like in 2012, could hold the fate of the law in his hands.

3. Medicaid expansion too good a deal for states to pass up
Not for some

When the Supreme Court in the same 2012 case also ruled the federal government couldn't force states to expand Medicaid, few Obamacare supporters predicted that even red states opposed to the law would refuse the program. After all, the federal government was paying at least 90 percent of the program's costs — what state could pass that up? Some liberal pundits dismissed early refusals from Republican governors as brinksmanship, but the resistance has remained strong for a bloc of states.

"I don't think anybody anticipated the breadth and depth of political opposition that arose against this," said Corlette, the Georgetown researcher.

Fourteen states still have not expanded Medicaid, leaving about 4.5 million people without access to the program in those states. There are cracks in the resistance though. Since Trump's election five states have expanded Medicaid, including four through ballot measures. Three more states — Kansas, Missouri and Oklahoma — could join the program this year.

2. You can keep your insurer/doctor if you'd like
Epically wrong

This is the most infamous prediction tied to the law. Obama's assurances that people wouldn't lose their doctor or insurer under the law were far too sweeping, and an estimated 4 million people received cancellation notices from health plans in 2013 as the law's robust benefit requirements kicked in. PolitiFact labeled it "Lie of the Year," and Obama apologized for the promise.

The law did grandfather plans for people who purchased insurance before Obamacare was enacted, but the plans lost their protection if relatively minor changes were then made. To deal with the political uproar over plan cancellations, the Obama administration allowed an exception for these plans to continue — an allowance that exists today. Roughly 1.3 million people still have health plans that don't conform to the law's requirements.

Insurance experts think that politically calculated decision to extend the old plans may have hurt Obamacare's marketplaces in the early years. The older plans did not have to comply with many of the law's requirements, such as protections for preexisting conditions, meaning the younger and healthier in those plans were likelier to keep the coverage while older and sicker customers gravitated toward robust Obamacare coverage.

1. Obamacare's demise
The law keeps going

Republicans predicted the law would collapse under its own weight. Trump during his first year in office said the law was "imploding" before later declaring against all evidence that it's "dead" and shouldn't even be talked about anymore.

Obamacare is still very much with us, and in many respects is stronger than it's even been — unless the latest lawsuit kills it. Years of skyrocketing premiums have given way to modest declines in the past two years, and more insurers are signing up to sell coverage. HHS Secretary Alex Azar, who previously said Obamacare was "circling the drain," boasts about how well the administration is running the law, even though insurance experts say the marketplaces have matured as they always expected.

Despite turbulence around the law — the repeal efforts, the court challenges, the early HealthCare.gov struggles — the marketplaces seem to have stabilized. That's largely thanks to its generous insurance subsidies, which have created a reliable base of customers shield from high premiums.

Democrats not thrilled about Medicare for All have called for extending subsidies to more of the middle class. There's little support for the idea among Republicans, who say Obamacare is too expensive and people need cheaper options.

So, as Obamacare leaves its first decade, there's one prediction we feel confident making about its second: You can keep your partisan fight over health care.

Affordable Care Act at 10: Amid coronavirus, never more popular, threatened or necessary
Andy Slavitt

It's the 10th anniversary of the Affordable Care Act. What's the right gift for a law that has overcome 10 years of extreme resistance and now offers some modest protection to people in the face of a pandemic that threatens to devastate our country and our economy?

It has been a rocky decade for the ACA. Holding out the promise of coming closer than ever before to guaranteeing Americans coverage, even if they didn't work for the dwindling pool of employers providing health benefits, the ACA borrowed from one conservative and two liberal ideas.

The conservative idea is the insurance exchanges, or marketplaces, that cover 10 million people. They work well for those with modest incomes who now for the first time receive subsidies to buy insurance. And they've been a a huge boon to insurance companies after they weathered some initial rocky years.

The first liberal idea is Medicaid expansion. It has been a wild success for the states that adopted it. Compared with those that didn't, health outcomes from cancer to heart conditions to maternal and infant mortality are much improved. So are financial outcomes such as reduced payday lending, evictions and bankruptcies. And so is the health of rural hospitals and state budgets. Residents of the states that didn't expand, mostly in the Deep South, have their governors, their legislatures and the Supreme Court to blame for their worse financial and health outcomes.

Medicaid and consumer protections
The second liberal idea is a package of consumer protections for every American that is both wildly popular and never more necessary. Things that insurance companies used to be able to decide — whether to insure you, what to cover, how much to charge you — have been taken out of their hands. Now if you have a preexisting condition, you can't be denied coverage or charged more. Your policy can't stop paying if you hit an arbitrary limit. Kids can stay on their parents' plan until age 26.

No law is perfect, and the ACA has its flaws. People without subsidies are not protected from the high costs of health care. The insurance exchanges are too dependent on the

private sector and a few powerful players. The inflow and outflow of people between the exchanges and Medicaid is clunky. But Congress has had the power to fix all of these flaws. Democrats have proposed many amendments, but Republicans have opted to try to repeal the law instead. The late Sen. John McCain's thumbs down was one of several narrow escapes for the ACA.

Sen. John McCain at the Capitol on July 27, 2017, on his way to casting the thumbs-down vote that kept the Affordable Care Act alive.
The popularity of the ACA has steadily increased to its highest level as Americans have been faced with losing it. (If anything, many voters want a law that goes further.) The latest threat is a lawsuit from Republican states, supported by President Donald Trump, that the Supreme Court is scheduled to hear this fall.

But there's nothing like a global pandemic to shake us from our politics. The same Republicans who for years have voted to block or repeal the ACA and to underspend on health care, all the while waging a rhetorical war against the government's role in health care, are want to spend vast sums now that we're in a crisis.

Awaiting ACA prognosis:I'd be bankrupt or dead without the Affordable Care Act. We're both survivors — so far.

The Republican plan to repeal the ACA without a replacement has been exposed for its absurdity. Imagine 21 million people losing coverage now. Health coverage wouldn't have prevented the spread of the virus, but with 20-60% of Americans who could potentially get COVID-19, guaranteeing affordable coverage for people with preexisting conditions and other ACA protections are looking like just the basics we need to dig out of this.

Coronavirus underscores need for ACA
The point driven home more than any other by a public health crisis with a highly contagious virus is that ultimately, we can be only as healthy as the least healthy people among us. If large swaths of the population can't afford to take care themselves, guess what — it matters to you, too.

In the annals of our history, the ACA joins Medicare and Medicaid, the Children's Health Insurance Program and the Medicare Prescription Drug Program as one of the few concrete steps forward in securing America's health and financial security.

The best thing you can do:To fight coronavirus, everyday Americans should #StayHome, save lives

Right now, saving lives during the coronavirus outbreak is our existential challenge. When we get through it — and we will — the death toll has the potential to be dizzying. When all is said and done, it should give politicians opposed to expanded access to care on ideological grounds a reason to reset their views closer to American public opinion.

There are a number of practical ways to take the next step toward universal coverage. None perfect. All better than this. Americans don't want their health or their ability to pay for it to be a political football in Washington. All people ask is not to have to worry about being able to take care of themselves if they get sick and even to be able to afford to stay healthy. On this particular anniversary, we are getting a chilling reminder of why that needs to extend to everyone.

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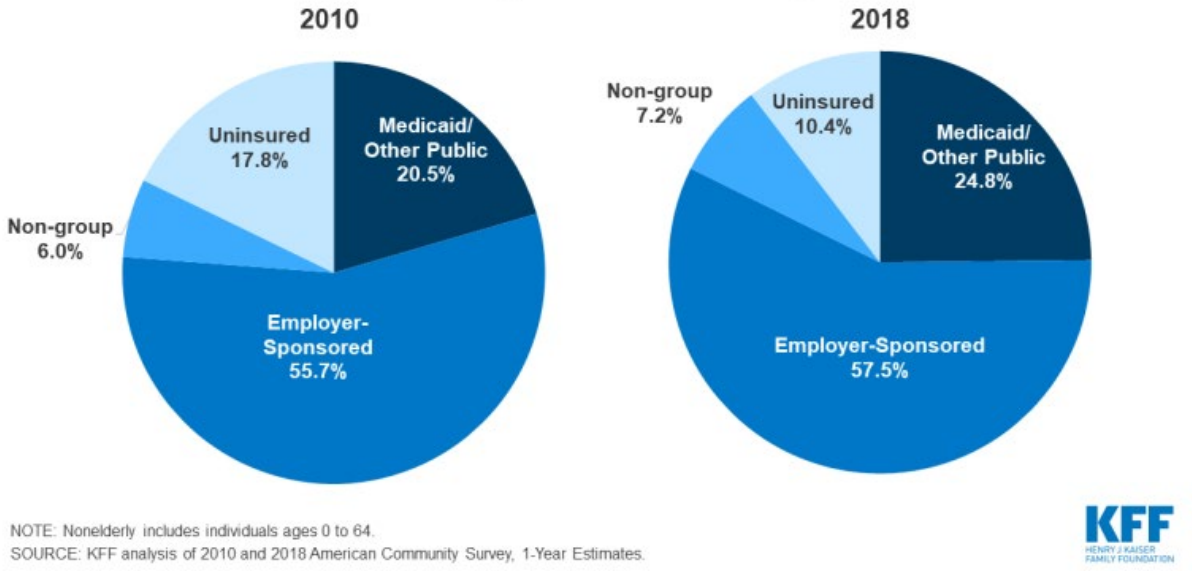
Coronavirus Response and the Affordable Care Act
Karyn Schwartz

At a moment when anxiety over coronavirus is paramount, it is worth noting on the Affordable Care Act's tenth anniversary that it will provide important coverage and access protections in this pivotal moment. The ACA still has its critics and challenges, but this would be the worst time to pull out a substantial health care safety net or consider a replacement.

The ACA has increased coverage through an expansion of Medicaid eligibility and new subsidies and standards for private insurance (Figure 1) that have led to about 19 million fewer people lacking coverage in 2018 compared to 2010. As the coronavirus outbreak puts pressure on the economy and there is likely a coming recession,[1] the ACA will provide additional coverage options for those losing their jobs or experiencing large declines in income. This would be the first recession since the ACA was implemented, and the health law will provide a safety net that never existed before for those losing job-based health insurance. The ACA also includes new private insurance standards that were designed to ensure that health insurance provides meaningful access to care. At the same time, gaps in the U.S. health insurance system remain. While the number of uninsured has declined, 27.9 million people in the United States still lack health insurance.

Figure 1



Even as the ACA has reshaped the health insurance coverage landscape and a clear majority (55%) of the public now views the law favorably, the law's future is still uncertain. Later this year the Supreme Court is scheduled to hear arguments in California v. Texas[2] (known as Texas v. U.S. in the lower courts). This ongoing litigation, supported by the Trump administration, challenges the ACA's individual mandate and raises questions about the entire law's survival.

If all or most of the law ultimately is struck down, it will have complex and far-reaching consequences and potentially eliminate many of the ACA provisions that would otherwise help some individuals avoid becoming uninsured due to the economic upheaval caused by the coronavirus pandemic.

For now, the ACA is the law of the land and is poised to help many people remain insured. However, access and affordability challenges remain for those with private insurance, including high deductibles, and some will be unable to qualify for Medicaid because they live in a state that has not expanded the program. Nationally, more than two million poor uninsured adults fall into the "coverage gap" that results from state decisions not to expand Medicaid, meaning their income is above current Medicaid eligibility but below the lower limit for Marketplace premium tax credits.

Gaps in private coverage remain as well, and deductibles and high coinsurance and copays are a hurdle for many and could lead to substantial out-of-pocket costs from a serious illness resulting from coronavirus infection. Additionally, balance billing from out of network claims—including surprise medical bills—can leave patients facing thousands in unexpected costs and do not count towards the annual maximum on out-of-pocket

costs included in the ACA. A new analysis finds that nearly one in five (18%) patients hospitalized at in-network hospitals for pneumonia (one complication that can arise from COVID-19) incurred at least one out-of-network charge. Also, short-term health insurance and health sharing ministries are exempt from the ACA's insurance standards and may not offer the comprehensive coverage that patients will need if they have complications from coronavirus. If affordability or coverage challenges lead to people delaying or forgoing care, it could have consequences for all of us.

However, despite the gaps, the ACA has led to improved access to care for millions in the United States. For a refresher on specific aspects of the law that will influence access and insurance coverage as our nation faces this new pandemic, see below for a link to a KFF resource on each topic.

- Medicaid expansion
- Individual Market Reforms, including marketplace subsidies and an end to medical underwriting
- Essential health benefit standard
- Dependent coverage up to age 26
- No lifetime or annual dollar limits
- Coverage of preventive services

Obamacare Turns 10. Here's a Look at What Works and Doesn't.
Abby Goodnough, Reed Abelson, Margot Sanger-Katz and Sarah Kliff

A pandemic. A Supreme Court challenge (again). A presidential election campaign — this time with attacks from the left as well as the right.

Ever since President Barack Obama signed the Affordable Care Act into law 10 years ago Monday, it has faced legislative, legal and political assaults. The landmark health law, nicknamed Obamacare, has withstood more than 60 votes to repeal it from Republican-controlled Congresses, two Supreme Court decisions, the gutting of one of its main provisions (the tax penalty for not having insurance) and a president who campaigned on promises to get rid of it.

But for all the challenges the law has weathered, no moment has seemed as existential as now. As the coronavirus pandemic tests the American health system in ways few could have imagined, an increasingly conservative Supreme Court is preparing to hear another case, backed by the Trump administration, challenging the law's constitutionality. At the same time, the left wing of the Democratic Party, a major force

behind the law's passage, has grown impatient with it and is demanding more radical change, to a single-payer, government-run health insurance system.

On the anniversary of the law, veteran health policy reporters at The New York Times looked beyond the political and legal debate to try to answer one question: How has the law worked in its first decade?

It's greatly expanded coverage.

The law did not achieve universal coverage, but it brought about a historic drop in the number of Americans without health insurance.

When it was passed, nearly a quarter of Americans (22.3 percent) between 18 and 64 were uninsured. By 2016 — just two years after the law's insurance marketplaces opened and states were allowed to expand Medicaid to more low-income people — that rate had plunged to 12.4 percent. In all, about 20 million more people have coverage now than before the law.

"In addition to making medical treatment available for many who already had chronic and infectious conditions, the A.C.A. offered preventive care to millions of people who otherwise might have become ill," said John Auerbach, president and chief executive of Trust for America's Health, a nonpartisan health policy group. "It's also resulted in improved access to coverage and care for people of color, reducing — although not eliminating — longstanding disparities."

The biggest advance has been the huge increase in coverage of poor people. The law originally required states to expand Medicaid, the government health insurance program for low-income Americans, with the federal government paying almost all of the bill. In 2012, the Supreme Court ruled that states could not be compelled to do so, and the provision became optional, creating a disparity that remains stark.

Still, all but 14 states have now expanded the program, and the results have been significant: Medicaid enrollment increased by about 13 million, or 34 percent, in the so-called expansion states between 2013 and 2019, according to federal data. The uninsured rate for poor adult citizens with no dependent children — a group that had often been ineligible for Medicaid — plummeted, dropping to 16.5 percent in 2015 from 45.4 percent in 2013, according to the Urban Institute.

Over all, the largest coverage gains under the A.C.A. have been among Hispanic, black and Asian patients — many of the groups that had the highest uninsured rates before the law, the Kaiser Family Foundation found.

For some, the coverage has changed their lives profoundly. Jean Jackson, 64, of Danville, Va., had to retire early from her job as a cooling inspector in 2017 because she had cataracts that made it impossible for her to drive at night, when her shift took place. That left her uninsured until January 2019, when Virginia expanded Medicaid.

By then her cataracts had grown large enough to require surgery. She had them removed within months of getting Medicaid and now can again see well enough to drive after dark, allowing her to volunteer and attend community meetings, activities she said were vital to her well-being.

“It was stressful, yes it was,” Ms. Jackson, who is black, said of not having health insurance. “It was very frightening, not being able to see.”

But for all the success, over the last couple of years, the uninsured rate has started creeping back up. In 2018, 8.5 percent of the population did not have health insurance, up from 7.9 percent the year before, the Census Bureau reported. It was the first increase since the Affordable Care Act passed, and came even as the economy was doing well. Researchers are trying to measure the impact on the uninsured rate of efforts by the Trump administration and Republicans in Congress to undermine the law, including eliminating the mandate requiring most people to have coverage and slashing the budget for marketing and programs that helped people learn about new insurance options.

The slippage has especially hurt children — a recent analysis of new census data by The Times found that the number of children without insurance rose by more than 400,000 between 2016 and 2018.

Now, as the coronavirus sweeps through the country, many state officials are relying on the Affordable Care Act to provide health coverage for residents who have none. On Friday, California became one of the latest states to set up a special enrollment period so people can sign up for insurance on their state-run marketplaces, and the Trump administration is considering reopening enrollment in the larger federal marketplace, which serves most states, for a limited period.

It hasn’t curbed costs enough.

For many Americans, the “Affordable” part of the Affordable Care Act has seemed like an empty promise, as premiums, deductibles and other out-of-pocket costs continue to be an extraordinary burden on millions of households.

But the law has made health care far more affordable in a number of less conspicuous ways.

For Marque Dailey of Dallas, 35, who has multiple sclerosis, the Affordable Care Act was the only way to get private insurance. Before the law, insurance companies were allowed to deny coverage to people like him who had expensive medical conditions, or to charge such a high price that many could not afford the premiums. About half of all Americans had such pre-existing conditions, including high blood pressure or lung disease, that resulted in their being denied or potentially priced out of coverage, according to one federal estimate.

After the law passed forcing insurers to accept anyone without raising premiums, Mr. Dailey was able to enroll in a Blue Cross plan in Texas, which covered his medical care that at times approached $200,000 a year. His income was low enough that he also qualified for generous federal subsidies under the law that kept his monthly premiums at no more than $235, and his out-of-pocket costs capped at around $1,000 a year.

The law has also played an important role in keeping care affordable for the 160 million Americans who get coverage from an employer, including by requiring those plans to cover the children of beneficiaries until age 26.

Before the law, employer-provided plans often set strict limits on what they would pay toward medical bills during a single year and over a lifetime. An estimated 105 million Americans had some sort of lifetime cap before the passage of the health care law.

The A.C.A. outlawed those limits.

That has allowed Erik Westlund and Dr. Christina Cifra, of Iowa City, to afford their 4-year-old son’s care. He has hemophilia and needs a clotting factor that costs roughly $26,000 a month, or $312,000 a year. They are insured, through Dr. Cifra’s job but his more than $1.2 million in medical bills to date would have easily surpassed many employers’ lifetime caps before the A.C.A.

Because such limits are no longer allowed, the family doesn’t have to worry about medical expenses. “We haven’t had any financial challenges, really,” Mr. Westlund said.

Still, health care remains unaffordable for many middle-class people, who don’t qualify for Medicaid or federal subsidies to help buy an individual policy.

The average premium for a midlevel plan for a 40-year-old who doesn’t qualify for a subsidy has climbed to $462 a month in 2020 from $273 in 2014, according to the Kaiser Family Foundation. And the law has done little to address soaring prescription drug costs and staggering deductibles.

“The affordability problem is different from the coverage problem,” said Katherine Hempstead, a senior policy adviser for the Robert Wood Johnson Foundation. “Health care has just become so expensive,” Ms. Hempstead said.

It’s saved lives.

Before the law passed, researchers weren’t sure that having health insurance actually improved people’s health. Of course it made it possible for people to use more health care services. But whether those services really mattered was an unsettled question.

A recent series of persuasive studies has made clear to researchers that Obamacare really did make people healthier.

“At this point now there is enough evidence that we can say confidently that giving people health insurance produces health impacts and positive health changes,” said Benjamin Somers, a physician and researcher at the Harvard T.H. Chan School of Public Health.

A number of small studies that compared states have suggested that expanding Medicaid programs improves health for poor Americans with various ailments: Studies have shown it reduces complications or improves longevity for people with renal disease, cardiovascular disease and heart failure, and after surgery.

Those studies were published in peer-reviewed journals, but they had measurement challenges that caused some scholars to view their conclusions with skepticism.

But, more recently, bigger studies with better data have answered the question more definitively.

“If you put all of it together, it seems like the A.C.A. did have a positive effect on health and caused a reduction in mortality,” said Craig Garthwaite, a health economist at the Kellogg School at Northwestern, who had counted himself a skeptic before seeing the recent results.

The first big study looked at what happened to older low-income adults. It showed that those who lived in states that chose to expand Medicaid coverage were less likely to die than people with similar demographic characteristics in states that chose not to expand.

The second study used an even stronger methodology. Employees at the Treasury Department used tax records to identify Americans who were uninsured, then mailed a letter about health insurance options to a random sample of them. Researchers found less insurance and more deaths in the group that didn’t get a letter. Because that study cut across every state, and because the experiment used a random method of selection,

several scholars who had previously been unsure say they are now convinced that the law's expanded health insurance coverage is making a meaningful difference in physical health.

The new mortality studies measure only death rates. They don't track the medical care or the health status of the people in the studies, so it's still unclear precisely how that health insurance matters.

After all, even people without health insurance can go to an emergency room and receive treatment for their most acute problems. And existing networks of free and low-cost clinics have always helped some uninsured people get less urgent care.

One theory is that health insurance makes it easier to get prescription drugs, particularly drugs shown to reduce deaths from cardiac problems. A study from Dr. Somers and his co-authors found that Medicaid expansion led to big increases in prescriptions for this class of drugs.

Another theory is that, even though uninsured people can use the emergency room, insured people are still quicker to seek care there. The difference between waiting hours or days to seek care after showing signs of a heart attack or a stroke could be the difference between life and death.

Jacob Goldin, an associate professor at Stanford, who was one of the authors of the Treasury paper, said he had been surprised by how quickly his paper showed changes from health insurance. They started being able to measure reductions in deaths after just one year, he said, a timeline that may be explained by the emergency room theory.

It's made insurers richer.

The health care industry supported the law a decade ago because it offered them tens of millions more in paying customers. "These guys supported the A.C.A. for very good and very self-interested reasons," said Dr. Len Nichols, a health policy professor at George Mason University.

In the early years though, it wasn't clear that the insurance market created under the law was going to work. Healthcare.gov, the federal online marketplace, got off to a shaky start, with technical issues keeping people from enrolling in plans. Insurers also had difficulty pricing their plans. After decades of carefully selecting whom they insured, insurers were forced to operate under the new requirement to offer anyone a policy, even if that person had a potentially expensive medical condition, without charging a much higher price.

Many insurers suffered heavy losses at first. Some of the biggest players in health insurance abandoned the market. UnitedHealth Group, one of the nation's largest insurers, bowed out in 2016, citing losses of $1 billion. Lawmakers worried about so-called bare counties, places where insurers would simply refuse to offer coverage because there weren't enough customers or prices were too high to stay in business.

But while the learning curve was steep, insurers discovered how to prosper. They raised premiums enough to make money and narrowed their networks of hospitals and doctors to reduce their costs. Insurers also latched on to the government's Medicaid program, which is run by private insurers in most states.

"The individual market remains profitable and stable," concluded a recent analysis by the Kaiser Family Foundation, which tracked the financial performance of the insurers. Companies, which were once spending nearly every cent of each dollar they collected in premiums on medical claims, were now taking in enough money to have 25 cents left over in the most recent period of 2019.

Here's its biggest flaw.

When the Affordable Care Act's architects think about what they wish they had done differently, they often focus on one issue: the deductibles.

Most health insurance plans have deductibles, an amount that patients need to pay before coverage kicks in. The Affordable Care Act, however, allowed insurers to set deductibles significantly higher than those typically faced by Americans who get health insurance at work.

Individual deductibles can go as high as $8,150. For families, the limit rises to $16,300.

The White House and Congress wrote those amounts into the law when they drafted it in order to keep the law's overall price tag down. Looking back, they question that decision.

"We obviously made a huge mistake," said Ezekiel J. Emanuel, who advised the Obama White House on health policy at the time. "We were under a lot of pressure to keep the price under a trillion dollars. That was constraining everything we did, from the size of the subsidies to what type of care could have no co-pay."

Surveys of health law enrollees show that the deductibles are patients' biggest struggle, more so than concerns about having enough doctors in-network or even the price of the premiums. In interviews, people with coverage through the law said they're simultaneously grateful to have the peace of mind that comes with health insurance and frustrated that they still can't afford to see a doctor.

“Because of my experience of being uninsured, I know that my coverage has value even if I never use it,” said Elizabeth Meyer, a contract lawyer in Chicago who has purchased health law coverage since the program began in 2014. “At the same time, any health care I want is still me paying for it on my own.”

Ms. Meyer currently buys a health plan with a $6,650 deductible. She says she now goes to the doctor less than when she was uninsured, because she can no longer ask for a discount her providers typically gave to patients lacking coverage.

Jeremy Kridel, 43, lives in the Baltimore suburbs and buys coverage for his family through the health law marketplace. A federal subsidy brings the premium he pays down to $275 a month, but the plan’s $13,000 family deductible means that the family frequently skips recommended care, including for his son who has autism.

“I feel guilty,” Mr. Kridel, a rabbi, said. “My wife has a lot of damage to cartilage in her knees, but goes as long as she can between sets of shots even when her knees hurt. We know we’re just kicking the can down the road, but we couldn’t afford surgery right now.”

Some of those who worked on the Affordable Care Act say they saw this issue coming, as they were writing the legislation.

“There was an acknowledgment at the time that affordability was likely going to be a concern,” said Frederick Isai, who worked on the law as a congressional staffer in 2009 and 2010. He is now the executive director of the nonprofit Families USA, which advocates affordable health coverage.

Some expected that the health law’s subsidies would be enhanced over time, as legislators often return to make tweaks and adjustments to major legislation. Instead, Republican legislation focused primarily on attempting to repeal the health law and replace it with something else.

The health law’s architects say there is an easy way to address the health law’s large deductibles: pass new legislation that puts more money toward subsidies. Right now, the Affordable Care Act offers premium subsidies to Americans who earn up to 400 percent of the poverty line, about $48,500 for an individual and $100,000 for a family of four.

Subsidies for deductibles go up only to 250 percent of the poverty line, meaning that families like Mr. Kridel’s are excluded.

But more generous subsidies require more government spending at a time when deficits are already ballooning.

So there's another, harder, way to fix the Affordable Care Act deductible problem: rein in America's high medical prices. If each doctor visit and hospital stay costs less, then insurers would be able to cover more without asking patients to pay a large share.

"The biggest problem," said Bob Kocher, a former health policy adviser to President Obama, "is that health care costs have grown relentlessly."

Happy Tenth Birthday, Obamacare: This Crisis Would Be Much Worse Without You
Abbe R. Gluck and Erica Turret

The Affordable Care Act (ACA) became law ten years ago today. Since then, the ACA has transformed the American health care system more than any law at least since Medicare and Medicaid in 1965. The ACA is also the most challenged and—thus far--the most resilient, statute in modern American history. It has been attacked relentlessly in the courts, by resisting states, through election cycles, and even sabotaged by this President himself. Yet it has endured, bringing health care to tens of millions more Americans and improving health care outcomes.

This is not the happy birthday most of us expected, thanks to COVID-19. And yet this public health emergency would be unimaginably worse without the ACA. Twenty million more Americans would be uninsured. Many who will lose their jobs would have faced denials of new coverage. Basic medical services, like maternity care and pharmaceuticals, would have remained uncovered—not to mention the costs of care for COVID-19.

The ACA As Safety Net

The pandemic reveals the ACA in action as a broad safety net for those who have lost their jobs, or their work-provided coverage, and need access to medical care. It has also shown us the value of the kind of coordinated federal response to coverage and care that we have the ACA to thank for making possible.

The ACA's safety net covers those who receive subsidies to buy their own health insurance—that's more than 9 million people who make less than $48,560 annually or ($100,400 for a family of four). It includes the guarantee of coverage regardless of preexisting conditions—a provision that benefits 135 million Americans, who without the

ACA, could be denied coverage if they become unemployed. And it includes the ACA's generous Medicaid expansion, now adopted by 36 states and Washington D.C., and covering individuals making less than $16,753 per year (less than $34,638 for a family of four). One can qualify for Medicaid based on monthly income, making Medicaid expansion a critical protection for those facing new economic hardship from COVID-19.

Prior to the ACA, the vast majority of states did even not cover adults without children in their Medicaid programs at all and only covered parents with incomes at a small fraction of the poverty level. Now 17 million are covered. Three million more children have coverage too under Medicaid and CHIP. Where would all these people be during a pandemic without the ACA?

The ACA's protections further ensure that all this insurance is not "junk," but rather, covers all "essential health benefits." It was the ACA that allowed CMS to quickly communicate to insurers that COVID-19 diagnosis and treatment are EHBs and so must be covered. That kind of coordinated response was only possible because of the ACA's new federal system that sets a floor for acceptable standards for all.

Indeed, last week Congress passed legislation that in one fell swoop eliminated copays for COVID-19 testing for almost all Americans (some student health plans are an example of a critically omitted population). It should now do the same for COVID-19 evaluation, diagnosis and treatment. Congress also increased the federal Medicaid match rate to help states and providers facing increased costs and keep beneficiaries on the rolls. CMS quickly implemented reforms to Medicare allowing for telehealth and encouraged states to seek Medicaid waivers to insure more individuals, expand services, and expand telehealth as well. And it is coordination that the ACA facilitates that is prompting consideration of a new special enrollment period for private plans, to get more people insured in the face of public health crisis.

Our Changing Conception Of Health Care And Health Coverage, And The Government's Role, Under The ACA

Ten years ago, the ACA's opponents preferred a fragmented health care system that would reject the role of the federal government in ensuring that all Americans have access to health care and a right to coverage for essential services. We believe in federalism and the importance of the state role in health care. But today we see not only the benefits of the cooperative system the ACA established—a high-quality federal floor with the option for states to lead if they wish—but we also see governors across the nation making clear that the states cannot go it alone with a crisis of this magnitude.

The ACA has transformed our view of the health care system, of every American's right to health care, and of the government's role in guaranteeing that right. That we are not fighting about *that at all* during this pandemic is a critical achievement.

The ACA Has Provided New Tools To Protect Americans From Every Walk Of Life

The ACA's subsidies are also economically countercyclical: they increase as other costs rise. Thus, if premiums rise due to this crisis, because health insurers' own costs will, rise, lower-income populations who will face the greatest economic hardship resulting from COVID-19 will not bear the burden of those increases.

The ACA also established the Community Health Center (CHC) Fund. The ACA's decade has seen a 50 percent increase in the number of patients serviced by CHCs, which are critical sites of care for the low-income populations. They served 28 million people in 2018.

But the ACA is not just a statute for those facing economic hardship. It benefits Americans from all walks of life. The insurance subsidies for private plans offered on exchanges is an example of this, as is the guarantee of coverage for all despite pre-existing conditions. It is also the ACA that will allow the federal government to mandate that insurers must cover a future COVID-19 vaccine at no out-of-pocket costs to all individuals, as a required preventive service. It is the ACA that has made drugs more affordable for 12 million seniors on Medicare, and the ACA that allows 2.3 million young adults--a population that often wasn't insured at all--to stay on parents plans.

The ACA also created the Centers for Disease Control and Prevention's (CDC) Public Health Fund, a mandatory funding stream to improve our public health system. Like CDC funding as a whole, the fund has been the victim of budget cuts and partisan attempts to repeal the ACA, but its importance is clearer than ever.

Not Perfect, But A Huge Step Forward

Tellingly, some attempts to undermine the ACA's protections have paused during this crisis. That includes CMS's commitment not to enforce the health care aspects of its disastrous "public charge rule," which puts immigrants in an untenable bind where seeking health care could jeopardize one's immigration status. On the other hand, don't forget *U.S. v. Texas*, the case on its way to the U.S. Supreme Court, in which the Trump Administration has argued that the entire ACA be wiped off the books.

The ACA is far from perfect. Even its staunchest supporters have argued for amendments to make health care more affordable and efficient. The ACA also does not touch every aspect of the health care system affected by this pandemic, and it was never intended to. The ACA does not, for example, address health care workers' essential need for personal protective equipment. It also does not regulate the CDC's efforts to collect and publish health data, or the Food and Drug Administration's work in approving diagnostic tests or vaccines.

Those limitations are not because of the ACA, but, rather, because the ACA did not do even more. The ACA's focus from the beginning has been on insurance access and making our health care system more integrated and efficient. We have already seen those changes at work over the past two weeks. Thank you, Obamacare.

America's small businesses are thriving, thanks to the Affordable Care Act
Rep. Jan Schakowsky

Ten years ago, America's health care system was on the brink. Families were one illness away from financial disaster. Individuals with preexisting conditions were denied coverage and care. Many small businesses were unable to offer coverage, and America's entrepreneurial spirit was stifled by "job lock" because aspiring business owners couldn't risk losing their employer-sponsored coverage.

But that all changed on March 23, 2010, when President Barack Obama signed the Patient Protection and Affordable Care Act (ACA) into law. To date, this is one of the single most rewarding days of my life.

My colleagues and I participated in dozens of hearings and markups, helping to craft key provisions to lower drug prices for Medicare beneficiaries, ensure access to birth control without cost sharing, and increase nursing home quality. I celebrated as President Obama took pen to paper, and knew the bill before us would bring longstanding change to the United States.

And it has.

In the decade since, historic gains have been made. Over 20 million previously uninsured Americans have coverage and over 130 million people with pre-existing conditions are now protected. In Illinois, uninsured rates have been nearly cut in half.

Yet, the often-unsung success of the ACA is what it has done for small business.

Before the ACA, small businesses and their employees represented a disproportionate share of the working uninsured. More than six in 10 uninsured working adults were self-

employed entrepreneurs or individuals working for companies with less than 100 employees.

Today, over half of all ACA marketplace enrollees own or are employees of a small business.

For many entrepreneurs—and especially those with pre-existing conditions, like Karin M. of Chicago—the ACA has been critical to helping them grow or start their businesses.

As a solo-entrepreneur 10 years ago, Karin found it difficult to find consistent and reliable health coverage. In May 2015, an unexpected allergic reaction sent Karin into life-threatening anaphylactic shock. A month later, she had another reaction.

If not for the ACA, Karin's medical bills would have been crushing, possibly leading to bankruptcy or death.

Karin is not alone.

Hundreds of thousands of businesses have benefited from the ACA, and their successes are felt nationwide. With each growing small business, communities are strengthened, jobs are created, and America's competitive advantage is reinforced.

On this milestone anniversary, we have so much to celebrate. The ACA is at its highest approval rating since passage, with a majority of the American public in support. But if we are not vigilant, the Trump administration will undo this progress as they push their agenda to sabotage the ACA.

Despite public opposition, the administration is working to dismantle the law in a piecemeal fashion. Already, it has repealed the individual mandate, expanded short-term or "junk" insurance plans that don't cover preexisting conditions or preventive care, and slashed outreach and advertising that help Americans get covered. Alongside all of this, they have refused to defend the law in federal court, even as the Supreme Court prepared to hear the case.

These actions are sowing uncertainty, and could destabilize the marketplaces—driving up rates for millions of business owners and their employees.

However, my Democratic colleagues and I are as committed today as we were a decade ago to protecting your health care, and we will not let the Trump administration or congressional Republicans thwart the gains we have made.

Democrats are fighting back. In the House of Representatives, we have had to voted more than 60 times against efforts to repeal the ACA. We have authored and passed legislation that would protect the ACA and build on its successes, like the Strengthening Health Care and Lowering Prescription Drug Costs Act (H.R. 987).

Karin and all those inspiring Americans who have struck out on their own are counting on us to keep fighting to protect the ACA and working to further perfect our health care system.

POLITICO

Could Obamacare save jobless Americans from coronavirus?
Tina Nguyen

A historic surge in jobless claims threatens to leave millions of Americans joining the ranks of the uninsured, an increasingly grim outlook in the country that's emerging as the new global epicenter of the coronavirus pandemic.

The moment is shaping up to be a clear test of Obamacare, on the same week the health care law turned 10 years old. The key question is whether the pandemic will drive the newly uninsured to the law's health insurance marketplaces, proving the law's value as a backstop, or if they'll take their chances and forego coverage as the country braces for a possible recession.

A major wild card in all of this: Whether President Donald Trump will embrace Obamacare, if just temporarily, even as his administration joins the legal battle to destroy it.

Workplace health plans remain the dominant source of private coverage in the United States — the Obamacare insurance markets, with about 11 million enrollees nationwide, represents just a fraction of that. But the law's marketplaces, along with expanded Medicaid in the roughly two-thirds of states who adopted the program, may provide a safety net that hasn't been available in previous financial panics — let alone one tied to a massive health crisis.

"This was what the Affordable Care Act is here for," said Sabrina Corlette, who heads Georgetown University's Center on Health Insurance Reforms. "The individual market is a true safety net, and that is what it was designed to do — to catch people in this situation."

The Trump administration said it has been weighing whether to temporarily reopen enrollment on HealthCare.gov, months after the federal site's annual sign-up period closed. It's a measure already taken by at least 11 states and the District of Columbia, who oversee their own insurance marketplaces.

Insurers expect the Trump administration to relaunch HealthCare.gov as soon as Friday, one day after the Labor Department reported a record-shattering 3.3 million unemployment claims in the past week. Health department officials declined to comment.

It could make for some awkward political optics for Trump to rely on Obamacare while he's urging the Supreme Court to overturn the law. The justices have agreed to hear a challenge to the law brought by more than a dozen Republican-led states.

Trump earlier this week defended his continued support of the lawsuit that could result in 20 million Americans losing health insurance. He offered vague assurances that Republicans would support insurance protections for preexisting conditions, though the party's previous health proposals would weaken those provided in Obamacare.

"What we want to do is get rid of the bad health care and put in a great health care," Trump said.

Obamacare already allows special enrollment periods for certain life circumstances, including job loss or changes in household income. However, broadly reopening the insurance marketplaces would give more of the nation's 28 million uninsured a chance to get coverage amid a health crisis.

The insurance marketplace in Washington state, the earliest hot spot for the nation's coronavirus outbreak, was the first to reopen in response to the disease. As of Thursday, about 1,300 people have signed up and another 3,100 have begun the process, which marketplace spokesperson Michael Marchand described as unusually high level of activity for a special enrollment period. Marketplace officials are also gauging whether to remain open beyond April 8 as originally planned.

"As the pandemic issue becomes more prevalent and closer to home to people, we're seeing more people who have been uninsured coming in and asking for a special enrollment, and we believe that kind of thinking may continue as we see more and more constraints being placed on businesses and our economy," Marchand said.

Obamacare "navigators" who help people sign up for health insurance have reported similar interest. Mark Van Arnam, director of North Carolina's navigator program, said

his program typically gets 15 to 20 requests for assistance each day outside of the regular enrollment period.

“Right now, we are seeing 45 to 55-plus requests for assistance,” he said, adding that the vast majority are from people who just lost their jobs. “That number continues to climb, as well.”

Another choice for newly unemployed people who had workplace coverage is to stay enrolled in those plans through COBRA, a law that predates Obamacare. They can stay on the plans for up to 18 months, but it’s a pricey option since they must pay the entire premium without an employer subsidy.

There are also short-term limited duration plans promoted by the Trump administration as a cheaper alternative — especially for middle-class people who don’t qualify for Obamacare’s premium subsidies. The short-term plans are typically skimpier than Obamacare plans and don’t include some of the health law’s protections for people with preexisting conditions. Some blue states have also banned or placed strict limits on these plans.

The pandemic is meanwhile throwing a spotlight on the coverage gap in 14 Republican-leaning states that haven’t joined Obamacare’s Medicaid expansion to poor adults. There are an estimated 2.3 million poor people in those states who don’t qualify for Medicaid and also don’t earn enough to receive Obamacare premium subsides.

None of the governors in nonexpansion states have so far indicated they would look to broaden their Medicaid programs amid the pandemic. Oklahoma is already moving forward with plans to expand Medicaid, while the governor also asks the Trump administration for unprecedented limits on program spending.

Larry Levitt, who oversees health policy for the nonpartisan Kaiser Family Foundation, said the uninsured numbers resulting from the current crisis are likely to be worse in states that didn’t expand Medicaid. The growth in the uninsured may be tempered by the unfortunate reality that some of the industries decimated so far — particularly in the retail and hospitality industries — have lower rates of coverage to begin with.

“It may not be quite as horrible as it first appears, since the job loss is probably concentrated in industries where fewer employers offer health benefits,” Levitt said.

Another question is whether cost-conscious employers start shedding workplace coverage and sending employers onto the Obamacare marketplaces. Some analysts are already predicting that, according to Deep Banerjee, director at S&P Global Ratings.

Some health plans are eyeing Obamacare's individual market as a potential savior for small businesses, who already struggled to afford to help pay employees' premiums. Some small companies have begun asking their health insurers for grace periods for their monthly bills or even halting their contracts, said Ceci Connolly, president of the Alliance of Community Health Plans, which represents nonprofit insurers.

"A special enrollment period could be the next safety net for some of these people," she said.

With coronavirus pandemic raging, it would be insane to kill Obamacare
Editorial Board

In the time of coronavirus, it may be difficult to find things to be thankful for. But we know of one: the Affordable Care Act, aka Obamacare.

Highly controversial, though it should not be, and the subject of much emotion, though it should not be, the law is pretty much solely responsible for approximately 26 million people, or about 8% of the population, having health insurance today. And, oh yes, it turned 10 this week.

The law means fewer people showing up at emergency rooms because they have nowhere else to go. It means more people getting medical advice that could help them avoid contracting the coronavirus. It provides considerable comfort to millions of Americans who have plenty of other things to worry about.

Stabilize insurance markets
Millions of workers are losing their jobs — and often their employer-provided health coverage — because of the pandemic. It's more important than ever that they have the ability to find insurance, regardless of any preexisting conditions, on the Obamacare marketplaces or through the law's expansion of Medicaid. The ACA gives them a safety net.

While the HealthCare.gov window for acquiring coverage in 2020 ended in December, a one-time enrollment period can, and should, be opened now to allow individuals to sign up. That would help stabilize insurance markets and prevent premiums from spiking.

The 11 states that manage their own health insurance exchanges have already done so. The main insurance lobbying organization and the Republican governor of New Hampshire, Chris Sununu, are among those calling for this to be done nationwide.

First responders care for patients as they arrive by lifeboats from a cruise ship in Miami Beach, Florida, on March 26, 2020.
Not everyone, however, shares this rosy view of the ACA. The Trump administration and most Republicans still favor abolishing the law, throwing millions of people off the ranks of the insured. They mount this campaign while blithely referring to replacement plans that do not exist. Eagerly, they anticipate that the Supreme Court will do what they themselves could not do and terminate the law.

Their effort began even before Donald Trump's election, with multiple failed votes to repeal the law in Congress, and two efforts to kill it in court, one of which fell a vote shy in the Supreme Court.

Individual mandate back in court
Since Trump's election, Republicans have tried again unsuccessfully to repeal the law, but they managed to get rid of one key provision, a requirement that all Americans purchase health coverage. Now the law's opponents are back in court, arguing that because the individual mandate was eliminated, the courts must condemn the rest of the law.

The mere act of eliminating the individual mandate looks pretty stupid in light of today's pandemic. U.S. officials are now telling people to shut down their businesses, work from home, even stay inside — and we couldn't ask citizens to make our health care system more robust?

Officials were worried about the "free rider" financial burden on hospitals when just a couple of years ago they said, in effect, go ahead and be public charges if you get sick. Last year, the Congressional Budget Office estimated that the repeal of this one provision would cause the ranks of the uninsured to rise by 5 million by 2029. Some of this has likely already taken place.

When someone who decides not to buy insurance shows up at the emergency room with the coronavirus or some other illness, guess who ends up paying the bill? Everyone else, in the form of higher premiums and tax dollars. It's the opposite of personal responsibility.

The Affordable Care Act is not some socialist plot but a sound (though hardly perfect) way to expand coverage, reduce costs and, yes, deal with public health crises. Its basic concept of Americans being required to buy coverage from insurers who were required

to sell it came from the conservative Heritage Foundation in a 1989 paper called, "Assuring Affordable Health Care for All Americans."

In fact, 17 Republicans (and three Democrats) turned the Heritage plan into a bill in 1994, known as the HEART Act that they offered as an alternative to a plan offered by the Clinton administration.

Since President Barack Obama essentially borrowed the plan, Republicans have done their best to demonize the law and try to destroy it, while denying their own parentage. There's just one word for this given the public health threat: insane.

Bloomberg Law®

State Obamacare Exchanges See Surge in Interest Amid Virus Fears
Christopher Brown

States that operate their own health-care exchanges are leading the way in helping the uninsured find coverage amid the coronavirus crisis.

Twelve states and the District of Columbia have their own Obamacare exchanges, and all but one of them—Idaho—have opened special enrollment periods to allow uninsured people to buy health coverage during the pandemic.

And a surge of new applicants—particularly among people in their 20s—suggests that those who had once chosen to go without coverage are now welcoming the chance to protect themselves as the fear of contagion spreads.

The goal of the states that have set up special enrollment periods is to ensure that as many people as possible have coverage for coronavirus testing and treatment, which is seen as crucial in the fight to slow the pandemic.

Around 10% of the non-elderly population in the U.S.—around 17 million people—remain uninsured and eligible for marketplace plans, according to a 2019 report from the Kaiser Family Foundation.

Special Enrollment

Enrollment in exchanges set up under the Affordable Care Act is normally limited to a short time window in the fall of each year. The restriction is meant to prevent people from gaming the system by waiting until they are sick to start paying for insurance.

A special enrollment period refers to a period outside the open-enrollment window when new applications are accepted, sometimes because of a national disaster, a job loss, or other life-changing event.

The other 38 states have exchanges run by the federal government, and federal officials so far have declined to open up enrollment during the crisis.

A representative of the Centers for Medicare & Medicaid Services told Bloomberg Law on Friday that the agency is “evaluating offering a Special Enrollment Period specifically designated for COVID-19.”

Meanwhile, people who suffer jobs losses due to the crisis may be able to sign up for coverage on the federal exchange because that is considered a life-changing circumstance, the representative said.

The Trump administration has been supporting a lawsuit that could overturn the Affordable Care Act, which created the exchanges. The Supreme Court will hear that lawsuit later this year.

Surge of Applicants
Washington state, the first hotspot for coronavirus in the U.S., led the way by opening a 30-day special enrollment period March 10.

Washington Healthplanfinder call centers have received over 3,100 requests for enrollment since the period began, with 1,325 becoming fully enrolled, according to a spokesman for the exchange.

Colorado has had a similar experience with its special enrollment period, which opened March 20, according to a spokeswoman for Connect for Health Colorado. New enrollments in the first five days totaled just over 2,400, a much higher volume than is normal at this time of year, she said.

The portal serving Minnesota’s exchange, MNsure, received over 1,600 applications on March 23, the first day of its special enrollment period, tripling the average number of applications from earlier in the month.

Minnesota, like many states, has a combined portal serving both its exchange and its Medicaid program, an exchange spokeswoman said. Some of those applications were routed to the Medicaid program, she said.

Other states that have opened special enrollment periods include California, Connecticut, Maryland, Massachusetts, Nevada, New York, Rhode Island, and Vermont.

Time of Fear

The surging enrollment numbers in those states reflects “the fear that people are feeling over what it means at this time to not have health insurance,” said Mila Kofman, the executive director of DC Health Benefit Exchange Authority, the exchange for the District of Columbia.

“We could tell even before the enrollment period opened up,” she said. “The numbers of calls we were getting at the call center started to go up a month ago, and we could tell that people were getting worried.”

March is normally a quiet time for the health-care exchanges, but that’s not the case this year, said Lindsay Lang, director of HealthSource RI, the exchange in Rhode Island.

“Our call volume is up and our applications are up. People are really getting the message,” Lang said. “And we’re doing everything we can to make sure that everyone is aware that they can get coverage at this time.”

Michele Eberle, executive director of Maryland Health Connection, said it’s frustrating that it takes a pandemic to make people realize the importance of health insurance.

“From a public health standpoint, it’s dangerous during a pandemic to have a lot of uninsured people who may not be able to afford testing and treatment,” she said.

This realization applies also to adults in their 20s who choose to forgo health insurance in greater numbers than those who are older, Eberle said.

But the message of the pandemic is getting through. “We’re seeing a lot more young people than we normally do,” she said.

The latest figures show that 57% of enrollments during Maryland’s special enrollment period, which began March 16, have been people under 34. Those numbers include people who will end up on Medicaid, she said.

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What to Do If You Lose Health Insurance During Coronavirus Pandemic
Anna Wilde Mathews

A growing number of Americans are losing their jobs—and their health insurance—at a time when they are worried about the need for potentially costly treatment for coronavirus infection. There are options for getting health-insurance coverage. Here are some:

If you are eligible, Medicaid may be your best bet.

The government program for lower-income and disabled people has expanded under the Affordable Care Act, and many now qualify. Yet the rules vary by state.

In 36 states and the District of Columbia, adults can get Medicaid if their income is 138% or less of the federal poverty level, which is generally $17,609 a year for an individual.

There is also the Children's Health Insurance Program, which can help kids even if their families make too much for Medicaid.

There are no out-of-pocket charges for enrollees for most services, and the program covers the gamut of traditional health-care needs including doctor visits, hospital stays and drugs. Not all doctors participate, but hospitals typically do.

You can apply for Medicaid at any time.

"There are going to be some hoops to jump through to sign up," said Tzachi Litov, a patient advocate in Bellevue, Wash. Yet, he said, Medicaid is the first option he would recommend to someone who just lost coverage.

To figure out if you are eligible and apply, go to the federal health insurance marketplace at HealthCare.gov. Or go to your state's Medicaid agency directly. Experts suggest trying your state Medicaid agency, as it may be more direct than going through the federal site.

Here is a link with tools for finding out the name of your state's Medicaid program along with a link to connect to its website.

These two links will help you find the income cutoffs for coverage for adults and for children in various states.

Affordable Care Act, or 'Obamacare'
If you lose your health insurance, a window opens to get health-insurance coverage immediately under the federal Affordable Care Act.

You can sign up right away for ACA coverage, without waiting for the annual enrollment period in the fall. You have 60 days after you lose coverage to do it. You will likely need to offer documentation proving that you are losing health insurance.

About a dozen states have also said that people can sign up for ACA plans right away even if they didn't just lose other health insurance. Those openings are for a limited time, so you might want to check quickly.

In most states, you will use the federal HealthCare.gov site to enroll in ACA plans. Other states have their own online ACA marketplaces.

ACA plans often have high premiums, but many people can qualify for a federal subsidy based on their income. The subsidy can bring your monthly cost way down, sometimes even to zero.

You may be eligible for a subsidy if your income is less than 400% of the federal poverty level. You can check here for an estimate of what you might get.

"The premiums might be quite affordable for a lot of people," said Sarah Lueck, senior policy analyst with the Center on Budget and Policy Priorities. The plans are required to include comprehensive benefits such as medications, hospital and doctor visits.

Many ACA plans also have high deductibles, so you pay a lot of money before most coverage kicks in. Some people qualify for federal help with those out-of-pocket costs as well.

For everyone with marketplace plans, coronavirus tests and screening visits will be covered without charge to the consumer, under a new law. Also, a growing number of insurers are now saying they will waive out-of-pocket fees on treatment for Covid-19, the illness caused by the coronavirus.

Cobra

Cobra, which stands for the Consolidated Omnibus Budget Reconciliation Act, allows you to keep your employer health-insurance plan for as long as 18 months after you leave your job. You have to sign up within 60 days of losing your job-based coverage.

There are advantages to Cobra, but also a huge downside: the cost. Cobra can cost up to 102% of the full premium on your employer plan. Most people don't know how much that is, because employees generally only pay a fraction of that total each month. The average annual family premium for employer plans last year was $20,576, and for an individual plan it was $7,188, according to a Kaiser Family Foundation survey.

An upside of Cobra is that you can keep your current network of doctors and other health-care providers. This may be especially valuable if you are in the middle of treatment for something and changing would be disruptive.

A Family Member's Plan
You may be able to jump into a family member's coverage.

If you lose your job and your health insurance, you should be able to join your spouse's employer plan. But you must do it within 30 days of losing your own coverage. Call the employer to find out how.

If you haven't just lost your own coverage, you may need to wait until the employer's annual enrollment period.

If you are under 26, you can be added to your parents' plan. Losing your health insurance should open up a special 30-day enrollment window for you to do this. Your parents will have to contact their employer or insurer.

However, if you didn't just lose your coverage, your parents likely have to wait on signing you up until their annual open enrollment period.

Short-Term Plans
Many insurers sell short-term health insurance plans, though the length of time and availability varies by state. You should approach these options very cautiously, however. Researchers recently found that some agents and salespeople exaggerated the coverage such products would offer for Covid-19 patients.

Often, you can get these plans only if you are healthy. Unlike ACA insurance, they can reject consumers who have pre-existing conditions. Also, they often won't cover care that stems from a pre-existing condition, including one that you didn't know about when you signed up.

Just as important, their coverage can be very limited. They don't have to include the benefits required of ACA plans, so they may have huge gaps, such as lacking maternity and mental-health coverage.

"There's a reason those policies are cheap," said Karen Pollitz, a senior fellow with the Kaiser Family Foundation. "They often limit coverage for important things you might need, like drugs."

Some plans, known as "limited indemnity" products, will only pay a set sum toward care such as a hospital stay, which can leave consumers on the hook for the difference between that amount and the full charge.

In the case of a serious Covid-19 illness, that could be many thousands of dollars. The Kaiser Family Foundation estimates the total cost of a hospital admission for pneumonia with major complications was more than $20,000 on average for people covered by employer plans. The same Kaiser foundation analysis found the total median cost of a hospital admission for a respiratory condition requiring 96 hours or more of ventilation was $88,114. The charges could be far more if you are enrolled in a limited plan, which may not include a contracted network of hospitals.

Obamacare Markets Will Not Reopen, Trump Decides
Margot Sanger-Katz and Reed Abelson

The Trump administration has decided against reopening the Affordable Care Act's Healthcare.gov marketplaces to new customers, despite broad layoffs and growing fears that people will be uninsured during the coronavirus outbreak.

The option to reopen markets, in what is known as a special enrollment period, would have made it easier for people who have recently lost jobs or who had already been uninsured to obtain health insurance. The administration has established such special enrollment periods in the past, typically in the wake of natural disasters.

The administration had been considering the action for several weeks, and President Trump mentioned such conversations in a recent news briefing. But according to a White House official, those discussions are now over. The news of the decision was previously reported by Politico.

The decision will not prevent Americans who recently lost their jobs from obtaining health insurance if they want it. Under current law, people who lose job-based

insurance already qualify to enroll for health insurance on the marketplaces, but are required to provide proof that they lost their coverage. A special enrollment period would have made it easier for such people to enroll, because it would not require that paperwork. It also would have provided a new option for people who chose not to buy health insurance this year but want it now.

Though the administration continues to run the Affordable Care Act marketplaces, it has taken numerous steps to weaken them, and President Trump continues to call for the health law's elimination and replacement. The administration has joined a lawsuit with a group of Republican states that calls for the entire law to be overturned, which the Supreme Court will consider in its next term. Mr. Trump recently told reporters that he continues to support the suit, and would like to replace the law, though he has not specified a preferred policy alternative.

"What we want to do is get rid of the bad health care and put in a great health care," he said, in response to a question on March 22 about the lawsuit.

So far, the administration has declined to publicize the existing options for Americans who have recently lost health benefits through job reductions.

Eleven states and the District of Columbia have established special enrollment periods to allow people to obtain new insurance coverage. The states are California, Colorado, Connecticut, Maryland, Massachusetts, Minnesota, Nevada, New York, Rhode Island, Vermont and Washington, and they control their marketplaces. But federal action would have been required to allow customers to re-enter the markets in the 38 states with markets run by Healthcare.gov. or that use the federal platform. (Idaho, which also runs its own marketplace, has decided against a special enrollment period.)

Insurers, which had been arguing in favor of the enrollment period, had been hopeful just a few days ago that the White House might announce such a step. But the situation suddenly became "fluid," in the description of one executive. Another described the administration as divided about whether to proceed, especially given the president's support for the lawsuit that would overturn the law.

Numerous other health care provider and consumer groups, including the American Diabetes Association, Families USA and the New Hampshire Nurses Association, wrote a joint letter to the administration last month asking it to establish a special enrollment period. The groups argued that forcing people to verify eligibility "would not only delay care receipt, it would deter enrollment by healthy customers, endangering the individual-market risk pool," the grouping of customers that determines what the insurers charge for a policy.

Governors of several states also asked the administration to grant a special enrollment period, including Republican governors in Arizona and New Hampshire, and Democratic ones in Oregon, Michigan and New Jersey.

Many Democratic politicians criticized the decision Wednesday as insensitive to the needs of the public in a crisis, including Joe Biden, who leads the race for the Democratic presidential nomination. The Democratic Congressional Campaign Committee also released a statement, suggesting it may become a campaign issue. Democrats made health care a centerpiece of many House races in the 2018 midterm elections.

“In the midst of a global pandemic, Washington Republicans continue their crusade against the health and safety of the American public,” said Fabiola Rodriguez, a spokeswoman for the group, in the statement. “By blocking uninsured Covid-19 patients from getting health care, Trump and his allies have decided to bankrupt American families. The American people deserve to know if House Republicans will stand up for the millions of Americans who face the challenge of being jobless and uninsured during the Covid-19 pandemic.”

Both Democratic and Republican members of Congress had also urged the administration to consider a special enrollment period. But Congress declined to require such an enrollment period in its last round of coronavirus legislation, instead leaving the decision to federal officials.

In a statement Wednesday, Senator Cory Booker of New Jersey recommended that Congress include a special enrollment provision in its next round of coronavirus legislation. He had also proposed such language be included in the last bill. “At a time when our health care system is already under enormous strain, it makes no sense to willingly allow even more individuals to go without coverage,” he said.

Even though the White House official described the matter as decided, officials have the capability to establish a special enrollment period at any time.

THE WALL STREET JOURNAL.
WSJ

Affordable Care Act Sign-Ups Total 11.4 Million for This Year
Stephanie Armour

About 11.4 million consumers signed up for health coverage on the Affordable Care Act's exchanges in the 50 states and Washington, D.C., this year, according to data released Wednesday by the Trump administration, marking the third straight year sign-ups have remained steady.

Among consumers in the 38 states that use the HealthCare.gov platform, the average monthly premium before subsidies was $595 in the 2020 open enrollment period, according to the Centers for Medicare and Medicaid Services. That marks a 3% drop from 2019. Eighty-seven percent of consumers in states that use the federal platform were eligible for subsidies that reduce premiums.

The average premium for people after subsidies was $89 for 2020, compared with $87 in 2019. And average deductibles for people who don't qualify for cost-sharing assistance was $5,316 for people using HealthCare.gov, a 4% increase from 2019.

The sign-ups indicate the ACA markets have remained stable despite the end of the federal penalty on people who don't have coverage and efforts by the Trump administration to roll back the Obama-era health law, such as by expanding access to health plans that don't comply with ACA consumer protections.

The fate of the ACA, however, remains uncertain because Republican-led states have sued, saying the entire law is invalid without the penalty. The Supreme Court on March 2 agreed to hear the case.

The Trump administration also has said it's unlikely to hold a special enrollment period this year because of the coronavirus crisis for states that use the federal platform, HealthCare.gov. Almost a dozen states that don't use the platform are launching a special enrollment period, however.

Insurance marketplaces offer help with coronavirus job cuts
Tom Murphy

More than a million people could swamp the Affordable Care Act's health insurance marketplaces in the coming months as employers lay off staff during the coronavirus pandemic.

The health insurance markets are a backbone of the Obama-era law that President Donald Trump has tried to demolish. They are now seen as a key option to help protect people from devastating medical bills while they search for another job and new coverage.

Nearly 10 million Americans applied for unemployment benefits in the final two weeks of March, far exceeding the figure for any corresponding period on record.

Here's a closer look at the issue.

WHAT'S THE RISK OF REMAINING UNINSURED?

People would not have an insurer's leverage to knock down the price of routine care like a doctor visit, but the real financial peril comes from expensive care like emergency room visits and hospital stays.

Researchers say a hospital stay of several days could cost well over $20,000 depending on factors like where the patient lives and how much time is spent in an intensive care unit.

"Now's not the time to roll the dice (without insurance) and hope you don't get sick," said Peter Lee, executive director of California's state-based health insurance exchange.

WHAT PROTECTION CAN YOU GET?

Insurers will typically pick up most of the bill for a hospital stay as long as the care takes place in their coverage network.

Several major insurers have recently announced that they also will waive patient out-of-pocket expenses like copayments or deductibles through the end of May or June for coronavirus-related care.

That includes hospital stays, which can stick patients with a deductible of several thousand dollars, depending on coverage. Since insurance is complicated, patients should call the 800 number on the back of their card to clarify that coverage.

WHAT IS THE FEDERAL GOVERNMENT DOING?

The White House said Friday it would reimburse hospitals that treat uninsured patients for COVID-19. Last week's massive rescue package set aside $100 billion in funding for hospitals to handle uncompensated care and other coronavirus-related losses.

"This should alleviate any concern uninsured Americans may have about seeking the coronavirus treatment," Trump said Friday.

Health and Human Services Secretary Alex Azar said part of the $100 billion total would be used for those reimbursements. Providers will be paid at Medicare rates and would be barred from billing patients for anything above those rates.

WHO CAN SHOP ON THE INSURANCE MARKETPLACES?

HealthCare.gov and state-run insurance markets normally limit enrollment to a regular sign-up window that starts each fall. But losing your health insurance triggers an opening that allows you to shop for a new plan.

In addition to that, several states have started so-called "special enrollment periods" for people who didn't sign up during the regular window but now want protection in case the coronavirus hits. Those states include Massachusetts, New York and Nevada.

Governors and some advocacy groups are calling on the Trump administration to open a similar window for more Americans. But the administration has sent mixed messages on whether it will do so.

Consumers may qualify for income-based tax credits to help pay for the coverage.

"It's an important option to try and connect people who are uninsured to some form of coverage during this public health crisis," said Jennifer Tolbert, state health reform director at the non-profit Kaiser Family Foundation.

More than 11 million people are covered through the health law's insurance markets, which offer subsidized private policies to people who don't have coverage on their jobs.

The consulting firm Health Management Associates estimates that the individual market could increase by 365,000 to 2.1 million people due to the coronavirus pandemic. That depends on how high unemployment rates climb.

Health Management Associates also predicts that the uninsured population could climb from around 29 million people to as much as 40 million with high unemployment.

ARE THERE OTHER OPTIONS?

Some people who have lost jobs might be able to switch to a spouse's employer-based coverage. Others may see their income levels fall far enough to qualify for a state's Medicaid program.

Employers also may help. The benefits consultant Mercer found through recent online polling that some companies are providing subsidies to help their laid-off workers keep their coverage for a period of time.

Mercer also found that many companies that put employees on a temporary furlough will continue to provide benefits, although some may commit to doing so for only a couple weeks.

That will vary depending on things like the industry and the financial hit the employer expect to take from the downturn, said Beth Umland, Mercer's director of research for health and benefits.

Obamacare's health care protections face first true test in coronavirus crisis
Jacqueline Stenson

The Affordable Care Act turned 10 last month and is credited with helping 20 million more Americans get health insurance than before the law was enacted. But the coronavirus pandemic could be the first true test of how well "Obamacare" works at preventing significant coverage loss, experts say.

With unemployment skyrocketing across the country — a record 6.6 million Americans filed for unemployment last week — there's a risk that some of the gains in insurance coverage could be lost.

This is the first recession since the ACA, and it's also the first pandemic since the ACA, and it's all happening at the same time, so it's hard to say how this is all going to unfold.

The Economic Policy Institute, a nonprofit think tank in Washington, D.C., released a report Thursday estimating that as many as 3.5 million workers may have lost their employer-sponsored health insurance in the last two weeks because of layoffs.

Losing health insurance can be frightening at any time, let alone during a pandemic.

About half of Americans get their health insurance through their jobs, the group noted.

"This is the first recession since the ACA, and it's also the first pandemic since the ACA, and it's all happening at the same time, so it's hard to say how this is all going to unfold," said Cynthia Cox, vice president at the nonprofit Kaiser Family Foundation in Washington, D.C., where she conducts research on health care and the effects of the ACA. "But this will be the first true test of how well the ACA works at preventing significant coverage loss."

Cox said she "wouldn't be surprised" if the number of uninsured increased, but the extent depends on various factors. Workers who lose their jobs and their health coverage have some options for staying insured. Some may have spouses with employer-sponsored health coverage they can use. Others may opt to pay for COBRA coverage or buy insurance from a subsidized ACA health care exchange, though both of those options might be too pricey for some people to afford. Some people may qualify for Medicaid, even more so in states that expanded Medicaid coverage through the ACA.

The Trump administration decided against a plan to open a special enrollment period for federal ACA marketplace exchanges for people who already had been uninsured before the pandemic. Some states, however, have opened enrollment in their own exchanges. And newly unemployed people still would be eligible to enroll in the federal exchanges because of the recent change in their coverage status.

Americans who recently lost their jobs or already had been uninsured can explore their options on the ACA website HealthCare.gov.

Having health care coverage can be critical for anyone facing a costly illness, including COVID-19. On Friday, the Trump administration announced plans to use federal stimulus funds to pay hospitals for treating uninsured coronavirus patients.

“This could be a major catastrophic illness, both from a physical perspective but also from a financial perspective,” said Sara Collins, vice president for health care coverage and access at the Commonwealth Fund, a nonprofit foundation that studies health care, in New York. “It’s the kind of event when you’re uninsured that could really sink you.”

For uninsured, hospital costs could top $40,000
Because of the ACA, not only were more Americans insured going into this health crisis than a decade ago, but there also are caps on how much insured people have to pay out-of-pocket for their care.

However, there are no cost limits for uninsured Americans, numbering nearly 28 million before the pandemic, and the bills that arrive in the mail can deliver quite a shock.

That was the case for one uninsured woman who received a bill for nearly $35,000 for COVID-19 treatment at a Massachusetts hospital.

Most people afflicted with the coronavirus are expected to recover at home, if they even know they are infected. But for those who require hospitalization for COVID-19, the price tag for their treatment could be staggering, upwards of $40,000 or more for people who are uninsured, Cox said.

In a new analysis, the Kaiser Family Foundation estimated the average cost of COVID-19 hospital treatment to be $20,292, based on typical costs for pneumonia treatment for people with employer coverage.

Costs could be much higher for patients with the most severe COVID-19 cases that require ventilator support and prolonged hospital stays.

“The negotiated rate that large health insurance companies are paying to providers for someone with pneumonia with significant complications is in the ballpark of $20,000,” Cox told NBC News. “You can bet that hospitals would send a bill for probably double that for someone who’s uninsured.”

By comparison, people with health insurance and protections from the ACA, including limits on out-of-pocket costs, might receive bills for typical COVID-19 hospitalization that are anywhere between $1,300, for people who receive health coverage from a large

employer, to upwards of $6,000 for those who bought insurance in the marketplace and don't qualify for extra cost breaks, according to Cox.

So highlighting a wide disparity, individual out-of-pocket costs for a COVID-19 hospitalization could range from $1,300 for those with health coverage to $40,000 or more for the uninsured. "We're talking about the difference between something that people might be able to pay off eventually and something that could cause bankruptcy," Cox said.

Some insurers are now waiving patient cost-sharing for COVID-19 treatment. People who can't afford their medical bills can try to negotiate the costs down with the hospital and providers or see if there are any hospital charity care programs that might help, but there are no guarantees.

Besides the risk of sky-high medical bills, uninsured people also can face difficulty accessing treatment and getting the care they need to stay healthy. Knowing they aren't covered and can't afford medical expenses may prevent them from seeking timely care, a decision that could prove deadly with the coronavirus.

"Having insurance is the most important factor in guaranteeing people have access to health care," Collins said. "It removes that financial barrier, even though there are people who are facing significant out-of-pocket costs still."

No one knows the financial toll that this crisis will take on the U.S. health system, but the New York-based nonprofit group FAIR Health recently estimated that COVID-19 hospital treatment costs could total anywhere from $139 billion to $558 billion.

Threats to Obamacare

The ACA has known flaws that will continue to present challenges during this devastating health crisis. The law never achieved universal health coverage, and insurance has remained unaffordable for many. Some people who make too much money for financial help still can't afford to buy coverage through health exchanges and they don't qualify for Medicaid. Deductibles can be too high even for workers with health coverage through their employers. And hospital patients may receive "surprise" bills for unexpected out-of-network care they weren't anticipating, such as from an anesthesiologist who is not part of their plan.

Still, an NBC News/Wall Street Journal national poll conducted last month found that the ACA is as popular as it ever has been, with 42 percent of registered voters saying they believe the law is a good idea, compared with 35 percent who think it's a bad idea and 23 percent who have no opinion.

“We know that there already are 20 million more people now who have insurance than would have if it weren’t for the ACA just under the normal circumstances,” Cox said. “But now that we’re entering into likely another recession where people are losing their jobs, the ACA will further work to make sure that fewer people fall through the cracks.”

That’s as long as the ACA remains the law of the land. Obamacare has faced repeated attacks and the Trump administration has vowed to repeal it. In the fall, the Supreme Court is scheduled to hear a case that challenges the constitutionality of the law.

Washington MONTHLY

How Trump Could Take Away Obamacare With a Second Term
Julie Rovner

“If I were Trump, I’m not sure I’d really want health care to be my headline legislative battle,” said Harold Pollack, a professor at the University of Chicago and an expert on health policy. Health care is the one issue where Democrats have a huge polling advantage, he continued. “Why foreground that if you can do other things?”

Which is not to say that nothing will happen, he was quick to add.

Health policy experts from across the political spectrum agree that if Trump wins a second term in the White House, health care may not be a legislative priority. Particularly if Democrats retain a majority in the House of Representatives.

There’s always the possibility that an external factor will spur action. A new disease threat—either the new coronavirus or some other highly contagious disease—could force the White House and Congress to work together to improve the nation’s public health infrastructure. Also looming is the insolvency of the Medicare trust fund, currently estimated to take place in 2026. The last two times Medicare was close to not being able to pay all its bills—in 1983 and 1997—Congress and the president (Ronald Reagan and Bill Clinton, respectively) stepped in to shore up the program’s finances.

Then there are a handful of issues so important to the public that addressing them has gained bipartisan support in Congress. Finding a way to bring down drug prices has been a priority for both Congress and Trump, as has fixing the problem of “surprise” medical bills that show up when an insured patient receives health care outside of his or

her insurance network. If these issues aren't dealt with before the 2020 election, they will likely get rolled over onto the next Congress's to-do list.

If he's unable to make much progress through legislation, Trump is likely to turn to a strategy Obama embraced in his second term: Use executive authority. "I've got a pen, I've got a phone," Obama famously said. Since congressional Republicans and the Trump administration have failed to repeal and replace Obama's signature health law, they've already adopted this approach.

Judges have blocked many of the administration's rule changes, like its efforts to add work requirements to Medicaid. If Trump wins a second term, this trend might reverse. "Obamacare won't be repealed, it will just rust away," Pollack said. For example, the Trump administration has hobbled the state marketplaces where individuals can buy insurance, with a variety of small-scale policy changes. The administration cut nearly all the funding for staff to help people sign up for coverage through the marketplaces, and made it easier for consumers to buy cheaper plans elsewhere that may not cover preexisting conditions, one of the core requirements of the Affordable Care Act. "The president and Republicans see it as politically advantageous to have the marketplaces function poorly," Pollack told me.

The administration may have other rule changes teed up. A second-term Trump administration might try even harder to make changes to Medicaid that would allow states to functionally shrink the program. In exchange for decreased federal funding, states would be allowed to side-step some current federal rules on who and what must be covered. The proposal is almost certain to be challenged by opponents in court. But if it goes into effect, people in states that take the deal could see Medicaid co-pays increase and benefits decrease, or could lose coverage entirely.

Trump has already put forward a number of far-reaching executive initiatives only to have them halted by the courts. Proposals that would let states require Medicaid recipients to prove that they work or perform community service in order to keep their health insurance have been struck down in three states. In a recent ruling overturning the new requirements, judges noted that when Arkansas added work requirements, some 18,000 people lost health coverage. In most cases, people lost coverage not because they failed to meet the work requirements, but because the process for reporting their hours to the state was too cumbersome. In addition, the courts blocked a Trump order that would make it easier for health care workers to decline to perform or even help with abortions or other procedures that violate their conscience. A rule that required drug companies to include prices in their television ads was also struck down.

If Trump wins a second term, this trend might reverse. The Senate spent most of 2019 not passing legislation, but approving new judges—at twice the typical annual rate. In

2019 alone, according to the National Review, the Republican-majority Senate filled the seats of nearly 12 percent of the American judiciary. With a simple majority vote, Mitch McConnell sped up confirmations by changing Senate rules. And on average, Trump-appointed judges are more conservative than those chosen by past Republican presidents.

The White House is wearing this as a badge of honor. “President Trump’s historic appointments have already tipped the balance of numerous Federal courts to a Republican appointed majority,” read a White House press release, adding, “Approximately 1 out of every 4 active judges on United States Courts of Appeals has been appointed by President Trump.”

There is also the possibility that another seat will open up on the Supreme Court. If Democrats don’t win the presidency in 2020, it’s hard to see how some of the aging liberals on the Court could hold on for another four years. Ruth Bader Ginsburg is 87, and in poor health. Stephen Breyer will turn 82 in August. A third pick for Trump would cement the conservative majority that’s already in place, perhaps for a generation.

The headline-grabbing issue for a change at the Court is abortion. There are already five nominally anti-abortion justices, and the first major abortion case since Brett Kavanaugh joined the bench will be decided later this year. Most observers think it unlikely that the Court will expressly overturn Roe v. Wade, the landmark 1973 case that legalized abortion nationwide. More likely is that it will simply approve more and more drastic restrictions until abortion is only available in the bluest of states. A sixth anti-abortion justice would make that all but certain.

And far more than abortion is at stake. Many of the president’s blocked proposals could eventually get a stamp of approval from a 6–3 conservative majority. The administration is supporting a lawsuit, currently making its way to the Court, that would declare the ACA unconstitutional in its entirety. Lawyers across the ideological spectrum consider the case legally dubious. But if the Trump administration wins another Supreme Court seat, the ACA could be struck down, and, with it, protections for preexisting conditions and other popular provisions.

One potential bright spot, Pollack predicts, is that Trump may not have the patience to enact other sweeping changes to the health care system. “I think this requires too much work,” he said, “and I think he’s bored by the level of detail.”

POLITICO

For jobless Americans, Obamacare is still a potential lifeline
Tina Nguyen

The White House and health officials did not respond to a request for comment on any plans they have to promote Affordable Care Act enrollment.

The administration is instead touting a plan to tap hospital stimulus funds to pay people's bills if they get coronavirus and need treatment — but the details haven't been spelled out, including whether the money would cover hospital bills only or the full range of care including all doctors' bills. It certainly wouldn't cover other health care needs, just Covid-19.

That leaves it to insurers, insurance agents and Obamacare advocates with sparse resources to try to get out the enrollment message amid the pandemic that has upended Americans' lives. Meanwhile, most of the 12 states and the District of Columbia that run their own ACA exchanges have reopened their markets.

Ordinarily, people can only sign up for insurance during the regular open enrollment season — and the next one won't happen until the fall. But when people have a change in their coverage from something like a job loss or big shift in income, they can still qualify for special enrollment.

Yet that's not widely known — and other than scattered comments such as those offered by Health and Human Services Secretary Alex Azar at the White House task force press conference Friday night, it's not information that the White House is widely telegraphing.

"If you are employed and had insurance through your employer, and you have lost your job and lost that insurance coming in, now you do have an enrollment period where you can enroll in the individual exchanges for the Affordable Care Act," Azar said. "That is existing law."

The law has gained popularity since the GOP's failed bid to repeal it, although Trump still promises to get rid of it as he campaigns for reelection. Still, he hasn't put forth a replacement proposal and his administration is supporting a lawsuit from Texas and other conservative states to overturn the entire ACA.

For those advocacy groups or insurers who do try to spread the word, the enrollment task is made even more challenging by steep cuts the Trump administration made to the government's Obamacare outreach. That started soon after Trump took office and intensified right through the most recent open enrollment, which ended in mid-December.

The scale of people losing insurance is likely to keep growing as each week shatters a new record in jobless claims and the economic crisis spawned by the pandemic threatens major upheaval in America's employer insurance system.

Even low-end estimates predict that at least 12 million workers and families could lose job-based coverage, and that number could go as high as 35 million in the worst-case scenario. The analysis from the consulting firm Health Management Associates also showed Medicaid rolls swelling, especially in expansion states, and a steep climb among the uninsured

States dependent on HealthCare.gov who are trying on their own to spread the word are largely flying blind on who they're reaching. They can't track their own enrollment data since it all funnels through the federal government's hub. The health agency in charge of that information only releases enrollment snapshots during the open enrollment period.

But for advocates and officials trying to make sure people are covered in the pandemic, even a meaningful effort from the administration to publicize current options falls far short of a general special enrollment period for anyone who needs coverage.

That's because the usual red-tape involved in getting people who qualify for special sign-ups into ACA plans has only grown more complicated and cumbersome in the time of social distancing — when people can't just present the documents they need to an insurance broker and fill out the necessary forms in real-time. The process is even harder if the person trying to get covered doesn't have access to a computer. During normal signup seasons, people can call for help, go use a library computer, or get help from a broker or ACA navigator.

The Trump administration says its plan to pay Covid-19 hospital bills is better, as it promises to make direct payments for care.

But critics note that's not health insurance. It won't help a newly uninsured person who breaks a leg, has a heart attack, or is undergoing chemotherapy.

“They’re not going to just get Covid-19, they’ll have other diseases — and they won’t have health insurance because they’ve lost it connected to their job,” said Rep. Donna Shalala (D-Fla.), who ran HHS in the Clinton administration.

People who lose jobs can get COBRA, meaning they can extend their job-related insurance after being laid off. But that is massively expensive — particularly for anyone who has just lost their livelihood.

About 29 million people lacked health insurance before the coronavirus breached the country, and a substantial portion of the 10 million people who’ve filed unemployment claims in the past two weeks have likely joined their ranks — along with their spouses and children. By some projections, the number of uninsured may grow to 35 million or 40 million by the time the virus is done ravaging the economy.

Jodi Ray, head of the nation’s largest federally funded Obamacare outreach group in Florida, said it’s already hard enough to make people aware of the regularly scheduled HealthCare.gov open enrollment period each fall, even with some marketing help from the federal government. Trying to spread the word about special enrollment without a coordinated outreach effort from the Trump administration will be even more challenging, she said.

“Why are we assuming that everybody knows?” Ray said. “Everybody doesn’t know.”

People have just 60 days after losing job-based coverage to get documentation in order and figure out a new plan.

That’s the kind of red-tape Arizona’s GOP Gov. Doug Ducey complained of when in late March he formally asked Azar to open up Healthcare.gov.

“At this time when health insurance is of critical importance and so many people are experiencing a loss of employment, opening a special enrollment period will cut unnecessary red tape and lift a paperwork burden off individuals who are already facing challenges from a sudden and significant change in circumstances,” Ducey wrote.

HealthCare.gov states are trying to get the word out themselves — with a public awareness push on the deadlines people have if they’re losing their workplace plans, said Eireann Sibley of New Hampshire’s department of insurance. She's issuing press releases to tell people their options for both ACA plans and Medicaid, but doesn’t know how well word is spreading.

In one odd twist, some of the working poor who normally can’t get Medicaid in states that didn’t expand might be able to qualify for Obamacare because aid they will get from

the federal stimulus package might help them meet the income threshold. It's an option that could be particularly helpful for swathes of working poor adults throughout the South — including people on the front lines of the disease now, people who can't telecommute because they work as a store cashier or in a fast food restaurant.

Technically, people who can make this income jump also qualify for a special enrollment period under current law — but it's proven extremely difficult and time-consuming to apply for, and most people don't know about it, said Shelli Quenga of the South Carolina's nonprofit brokerage firm Palmetto Project.

"It's not quick," Quenga said. "Typically I'm not working with someone who's worried about a life-threatening virus, and I tell them to be patient and it'll take a month or so. But what if I'm dealing with someone who doesn't have a month?"

Poll finds public evenly split on delayed Supreme Court ObamaCare decision
Staff

Voters are evenly split over the Supreme Court's decision to delay ruling on a case that could decide the fate of ObamaCare until after the 2020 presidential election, according to a poll released Monday.

Fifty-one percent of registered voters said in a new Hill-HarrisX survey that the court should have handed down a ruling before the November elections, while 49 percent said the justices were right to delay the case. The poll has a 3.1 percentage point margin of error.

Democrats had sought to fast-track the case through the Supreme Court in hopes of elevating the issue ahead of Election Day.

Republicans, meanwhile, had pushed for a decision in 2021 amid concerns that a ruling striking down former President Obama's landmark health care law could provide ammunition to Democrats at a time when the GOP is hoping to maintain control of the White House and the Senate.

The Supreme Court did not rule out an eventual review of the case.

President Trump and Republicans have long sought to repeal the 2010 Affordable Care Act (ACA). But their efforts to replace it with new legislation have repeatedly fallen flat.

Democrats have seized on the GOP's opposition to ObamaCare in recent years, using the efforts to repeal the law as a cornerstone of their successful 2018 campaign to recapture control of the House.

The court case revolves around the question of whether the ACA was invalidated when Congress passed a sweeping tax overhaul measure in 2017 removing the tax penalty for not having health insurance. The legislation left the rest of the ACA intact.

The ACA has become increasingly popular among Americans in recent years. Recent polling from Kaiser Family Foundation found that 50 percent of adults have a favorable view of the law, while about 39 percent view it unfavorably.

The Hill-HarrisX poll was conducted March 22-23 among 1,002 registered voters.

ACA Penalties on The Rise in 2020
Robert Sheen

The IRS has been busy issuing penalties to employers that failed to comply with the ACA's Employer Mandate for the last several tax years. Employers should note that the penalties for failing to comply for the 2020 tax year have again increased.

For the 2020 tax year, the annual penalty amounts for ACA penalties are anticipated to be $2,570 for the 4980H(a) penalty and $3,860 for the 4980H(b) penalty.

When the ESRP penalties were first established in 2014,the penalties started at $2,000 for 4980H(a) annually and $3,000 for 4980H(b) annually. Every year since then, the amount has increased due to indexing of the premium adjustment percentage. The method for calculating this can be attributed to the premium adjustment percentage. You can read more about the premium adjustment percentage in this notice.

Organizations should also note that for the 2020 tax year, the affordability component for satisfying the 4980H(b) component of the ACA's Employer Mandate is set to 9.78% of the Federal Poverty Level (FPL). That comes out, for an individual, based on the mainland FPL to $101.79 a month or $1,221.48 annualized. The FPL has actually decreased from 2019, which means the maximum monthly contribution an employee makes is lower and thus the employer is responsible for covering the remainder of the premium.

Employers, it's imperative that when determining ACA affordability, you get it right as the costs associated with ACA non-compliance are going to continue to increase.

As a reminder, under the ACA's Employer Mandate, Applicable Large Employers (ALEs), organizations with 50 or more full-time employees and full-time equivalent employees, are required to offer Minimum Essential Coverage (MEC) to at least 95% of their full-time workforce (and their dependents) whereby such coverage meets Minimum Value (MV) and is Affordable for the employee or be subject to IRC Section 4980H penalties.

The IRS is currently issuing ACA non-compliance penalties in Letter 226J for the 2017 tax year and is anticipated to continue issuing said notices through May this year, after which the agency will be moving onto the 2018 tax year. If you've received a Letter 226J for the 2017 tax year, download this guide on how best to respond.

If your organization is unsure of where it stands in regards to ACA compliance, contact us to have a cost-free ACA Penalty Risk Assessment performed.

To learn more about ACA compliance in 2020, click here.

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Health Insurers Say Their Virus Costs Could Surpass $500 Billion
Sara Hansard

Health insurers' costs for testing and treating Covid-19 could be as high as $556 billion in 2020 and 2021, a trade association for health insurers said Wednesday.

America's Health Insurance Plans commissioned Wakely Consulting Group to study Covid-19 costs to U.S. health insurers. Wakely came up with a wide range: $56 billion to $556 billion over the next two years.

It isn't yet clear how the pandemic will affect insurers because hospitals have canceled elective procedures to make way for Covid-19 patients, a move that is expected to save money for insurers in the short-term. AHIP's assessment appears aimed at reminding policymakers that insurers may be hit with big costs in the long run.

"This new data provides us with better insight to help policymakers, private sector leaders, and other stakeholders understand the investments required to successfully care for every American subjected to this life-threatening virus," Matt Eyles, president and CEO of AHIP, said in a statement.

Wakely estimated that enrollees' out-of-pocket costs— through copayments, deductibles, and coinsurance—would range from $10 billion to $78 billion over the two-year period. But that didn't take into account many insurers' waiving of out-of-pocket costs for Covid-19 testing and treatment.

A mid-range scenario in which 20% of the U.S. is infected, about 50 mllion people, would result in at least 5.5 million requiring hospitalization and 1.3 million needing intensive care, Wakely estimated. Total costs for insurers and patients in that scenario would be between $113 billion and $185 billion.

Targeted Funding
The more than $2 trillion to date in Covid-19 response funding approved by Congress hasn't included payments for insurers, but has focused on hospitals, employers, and workers.

Insurers haven't requested extra funding for treatment costs, but they have asked that Congress expand premium subsidies to cover more people in Obamacare plans. They've asked the Trump administration to reopen enrollment in the federal Obamacare exchange, HealthCare.gov, to allow uninsured people to buy coverage.

The Trump administration has declined to reopen the exchange. Instead it has said it will cover the cost of treating the uninsured from the $100 billion fund authorized by Congress for hospitals. But doing that could soak up more than 40% of that funding, according to the Kaiser Family Foundation.

Many insurers have agreed to cover both testing and treatment for Covid-19 without requiring enrollees to pay out-of-pocket costs, and many have also waived treatment pre-authorization that is normally required before a patient can be hospitalized.

CaliforniaHealthline

Newsom's Ambitious Health Care Agenda Crumbles In A 'Radically Changed' World

Angela Hart

This was supposed to be a big health care year for California.

Democratic Gov. Gavin Newsom in January unveiled ambitious proposals to help him achieve his goal of getting every Californian health care coverage. Though it was far less than the single-payer promise Newsom had made on the gubernatorial campaign trail, his plans, if adopted, would have expanded the health care system as no other state has.

His $47 billion health care agenda, fueled by a once-booming economy and pressure from legislative Democrats, sought to expand the pool of undocumented immigrants covered by Medicaid, enable California to manufacture its own generic drugs, pour billions into the Medicaid program to address chronic homelessness and dramatically increase mental health and addiction treatment statewide.

Then, the novel coronavirus swept in, decimating those ambitions.

"The world has radically changed," Newsom said this month, as he prepared California for a mid-May surge in COVID-19 hospitalizations.

Once buoyed by record economic growth and a $21 billion rainy-day fund to protect California from a major downturn, Newsom warned of a "budgetary crisis that is starting to manifest," suggesting he can no longer follow through on his health care promises.

"All of that is being recalibrated," he said.

But Democratic lawmakers who control both houses of the state legislature — and will negotiate with Newsom over the scope of the 2020-21 state budget — aren't necessarily convinced they have to abandon their plans.

"If those workers providing the products, the services, the food that we eat don't have health care, we're all in danger," said state Sen. Maria Elena Durazo (D-Los Angeles), who has pressed Newsom to expand Medicaid coverage to unauthorized immigrants

ages 65 and up. “Our reasoning is a lot stronger now because if they don’t have health care, it weakens our ability to stop the spread of COVID-19.”

Newsom says he has no choice but to scale back his initial $222 billion state budget proposal.

The state may be able to fund only existing programs and coronavirus response and recovery, said state Finance Director Keely Bosler. There could even be cuts, she warned.

Exactly how much money will be available to keep the state running will not be known until mid-May. The legislature, which recessed in mid-March in the midst of the pandemic, isn’t scheduled to reconvene until May 4 and may conduct business remotely for the remainder of the session.

Staggering stock market and job losses have thrown the state’s fiscal outlook into turmoil, with California receiving more than 2 million unemployment claims since mid-March. Medi-Cal, California’s Medicaid program for the poor, already covers about 13 million Californians, and state budget analysts expect caseloads to explode.

“It is going to be bad, but we have not yet been able to determine how bad because of the fluid and dynamic nature of this pandemic,” said H.D. Palmer, spokesperson for the state Department of Finance. “Clearly what we are in the midst of is much more severe than a midpoint recession.”

Meanwhile, the state has already begun draining its rainy-day reserves and spending from its general fund to respond to the crisis.

Newsom has spent more than $850 million in response to the pandemic, such as boosting California’s supply of ventilators and other protective gear needed for a projected surge in COVID-19 cases. On Tuesday night, he announced the state had inked a $1 billion deal to get 200 million masks per month — enough for California and possibly to share with other states.

Newsom is also funding food and senior assistance programs, sending money to counties to house more jail inmates while state prisons temporarily pause intake, and paying for hotel and motel rooms for homeless people. And the state will help pay nearly 40,000 health care workers it is recruiting for the surge.

Some of the costs will be reimbursed by the federal government, Newsom said, but it’s not clear how much.

Not long ago, Newsom and the legislature were in a very different place, enacting policies that made California a national testing ground for expanding health coverage.

Last year, they approved a $100 million-per-year expansion of Medi-Cal to low-income undocumented immigrants ages 19 to 25, earning praise from national party leaders and ire from President Donald Trump. And they approved $1.5 billion over the next three years to fund new subsidies for some low- and middle-income Californians purchasing health coverage on the state health insurance exchange, Covered California.

This year would have been even bigger.

“We have a unique responsibility to show the way,” Newsom said in January.

Newsom sought to funnel state and federal Medicaid dollars into emergency rental programs to help homeless people get housing, and to bolster treatment for substance use disorders and mental health for homeless people, at-risk youth and incarcerated people.

He threatened steeper fines against health insurers that didn’t provide adequate access to behavioral health treatment, vowed to stop surprise medical billing, promised to lower prescription drug costs and hatched a sweeping plan to cut overall health care spending by going after the health care industry for jacking up prices.

Democratic leaders and even Republicans embraced his focus.

“California is certainly the most aggressive at trying to push towards universal coverage,” said Larry Levitt, executive vice president for health policy at the Kaiser Family Foundation. (Kaiser Health News, which produces California Healthline, is an editorially independent program of the foundation.)

“Typically, you find states focusing on either cost or universal coverage, but what sets California apart is a drive to deal with both.”

Some Democratic lawmakers acknowledge they must reimagine their health care agenda, including state Assembly member Phil Ting (D-San Francisco), chair of the Assembly Budget Committee.

“We’re going to have to be very disciplined,” Ting said. “I don’t think we’re going to spend money on much else other than coronavirus and economic recovery.”

But others argue that proposals to expand coverage and access are even more pressing because of COVID-19.

“Every person who can’t get health care and gets sick could potentially spread the disease to more people. We need to take care of that,” said state Sen. Richard Pan (D-Sacramento), who chairs the Senate Health Committee and leads the state Senate budget process for health-related expenditures.

Advocates and lobbyists also are flooding Newsom with budget request letters asking him not only to stick with existing proposals, such as protecting people from getting hit with surprise medical bills, but also to expand coverage even more and increase state subsidies for insurance. Doctor groups are asking the governor to provide relief for health care providers who have lost income due to declines in patient revenue, while organized labor is asking him to assist businesses so they don’t cut health employee health benefits.

County behavioral health directors argue the state must fund more mental health and substance use disorder treatment because the need is greater today, especially for students who can’t attend school and for those who have lost homes and work.

“We need to marshal additional attention and resources for lifesaving behavioral health treatment and services, unless we intend to deepen inequality,” said Michelle Doty Cabrera, executive director of the County Behavioral Health Directors Association. “This year, right now.”

Although Newsom has sought to quell the spending push by health advocates, he said Saturday that health care remains a top priority and he’s “committed” to adopting reforms within California’s budgetary constraints — even if it might not happen this year.

“We will do everything in our power to lean into the future despite these circumstances,” he said. “Reforms can happen on a good day or a bad day.”

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Newly Unemployed Scramble to Enroll in Obamacare in Time
Lydia Wheeler

Ian Phillips had an eight-hour heads up that the restaurant he manages was closing and he'd soon be without health insurance, a plan that covered not only him but his wife and two grown children.

"My wife was freaking out," said Phillips, who worked at the Wilmington, N.C., location of the Dallas-based Tex-Mex restaurant chain On the Border, a company he had been with for 21 years.

Phillips is among the millions of people who joined the ranks of the unemployed in March as state officials shuttered businesses and issued stay-at-home orders in an attempt to stop the spread of the deadly coronavirus. As many as 16.8 million people applied for unemployment aid over the last three weeks alone, according to the latest figures from the Labor Department.

But unlike many of the people who lost their job last month and those who are likely to in the weeks ahead, Phillips had prior health coverage that made him eligible to get insurance through HealthCare.gov, the federal insurance marketplace many people are now trying to access.

The marketplace, created by the Affordable Care Act, offers private insurance plans to residents of 38 states. The other 12 states and the District of Columbia operate their own health insurance platforms.

Open enrollment on HealthCare.gov typically runs from Nov. 1 to Dec. 15, but is open to those at any point in the year who have a qualifying life event, which includes the loss of an employer-sponsored health plan, getting married or divorced, having a child, experiencing a death in the family, moving, or a change in income that affects your coverage.

The NC Navigator Consortium, led by Legal Aid of North Carolina, which helped Phillips enroll, typically gets between 40 and 50 requests for assistance with HealthCare.gov in a given week outside of the normal open enrollment period.

Calls doubled last week and this week's are on pace to double again, said the organization's director Mark Van Arnam.

"We have a lot of people who are calling, young and healthy people, who really didn't think they needed insurance and now they're scared and understandably so," he said. "There's just nothing we can do about that since the feds did not open up a more generalized special enrollment period."

'Nobody's Got Time'
Van Arnam, however, is having success getting those who qualify enrolled in affordable health plans, but he's noticed that it's been a bit slower to get through to HealthCare.gov.

"If we have to call into the call center, there are wait times often of over an hour to get to speak to a representative," he said. "During open enrollment it's not even usually that high because I believe they are staffed up."

Luckily for Phillips, he was able to find NC Navigator Consortium with a quick Google search and get signed up within an hour and a half on the phone without having to call the call center.

"They were able to walk me through getting the credits and getting signed up," he said. "It was one of the easiest things I've done as an adult."

But many of the folks that have been laid off were living paycheck-to-paycheck and pay per minute for phone calls, so "putting them on hold for an hour and a half while we wait for HealthCare.gov is not an ideal circumstance right now," Van Arnam said.

Like Van Arnam, Jodi Ray, director of Florida's navigation program Covering Florida, has also seen an influx of calls for help that's starting to get "overwhelming."

"The phone is ringing all day," she said. "The intensity level has really picked up significantly."

Ray hasn't had a chance to compare the number of calls coming in now to the number of calls Covering Florida usually receives this time of year.

"Nobody's got time," she said.

The NC Navigator Consortium and Covering Florida are two programs that help people statewide access Obamacare. Both saw their budgets cut severely a few years ago,

which affected their staffing levels. The Trump administration slashed federal funding for navigators down to $10 million in 2017, a 90% cut.

Before Phillips called the NC Navigator Consortium, he said he went to HealthCare.gov but didn't really know what he was doing.

"I was extremely nervous," he said. "It's not really amateur hour when you're doing something you've never done before," and you only have 60 days to do it.

The White House has said it won't open a special enrollment period for everyone on HealthCare.gov, but health policy experts say the administration could do a better job of streamlining the process to enroll. There are qualifying events that give someone 60 days to sign up outside of the general open enrollment period, but you still have to submit documents to prove you qualify.

Some people may have trouble getting their hands on that paperwork, said Karen Pollitz, a senior fellow at Kaiser Family Foundation who works on the Program for the Study of Health Reform and Private Insurance.

Documents can be submitted online or mailed to the marketplace in London, Ky. HealthCare.gov will also accept a letter explaining why documentation is not available, but whatever is submitted still has to be reviewed by someone, Pollitz said.

"I have no idea how that's working, but that is a barrier and that whole process eats into your 60-day special enrollment period," Pollitz said.

Access to Private Insurance
Health law professors like Katie Keith at Georgetown University say the Department of Health and Human Services could relax the eligibility verification requirements and streamline the steps low-income people have to take to qualify for premium tax credits—federal subsidies available to help people lower their monthly insurance payment.

HealthCare.gov asks people to estimate what their income is going to be for the year ahead, but when there is a crisis like Covid-19, people may not know what their income for the year will turn out to be.

"Because the system works like that where you're sort of projecting your income outwards, you then at the following tax time have to reconcile your tax credits if you got more or less in subsidies than you should have," Keith said. "So you get less in your tax return than you might have gotten to repay the government for those tax credits."

Keith recommends the Treasury Department consider issuing guidance that says it will not enforce premium tax credit reconciliations for 2020.

Federal agencies like the HHS “should be looking under the couch cushions for authority, to expand access to private health insurance,” Keith said. “This is such a moment where it seems like you could push the envelope on your legal authority.”

The CMS in a memo to the federal and state exchanges March 24 said it was allowing participating insurers to extend premium payment deadlines and delay the 90-day grace period for those who get subsidies under the ACA.

Keith said the CMS should look into whether similar protections could be extended to those consumers not getting subsidies.

In a statement, a spokesperson for the Centers for Medicare & Medicaid Services said the agency is working to provide important information on how to best take advantage of existing special enrollment period opportunities for both consumers and employers.

“Individuals who lose their employer-sponsored coverage or another form of minimum essential coverage are eligible for a special enrollment period through HealthCare.gov. “In addition, current HealthCare.gov enrollees who report a change in household income due to, for instance, a job loss or a loss of hours may qualify for a special enrollment period if they are newly eligible or ineligible for financial assistance,” the spokesperson said.

“However, job loss alone does not trigger a special enrollment period (an individual may have minimum essential coverage through their spouse’s job, for example),” the spokesperson said.

The CMS also said it’s encouraging anyone who may have experienced a loss of coverage or change in income during this Covid-19 public health emergency to visit HealthCare.gov to see if they may qualify for a special enrollment period, Medicaid, or the Children’s Health Insurance Program.

“To address consumer challenges during this public health emergency, CMS is implementing additional flexibilities on documentation and other requirements while still ensuring program integrity,” the spokesperson said.

Phillips says he’s lucky he “fell in that little niche” to qualify for HealthCare.gov. Because he had such an easy time, he connected the employees who had insurance through his company to the NC Navigator Consortium too.

“I was so shocked and surprised at what a simple process it was I was like ‘You guys got to get on the phone,’” he said. “I think within 48 hours of first contacting them, I had both my salary managers and a couple of my hourly employees signed up for it.”

Judge rules cities' Affordable Care Act lawsuit can proceed
AP

BALTIMORE (AP) — A federal judge in Maryland has ruled that a lawsuit by several cities alleging that the Trump administration has sabotaged the Affordable Care Act can go forward.

U.S. District Judge Deborah Chasanow on Friday denied part of the government’s motion to dismiss the complaint, which was originally filed in 2018 and amended last year.

The lawsuit asserts the administration is trying to discourage enrollment and reduce choices, and will destabilize the health insurance marketplace.

Columbus, Ohio, is the lead plaintiff in the case. It was joined by Baltimore, Cincinnati, Chicago, Philadelphia and residents of Charlottesville, Virginia.

The judge did dismiss part of the lawsuit, a claim that accused the president of violating a Constitutional clause requiring the faithful execution of laws.

Trump's disdain for 'Obamacare' could hamper virus response
Ricardo Alonso-Zaldivar

WASHINGTON (AP) — The Trump administration’s unrelenting opposition to “Obamacare” could become an obstacle for millions of uninsured people in the coronavirus outbreak, as well as many who are losing coverage in the economic shutdown.

Experts say the Affordable Care Act's insurance markets provide a ready-made infrastructure for extending subsidized private coverage in every state, allowing more people access to medical treatment before they get so sick they have to go to the emergency room. In about three-fourths of the states, expanded Medicaid is also available to low-income people.

But the Trump administration has resisted reopening the ACA's HealthCare.gov marketplace for uninsured people who missed the last sign-up period. And it doesn't seem to be doing much to inform people who lost job-based coverage that they're eligible for insurance now through the ACA.

State-run exchanges prominently promote the availability of coverage, but users of HealthCare.gov have to go through a series of clicks to get that information.

"There is definitely a greater prioritization of coronavirus on the state exchange websites," said Katherine Hempstead of the nonpartisan Robert Wood Johnson Foundation. "The state exchanges put a message about coronavirus along the top of their home page — 'above the fold' — while on HealthCare.gov it appears that it's business as usual until you scroll down."

On Monday, leading congressional Democrats wrote Health and Human Services Secretary Alex Azar to urge reopening HealthCare.gov and a focused effort to inform people who lose job-based coverage of their rights to an ACA plan.

"Many remain unaware of how to sign up or the existence of financial assistance to lower their costs," wrote Reps. Richard Neal, D-Mass., Frank Pallone, D-N.J., and Bobby Scott, D-Va, along with Sens. Ron Wyden, D-Ore., and Patty Murray, D-Wash.

Some of the biggest coverage gains under the Obama-era law came among African Americans and Hispanics, groups that face grave complications from coronavirus infections due to high rates of underlying diseases like diabetes.

In a statement, HHS did not address the question of opening the health insurance marketplaces, as several states have. The agency referred people who have lost job-based coverage to a page on the HealthCare.gov site.

Instead of taking a similar approach as states like New York and California, the Trump administration has directed hospitals to use part of a $100 billion health system relief fund to offset costs of treating uninsured patients with COVID-19.

The American Medical Association says that money won't be enough. COVID-19 treatment for the uninsured could cost from $14 billion to $48 billion, according to a recent estimate from the nonpartisan Kaiser Family Foundation. And Congress intended the stimulus bill to help hospitals and medical offices meet basic operating costs.

"We need to leverage the Affordable Care Act so it can serve as the strong safety net that our country needs, especially given the job disruption that is causing many Americans to lose their health insurance," said AMA President Dr. Patrice Harris.

The American Hospital Association supports opening up HealthCare.gov and a new, separate fund to pay for treating the uninsured.

The Trump administration is facing three big challenges with uninsured people and with those who've been laid off and lost coverage:

— Before the coronavirus outbreak about 28 million people were uninsured. Many would have been eligible for Obamacare but failed to sign up. Without a new enrollment period, most are out of options. If they get infected by the coronavirus, they might postpone seeking help until they get really sick, hurting their own chances and exposing others to infection.

— Another group of between 12 million and 35 million people could lose workplace coverage, according to an estimate by the research and consulting firm Health Management Associates. People in this group are entitled to a special sign-up opportunity through HealthCare.gov and some may be eligible for Medicaid. That's if they know about these options.

— It's unknown how well HealthCare.gov would handle a wave of sign-ups outside the normal open enrollment season. Democratic Reps. Mark Pocan of Wisconsin and Jan Schakowsky of Illinois recently raised concerns about the potential for coronavirus to spread at call centers that service Obamacare and Medicare. Officials with the Centers for Medicare and Medicaid Services say the agency is protecting workers and moving to facilitate telework.

Officially, the Trump administration remains committed to overturning the Obama-era health law, which will soon face another test at the Supreme Court.

But President Donald Trump has sent plenty of signals that he's aware the cost of coronavirus treatment could become a political problem.

He's successfully pressed insurers to waive copays and deductibles for testing, and he's pushing on treatment costs as well. Yet if there's a surge of uninsured people

unable to afford treatment it could overtake the White House as rapidly as the outbreak itself did.

“The fact that we have a health crisis in combination with an economic crisis is going to put the issue of health coverage more prominently on the agenda again,” said Drew Altman, president of the Kaiser Family Foundation.

With more than 1 in 10 workers recently losing jobs, the mainstay of employer coverage will shrink. Government programs are intended to take up the slack. How much, and how smoothly that happens, will have political ramifications for November’s elections.

New Jersey Democratic Rep. Pallone said expanding coverage under the Obama health law “is the practical thing to do” and called the Trump administration’s efforts “patchwork.”

Democrats want to make health care a central element of the next coronavirus bill.

“We want to open up the enrollment again so people can sign up,” Pallone said.

Peterson-KFF
Health System Tracker

How health costs might change with COVID-19
Cynthia Cox, Robin Rudowitz, Tricia Neuman, Juliette Cubanski, and Matthew Rae

As the coronavirus spreads rapidly across the United States, private health insurers and government health programs could potentially face higher health care costs. However, the extent to which costs grow, and how the burden is distributed across payers, programs, individuals, and geography are still very much unknown. This brief lays out a framework for understanding changes in health costs arising from the coronavirus pandemic, including the factors driving health costs upward and downward. We also highlight some special considerations for private insurers, Medicare, and Medicaid programs.

The most direct impact the coronavirus pandemic will have on U.S. health care spending is through testing and treatment of COVID-19, but the extent of upward pressure on health costs depends on a number of still unknown factors.

One of the most important and yet still unknown factors driving health care costs is the number and severity of COVID-19 cases in the U.S. Projections vary, and are largely

dependent on the success of public health efforts to contain or mitigate the spread of the virus. The University of Washington Institute for Health Metrics and Evaluation (IHME) model suggests the outbreak is reaching its peak in the U.S., but others have warned of the possibility of another spike in cases if social distancing measures are relaxed too soon this summer, or possibly another outbreak this fall or winter. Particularly for private insurers and Medicaid programs, the geographic distribution of infections across states will also have important consequences for premiums and state budgets, discussed in more detail below.

Currently treatment is supportive, not curative. Some COVID-19 patients are enrolled in clinical trials to test the effectiveness of certain antiviral drugs, and human trials have begun to test the effectiveness of vaccines. If an effective treatment is identified soon, this could significantly reduce the strain of coronavirus on the health system, but the costs of any new drug treatments could add new costs to the system, affecting both public programs and private payers. Vaccines are not expected to be available for at least a year. While vaccines will prevent future cases and thus future spending, the vaccine will come at a cost as well.

Roughly 15% of people infected by the coronavirus could require hospitalization, and a small share require invasive mechanical ventilation. The cost of these admissions will vary by severity and payer. In an earlier analysis, we estimate that, among people insured through a large employer's private health plan, hospitalization for pneumonia ranged from an average of $9,763 to $20,292 in 2018 depending on severity and comorbidities associated with the condition. However, patients who need to be put on a ventilator would have much higher costs. In 2018, ventilation treatment for respiratory conditions ranged from $34,223 to $88,114 depending on the length of time ventilation is required, for patients in large employer plans. Treatment costs on a per patient basis for comparable admissions will be lower in Medicare and Medicaid, where providers are reimbursed at lower rates. For example, average hospital payments for pneumonia with major comorbidities or complications are $10,010 under Medicare, and hospitalizations for respiratory system infections requiring ventilator support are $40,218. Under the CARES Act, Medicare will pay a 20% premium for COVID-19 treatment, but per admission payment is still less than that for the same type of admission for people with private plans, on average.

Many hospitalizations for COVID-19 treatment will cost around $20,000 but treatment of the most severe cases would cost much more

Testing will likely involve relatively low costs on a per-test basis. Medicare, for example, pays $36 to $51 for each test. As testing becomes more widespread, though, the total cost will add up significantly. Hospitals and labs are now required to post the cost of

coronavirus tests, and insurers, Medicare, and Medicaid are required to cover the tests without cost-sharing to the patient.

Covered California published the first national estimates of COVID-19 treatment and testing costs, ranging from $34 to $251 billion for commercial insurers (not including people enrolled in Medicare Advantage or Medicaid Managed Care Plans). America's Health Insurance Plans (AHIP) in consultation with Wakely, recently produced baseline estimates (assuming a 20% infection rate) of $84 to $139 billion in 2020 and $28 to $46 billion in 2021 for the direct cost of coronavirus testing and treatment of COVID-19, by private insurers (including commercial insurers, Medicaid MCOs and Medicare Advantage plans). However, using different assumptions of infection rates would yield widely different costs, ranging from a total of $56 to $556 billion over the two-year time period. The AHIP estimates do not include spending on Medicare beneficiaries in traditional Medicare. In a FAIR Health analysis of private, Medicare and Medicaid claims, estimates of total COVID-19 treatment costs ranged from $139 billion to $558 billion. The range of these estimates is indicative of the uncertainty around how many people will become infected and how many will need hospitalization.

An indirect effect of the coronavirus outbreak is the additional strain on limited hospital resources, which will lead to some care being delayed or forgone. Additionally, due to both social distancing measures and the economic downturn, individuals may also forgo outpatient care or prescription drugs they would have otherwise used. Forgone care could offset some of the additional costs of treating people with COVID-19, though the degree costs are offset is still a question.

The IHME model suggests the number of people needing hospitalization could exceed the number of available hospital beds for some time to come in parts of the country. Hospitals in the U.S. are canceling or delaying some elective procedures to leave more beds, equipment, and staffing available for treating patients with COVID-19.

Elective care generally refers to any care that is not urgent, but many so-called elective procedures are nonetheless lifesaving or can significantly improve quality of life. Hospitals in the U.S. appear to be making different decisions about whether and which care to delay, making it difficult to model the cost effects. The Centers for Medicare & Medicaid Services (CMS), have release broad guidelines recommending procedures to be delayed. Additionally, some other types of hospitalizations may be avoided or delayed beyond just surgical procedures.

To understand the potential impact of delayed and forgone care and considerations insurers face in setting premiums for next year, we analyzed claims data from non-elderly enrollees of large employer plans using a sample of the IBM MarketScan Commercial Claims and Encounters Database. In 2018, 37% of hospital admission

spending by large employer plans was on surgical procedures that did not originate in the emergency room, some of which may be delayed or forgone. Some of the surgical admissions that do not originate in the emergency room are nonetheless time-sensitive and life-saving. As hospitals across the U.S. are making differing decisions about which procedures to go forward with, often on a case-by-case basis, it is not yet possible to say how much of this or other hospital spending will be canceled or deferred into next year, but it gives a sense of the uncertainty and assumptions insurers may make in setting premiums for next year.

Elective procedures represent a substantial share of spending on hospitals

Although most forgone care is likely to put downward pressure on health costs this year, at least for several months, the delayed procedures and costs could shift to the next calendar year, raising spending for 2021. There is additionally some concern that certain types of delayed care could worsen health outcomes and cause higher spending later. For example, delaying or forgoing chronic disease management, either because of reduced access to medical providers or pharmacy services, could lead to more complications later.

Private insurers face particular challenges in predicting their costs, as there are still many unknowns around policymaking relating to cost-sharing requirements and risk mitigation programs. As the AHIP estimates demonstrate, the range of possible costs could vary ten-fold depending on the severity of the outbreak, not to mention additional unknowns such as the number and types of elective procedure delays, amount of pent-up demand, and uncertainty over policy changes.

Commercial insurers must submit premiums for 2021 to state regulators for review and approval in the next two months. In their premium calculations, insurers are not allowed to justify future premium increases based on any losses they expect this year. Instead, premium justifications must be based on assumptions about claims costs for next calendar year. If claims costs are exceptionally high this year, though, insurers might need to replenish surplus in order to remain solvent. Once finalized, in late summer, premiums will be locked in and insurers will be unable to change those rates for the duration of the coming calendar year.

The consequences of guessing wrong could be dire for some insurers. Insurers may have an incentive to over-price their plans, particularly on the individual market where many enrollees are subsidized and sheltered from premium increases. State regulators could encourage insurers to make similar assumptions about COVID-19 costs and pent-up demand so that premiums are not radically different from each other simply based on differing assumptions. However, the uncertainty around premium setting could also lead some insurers to decide not to offer coverage next year. In past years, when there

was uncertainty around premium setting, some parts of the country were at risk of having no insurer offering exchange coverage.

Congress has not passed a risk mitigation program for private insurers in light of COVID-19. However, the Affordable Care Act (ACA) included two temporary market stabilization programs in its early years that could serve as models. Reinsurance would protect insurers against losses from extremely high-cost enrollees and a risk corridors program would protect against extreme gains or losses from inaccurate premium setting.

Reinsurance works by reimbursing insurers for a portion of claims cost for each enrollee that exceeds a certain threshold. If an enrollee's costs exceed a certain threshold, called an attachment point, the plan is eligible for payment up to the reinsurance cap. Under the ACA, attachment points were set at $45,000 in the initial years of the program. As the program is intended to reimburse for extremely high cost individuals, and many COVID-19 patients will have hospitalizations that cost in the $20,000 range, reinsurance as designed under the ACA would have missed many of these enrollees and would likely only reimburse for those COVID-19 patients requiring intensive care or ventilation. The program could be altered to include condition-based reimbursement, but it would not address mispricing due to incorrect assumptions about non-COVID care like elective procedures being delayed or forgone.

A risk corridors program would more directly address concerns of mispricing, including inaccurate assumptions about delayed elective procedures and pent-up demand beyond COVID-19 treatment, by limiting losses and gains beyond an allowable range. The federal government would share in the gains and losses of private insurers that set premiums too high or too low. Under the ACA's risk corridors program, insurers whose claims costs were lower than expected by more than 3% paid into the program, and those whose claims costs were higher than expected by more than 3% received funds from the program. If an insurer's claims fell within plus or minus three percent of their target amount, the plan made no payments into the risk corridor program and received no payments from it. In other words, insurers would still experience some gains and losses, but both would be limited.

For private insurance enrollees, out-of-pocket costs remain a concern. Some insurers have voluntarily waived cost-sharing for COVID-19 treatment, and a mandate has been proposed though not passed at the federal level. For those whose costs are not waived, we have estimated that out-of-pocket costs for a COVID-19 hospitalization could exceed $1,300 for people who are insured by a large employer. Out-of-pocket costs would likely be higher for people covered by small businesses and individual market plans, as those plans tend to have higher deductibles.

Older adults are at particularly high risk for COVID-19 complications and death, and virtually all adults ages 65 and older are covered by the Medicare program. While it is possible that Medicare spending will increase above projected baseline spending for 2020, the magnitude of that increase, and the longer-term impact, is not clear. Increases in Medicare spending would have spillover effects for Medicare beneficiaries' out-of-pocket spending in future years, in the form of higher premiums, deductibles and other cost-sharing requirements.

The pandemic is likely to put upward pressure on Medicare spending due to the following factors: the number of Medicare-covered COVID-19 hospitalizations; how much Medicare pays to treat COVID-19 patients, taking into account the share of hospitalized patients requiring ventilator support, and the 20 percent increase in Medicare payments for COVID-19 patients; the share of COVID-19 patients requiring post-acute SNF or home health care, and the intensity of services they receive; the cost of medications used to manage patients outside the hospital setting; the cost of a vaccine, when it becomes available; and the number of beneficiaries who are tested for the coronavirus.

However, just like in private insurance and Medicaid coverage, increases in Medicare spending may be partially offset by delayed or forgone procedures and office visits. A reduction in spending due to postponement of such procedures would offset the increase in Medicare spending for COVID-19 patients, at least in the short term. It is not yet known what share of these procedures will be rescheduled for later this year or shifted into 2021, or whether the delay in care will lead to costly adverse health events down the road.

It is also not known the degree to which expanded telehealth services will impact Medicare spending. Prior to the outbreak, Medicare payments for telehealth were extremely limited under the traditional Medicare program. Based on new waiver authority included in the Coronavirus Preparedness and Response Supplemental Appropriations Act (and as amended by the CARES Act) the HHS Secretary has waived certain restrictions on Medicare coverage of telehealth services for traditional Medicare beneficiaries during the coronavirus public health emergency. This change could offset a decline in the number of in-person office visits and the associated Medicare spending that would otherwise occur.

Capitated payments by the federal government to Medicare Advantage plans, which currently provide coverage to more than one third of the total Medicare population, may not be materially affected by the coronavirus in 2020 (though the underlying costs to those plans certainly could). Beginning in 2021, Medicare payments to Medicare Advantage plans could rise faster than expected based on the experience of plans this year and expectations for expenditures next year, or if benchmarks rise due to higher

traditional Medicare spending; if average spending for traditional Medicare beneficiaries rises due to COVID-19, then payments would be likely to rise for Medicare Advantage plans, as well, with considerably variation across counties, across the country.

For Medicare beneficiaries, the impact of COVID-19 on out-of-pocket spending in the short term will depend on whether they are infected and whether they require hospitalization for treatment. Although beneficiaries will face no out-of-pocket costs for testing or testing-related services, many would face exposure to costs for treatment, unless they have supplemental coverage that will pay some or all of these costs, or are enrolled in a Medicare Advantage plan that is waiving cost sharing for treatment. For patients who do not have COVID-19, they may face a drop in spending if they delay health care services they might otherwise have received, such as elective procedures or office visits. Over the longer term, beneficiaries could face an increase in out-of-pocket costs for Medicare premiums and deductibles if Medicare spending for 2020 increases due to COVID-19 (beyond what it otherwise would have).

Medicaid program costs are expected to increase as a result of dealing with COVID-19 because of the cost of treating currently enrolled patients with COVID-19 and because overall enrollment is expected to rise as unemployment increases and people lose their job-based coverage.

As a countercyclical program, Medicaid enrollment increases during economic downturns when people lose jobs and income and qualify for coverage. Increased demand and enrollment results in increased spending. As a condition to access a temporary increase in the Medicaid match rate, states must comply with maintenance of eligibility requirements and cannot restrict eligibility or make it more difficult to apply for Medicaid and states must also provide continuous eligibility through the emergency period. Increased enrollment and potentially higher costs tied testing and treatment of COVID-19 will put upward pressure on Medicaid costs.

Even aside from enrollment increases, COVID-19 could result in higher costs to Medicaid programs than anticipated, as in private insurance and Medicare. Most Medicaid enrollees are served through capitated managed care plans, so new unanticipated costs could be incurred by private insurers. States could have options to negotiate rate adjustments, provide additional “kick” payments for COVID-19 related costs, implement carve-outs of COVID-19 related care, establish risk corridors or make retroactive adjustments to address higher than anticipated costs. Recent CMS guidance speaks specifically about such adjustments for COVID-19 testing and for the telehealth services.

Similar to other payers, Medicaid programs may see some declines in utilization of non-urgent care; however, unlike other payers, a larger share of Medicaid spending may

continue. The majority of Medicaid spending is for the low-income elderly and people with disabilities, which includes spending for long-term services and supports. These services provided in institutional or community based settings are ongoing and necessary to assist with activities of daily living and cannot be easily deferred.

Strategies typically employed to reduce costs in response to economic conditions may not be viable. In past recessions, states have tried to manage costs by freezing or cutting provider rates or implementing targeted benefit restrictions. However, as many providers are strained by the coronavirus response, provider rate cuts may not be feasible and targeted benefit cuts are unlikely to amount to significant reductions in spending (especially because spending on some optional services, like dental care, are generally small and may be naturally lower if individuals are not accessing those services due to the pandemic).

Medicaid may also be used as a vehicle to support providers as a result of COVID-19. An array of options may be available to help provide funding quickly to providers through Medicaid. For example, states can make advance, interim payments to providers based on historic claims. States can also pay higher rates for home and community based services during the emergency.

The costs of coronavirus testing and COVID-19 treatment are expected to be high, reaching tens if not hundreds of billions of dollars, but there is extreme variation in estimates due to remaining uncertainty about the extent of the outbreak. Additionally, other care, such as for elective procedures and some outpatient care or pharmacy use, is likely to be forgone as hospitals take measures to free up capacity for COVID-19 patients and individuals put off care due to less access under social distancing orders or concerns over contracting the virus. On net, health spending could be higher this year and next than otherwise expected before the pandemic hit, but it is yet to be seen how upward and downward cost pressures will balance out.

Private insurer earnings calls and quarterly cost data will provide some clues into how net spending has changed, but insurers will soon need to make decisions about participation and premiums for 2021 with very limited information. The implications of inaccurate assumptions could include higher premiums, steep increases in future years, and insurers exiting the market.

Federal Medicare spending could increase more than it otherwise would due to COVID-19, but the magnitude of that increase is an open question. As is the case with private insurance, the increase in spending for COVID-19 hospitalizations over a period of several months in 2020 will be partially offset by the decrease in spending for non-urgent surgeries, procedures and other medical services. COVID-19 could lead to an increase in payments to Medicare Advantage plans in 2021, depending on the

experience of plans in 2020, and whether higher spending on COVID-19 treatment is offset by reduced spending on non-urgent procedures. An increase in Medicare spending would have spillover effects for beneficiaries' premiums, deductibles and cost-sharing, and come at a time when Medicare already faces long-term financing challenges.

Medicaid programs will experience increased spending from both the treatment of COVID-19 and increased enrollment as unemployment increases and people lose their job-based coverage. Some of the cost-cutting mechanisms Medicaid programs employed under past recessions may not be an option in the midst of the coronavirus pandemic.

We analyzed a sample of medical claims obtained from the 2018 IBM Health Analytics MarketScan Commercial Claims and Encounters Database, which contains claims information provided by large employer plans. We only included claims for people under the age of 65, as people over the age of 65 are typically on Medicare. This analysis used claims for almost 18 million people representing about 22% of the 82 million people in the large group market in 2018. Weights were applied to match counts in the Current Population Survey for enrollees at firms of a thousand or more workers by sex, age and state. Weights were trimmed at eight times the interquartile range.

Admissions were classified as pneumonia when the associated diagnosis-related group (DRG) was 193, "Simple Pneumonia and Pleurisy with major complications," 194 with "complication or comorbidity" or 195 "without complication." Admissions were classified as a respiratory system diagnosis with ventilator support required for 96 hours or more when the associated DRG was 207, and a respiratory system diagnosis with ventilator support required for less than 96 hours when the associated DRG was 208. Total cost was trimmed for admissions below the 1st percentile and above the 99.5th percentile within DRG.

We defined the type of admissions based on the classifications provided in the Marketscan database, similar to the approach used here, which classifies admissions into five categories: surgical; medical; childbirth and newborn; psychological and substance abuse; and, other. We defined an emergency admission as an admission that included at least one claim in the emergency room (as defined by "stdplac").

UnitedHealth explores growth in ACA insurance marketplaces
Tom Murphy

UnitedHealth Group's on-and-off relationship with the Affordable Care Act's health insurance marketplaces is heating up again.

The nation's largest health insurance provider is looking to jump back into a market it largely fled a few years ago after suffering huge losses. Company leaders said Wednesday that they started thinking about a potential expansion before the coronavirus pandemic hit, and they are still reviewing markets.

"We will have a more hardened view of our individual exchange intentions on the second-quarter earnings call," company executive Dirk McMahon told analysts during a call to discuss the company's first-quarter performance.

McMahon is CEO of UnitedHealth Group's UnitedHealthcare segment, which focuses on the company's insurance business.

The ACA set up marketplaces in each state where people can shop for individual insurance coverage and then buy a plan with help from income-based tax credits.

UnitedHealth started small when these markets opened. It sold coverage in four marketplaces in 2014 before jumping to 24 the next year and then adding more after that.

But by late 2015 former CEO Stephen Hemsley was telling analysts the company regretted doing such a quick expansion before learning more about the still-new business.

By 2016, the insurer had expanded to 34 states and was covering nearly 800,000 people through the marketplaces. But it also was expecting to lose $850 million on what amounted to a small slice of its total enrollment, and it had decided to slash participation.

The insurer currently sells coverage in only a few markets, including Massachusetts, New York and Nevada, spokesman Eric Hausman said.

“We have always said that we are continually reviewing the markets and would re-enter where we saw opportunities to deliver value in stable markets,” Hausman said in an email.

Several insurers cut their exchange participation in those initial years, as companies struggled with higher-than-expected claims, among other problems. But companies have since gained a better understanding for the customers in that market and how they can make money off of it.

Courts Rule On ACA Abortion Transaction Rule And Take Care Case
Katie Keith

Despite disruptions to the judicial branch in light of COVID-19, two courts recently issued decisions on Affordable Care Act (ACA) issues. A district court in Washington set aside a recent federal rule over abortion transactions. This decision affects only Washington, although lawsuits over the same rule are pending in California and Maryland. In a separate case, a district court in Maryland ruled that a lawsuit over a range of Trump administration policies could proceed under the Administrative Procedure Act (APA) but not the Take Care Clause of the U.S. Constitution.

Abortion Transaction Lawsuit
Section 1303 of the ACA requires insurers that cover certain abortion services to segregate funds for those services in a separate account, and then use that account to pay for all services for these abortions. The premium attributable to these abortion services cannot be less than $1 per enrollee per month. In implementing Section 1303, the Department of Health and Human Services (HHS) initially took the position that consumers could use a single transaction (such as paying with a single check) to pay premiums for both these abortion services and all other services. (HHS outlined other options for insurers to comply with Section 1303 as well.) This was followed by additional guidance from the Trump administration on its approach to Section 1303, which was generally consistent prior rules.

In a recent final rule, however, HHS announced a major reversal, asserting the new belief that Section 1303 requires two separate payments (meaning two distinct transactions) rather than two separate amounts. Thus, under the final rule, insurers

must send—and enrollees must pay—two separate monthly bills for the portion of the premium attributable to abortion services and the amount of the premium for all other services. This new “double billing” requirement is expected to generate consumer confusion and potentially coverage losses. The changes are scheduled to go into effect in late July 2020.

In late January and early February, in three separate cases, state attorneys general in California (on behalf of six other Democratic attorneys general) and Washington as well as Planned Parenthood of Maryland challenged the final rule. In general, the plaintiffs argued that the rule unlawfully reinterprets Section 1303, exceeds HHS’s legal authority, and imposes onerous and unnecessary regulations that impermissibly create barriers to abortion coverage. The state plaintiffs additionally argued that the rule violates the Tenth Amendment by attempting to coerce states into changing their laws and otherwise infringing on their ability to require and allow plans to provide abortion coverage. The plaintiffs asked that the rule be declared invalid and unenforceable.

Pushing For A Delay

Given the burden of implementing the rule—and citing the toll of COVID-19—the California-led coalition of Democratic attorneys general recently urged HHS to suspend implementation of the rule. Implementation of the non-time sensitive rule is a distraction that is “unwarranted, unnecessary, and jeopardizes public health and safety—and inconsistent with White House guidance that prioritizes resources to slow the transmission of COVID-19. The program integrity rule was among the rules identified as one that HHS could easily wave or delay.

Court Decision In Washington

On April 9, 2020, Judge Stanley A. Bastian of the eastern district of Washington became the first judge to set aside the rule. In its complaint, Washington brought seven claims, six of which asserted violations of the APA and a seventh which asserted a violation of the Tenth Amendment. Washington then asked the court to grant partial summary judgment on its first two claims, arguing that the double-billing requirement improperly preempts state law, is contrary to Sections 1303 and 1321 of the ACA, and thus violates the APA.

Congress can preempt state law, but preemption is generally disfavored. This is especially true in areas where the states have been the primary regulator, such as the regulation of private health insurance. In addition, the ACA includes several express non-preemption provisions. Section 1303(c) states that nothing in the ACA should be construed to preempt or otherwise affect state laws that ban or require coverage, funding, or procedural requirements on abortions. And Section 1321(d) includes a general non-preemption provision, confirming that state laws are not preempted unless they prevent the application of Title I of the ACA.

Washington pointed to two provisions of state law that would be preempted by the rule. First, Washington mandates the coverage of abortion services by health plans, including qualified health plans, and issued regulations in 2013 to implement the requirement to segregate premiums. Second, in 2019, the Washington legislature adopted a "single-invoice" statute to codify the state's practice of requiring insurers to bill enrollees for their entire premium using a single invoice and then segregating the portion of the premium attributable to abortion services into a separate account.

Judge Bastian agreed with Washington and granted the request for partial summary judgment. (His decision is limited only to Washington and does not apply on a nationwide basis.) The ACA's non-preemption provisions, he reasoned, show that Congress intended to preserve broad categories of state law from preemption. The ACA prohibits HHS from issuing rules that preempt state law on abortion policies; the double-billing requirements, if enforced, would impermissibly preempt Washington law.

Judge Bastian was not persuaded by the government's argument that the preemption provision in Section 1303(c) is ambiguous. While courts do grant deference to reasonable agency interpretations of statutes under the Chevron doctrine, they only do so when the statutory provision or term at issue is ambiguous. Judge Bastian found the statutory language of Section 1303(c) to be unambiguous: state laws are not preempted if they do not conflict with the ACA or frustrate its purposes or objectives. Thus, there is no reason to defer to HHS's interpretation.

Judge Bastian declared that the double-billing rule is invalid and without force in Washington. As he put it, the rule attempts to "impos[e] onerous, arbitrary, and unnecessary billing practices that have little to do with providing efficient and effective medical coverage and everything to do with trying to prevent Washington's State recognition of a women's right to assess safe and legal abortions."

Although the court's reasoning is focused solely on the rule's abortion-related provisions, Judge Bastian seemed to set aside the entire program integrity rule in Washington. This rule addresses several issues unrelated to abortion coverage (such as periodic data matching and reporting requirements). It is unclear whether these requirements are also considered invalid in Washington.

From here, the Trump administration could appeal the decision to the Ninth Circuit Court of Appeals. In the meantime, the lawsuits in California and Maryland remain pending. Briefing in the California case extends through late May, with a hearing scheduled for June 11. In Maryland, Planned Parenthood proposed a briefing schedule that would extend through mid-May and has requested a status conference to address changes to the briefing schedule. This request has not yet been addressed by the court.

Plaintiffs in both cases want a decision before the rule's implementation deadline in late June.

Take Care Case

The "take care" lawsuit was filed in August 2018 (with an amended complaint filed in January 2019). The plaintiffs—Columbus, Baltimore, Cincinnati, Chicago, Philadelphia, and two individuals—argued that the Trump administration violated the APA and the Constitution's requirement that the President "take care that the laws be faithfully executed" by sabotaging the ACA. They asserted that President Trump engaged in a "death-by-a-thousand cuts campaign" after ACA repeal efforts failed in Congress in 2017.

As evidence of this campaign, the plaintiffs outlined 12 pages of statements made by President Trump and administration officials regarding their intent to "repeal the ACA, with or without Congress." The plaintiffs pointed to executive decisions designed to 1) sabotage the ACA; 2) destabilize the marketplaces; 3) decrease enrollment; 4) drive up premiums; and 5) not defend the ACA. Examples included ending cost-sharing reduction payments; budget cuts for ACA advertising and outreach; the halving of the open enrollment period from 90 days to 45 days; the expansion of non-ACA-compliant coverage options; and a number of provisions outlined in the 2019 payment rule. Supportive amicus briefs were filed by Democratic attorneys general from 19 states and D.C., 13 counties and cities, consumer advocacy organizations, the former chief marketing officer for the federal marketplace, a health policy economist, and the U.S. House of Representatives.

The Trump administration disagreed and asked the court to dismiss the lawsuit, arguing that individual market is stable. The Department of Justice asserted that 1) the plaintiffs did not have standing to sue and that their claims were not ripe for judicial review; and 2) the plaintiffs failed to state a claim under the APA and the Take Care Clause.

Following a long delay, Judge Deborah K. Chasanow of the district court of Maryland ruled that the plaintiffs had standing to sue, that their claims were ripe, and that they could proceed with their APA claim. However, they could not proceed with the constitutional claim under the Take Care Clause.

Standing

The individual and city plaintiffs had standing to challenge the Trump administration's actions, Judge Chasanow ruled. They alleged that they were injured by higher premiums and higher budgetary costs. Those injuries were fairly traceable to the administration's actions (i.e., there was a causal connection between their injury and those actions) and could be redressed if the court invalidated those actions.

The Trump administration had argued that the individual plaintiffs had lower premiums in 2019 relative to 2018, that rising premiums alone cannot be an injury in fact, and that there was an insufficient causal link between the alleged injuries and its actions. Judge Chasanow, however, noted that the government endorsed a similar theory of injury in California v. Texas (where it argued that two individuals in that litigation face “concrete financial and practical injuries” because of increased costs). She also pointed to a Supreme Court decision on the census to note that a causal link can be based on a showing that third parties will react in predictable ways.

Here, the plaintiffs sufficiently alleged that the administration’s actions caused premium increases through their predictable effect on consumers and insurers. The court was also unpersuaded by the fact that higher premiums and lower enrollment for 2019 were partially the result of Congress’ zeroing out the individual mandate penalty (rather than executive action).

APA Claim

The plaintiffs argued that major provisions of the 2019 payment rule are arbitrary and capricious and/or contrary to law, thereby violating the APA. They asserted that HHS failed to cite data or offer evidence in support of its changes, did not adequately respond to commenters’ concerns, did not sufficiently explain its rationale, and deferred to insufficient state processes. The Trump administration disagreed and urged the court to dismiss this claim, citing HHS’s reasons for implementing the challenged provisions and executive branch discretion.

Judge Chasanow declined to dismiss these claims at this point. Doing so at this stage of the litigation would be premature, she reasoned, because HHS has yet to produce the administrative record for the 2019 payment rule. Courts can reach the merits in this type of case even in the absence of an administrative record, and the Trump administration argued that the record (the proposed rule, comments on the rule, and the final rule) is publicly available and thus should not be a barrier to the case being dismissed. However, Judge Chasanow declined to do so here, citing the truncated record.

She reached a similar conclusion on the “contrary to law” arguments. After summarizing the plaintiffs’ arguments that many parts of the 2019 rule violate the APA (and the government’s response to these arguments), she ruled that the government’s arguments were not sufficiently developed to show that the plaintiffs’ claims would fail and denied the government’s motion to dismiss.

Take Care Clause Claim

In considering whether the plaintiffs can allege a stand-alone cause of action under the Take Care Clause, Judge Chasanow noted that no other circuit has definitively read this part of the Constitution to provide a private cause of action by a plaintiff against the

President or their administration. She then went on to describe the “cautious history” of judicial decisions regarding the Take Care Clause (including a passage from a Supreme Court decision from 1866 over President Andrew Johnson’s implementation of the Reconstruction Acts) and distinguished prior cases from the current challenge.

Following an extended discussion of precedent, Judge Chasanow dismissed the claim for both injunctive and declaratory relief under the Take Care Clause. She concluded that judicial intervention would impermissibly impinge on the President’s discretion and “executive and political” duties of determining how to faithfully execute federal law.

Political fictions and pandemic facts: Trump's ongoing war on ObamaCare
Albert Hunt

Here's a piece of political fiction: In the middle of America's worst health crisis in a century, a president proposes to take health insurance away from millions, really stick it to the poor, force those with pre-existing conditions to go it on their own — and in the process give a huge tax cut to the wealthiest citizens.

Except it's not fiction: Donald Trump may do exactly that.

In late June, the president's solicitor is slated to file a brief on the administration's support of a U.S. Appeals Court throwing out the entire Patient Protection and Affordable Care Act.

While the COVID-19 crisis is taking up most of the political oxygen during a critical presidential election, this would be a time bomb for the president and Congressional Republicans.

The Affordable Care Act, a.k.a. ObamaCare, has become increasingly popular, starting when Trump and Republicans on Capitol Hill sought to kill it. It now commands support from a solid majority of voters and was an important factor in the Democrats' 2018 congressional victories.

To even hint at ending the Affordable Care Act during a cataclysmic crisis is political madness. Listen to New Hampshire's Republican Gov. Chris Sununu, who has been an

opponent of the Affordable Care Act, charging that repealing the law now "would be devastating to New Hampshire."

The Supreme Court wouldn't hear the case until the next session, and it couldn't be decided until after the November election. If, in June, the Solicitor General reiterates Trump's long-held public position, it will be an indescribable gift for Trump's opponents.

The proposed repeal would take away comprehensive health insurance for the 20 million Americans who got coverage under ObamaCare. That number would be larger as millions more have lost their jobs — and presumably their coverage — during the pandemic.

Among other provisions that would be eliminated, if Trump gets his way, is the expansion in 37 states of better Medicaid coverage for lower income residents, the protection against discrimination in coverage for tens of millions of Americans with pre-existing conditions, a limit on out of pocket expenses for catastrophic illness and the ability of parents to keeps kids on their coverage until age 25.

Repeal of the act would give an estimated $45 billion tax cut to the wealthiest Americans who are paying a small levy on unearned income to fund the expanded coverage.

Republicans contend they will replace ObamaCare with a better system. But when they controlled both houses of Congress and the White House, they failed — every one of their proposed measures covered fewer people, gutted basic protections and failed to lower costs.

Donald Trump has promised for almost five years a better alternative to broaden coverage and cut costs. He will sing this song again in the general election. Yet he has not offered a single specific proposal.

To repeat: As president, in 1193 days Trump has not put forth a health care proposal.

The Supreme Court already upheld the law in 2012, with Chief Justice Roberts the decisive vote. The requirement to buy health insurance was permissible, he wrote, under the tax code as the penalty was a tax. Then — in the big 2017 tax cut — Republicans did away with the tax but not the mandate. Opponents then went to a friendly federal judge in Texas who ruled that without the tax, the whole law was unconstitutional. Most experts disagreed, but it was upheld on appeal and now is before the Supreme Court.

Last month Trump said he still supports overturning the act; that would be reflected in the administration's brief due June 25. Without any reporting, I can already see the Democratic ads up on June 26.

The context is that Trump knows little and apparently cares less about the actual policy: He always has viewed ObamaCare as a political weapon to gin up his base.

It's not inconceivable the administration might seek to delay the June 25 date, using COVID-19 as an excuse. It's doubtful John Roberts would accede to such a blatantly political request.

Supreme Court Rules for Insurers in $12 Billion Obamacare Case
Adam Liptak

WASHINGTON — The Supreme Court ruled Monday that the federal government must live up to its promise to shield insurance companies from some of the risks they took in participating in the exchanges established by President Barack Obama’s health care law, the Affordable Care Act.

Justice Sonia Sotomayor, writing for the majority in the 8-to-1 ruling, said the court’s decision vindicated “a principle as old as the nation itself: The government should honor its obligations.”

The health care law had promised the insurers that they would be protected, she wrote, and it did not matter that Congress later failed to appropriate money to cover the insurers’ shortfalls.

The Affordable Care Act established so-called risk corridors meant to help insurance companies cope with the risks they took when they decided to participate in the law’s marketplaces without knowing who would sign up for coverage. Under the program, the federal government would limit insurance companies’ gains and losses on insurance sold in the marketplaces from 2014 through 2016.

If premiums exceeded a company’s medical expenses, the insurer would be required to pay some of its profit to the government. But if premiums fell short of medical expenses, the insurer would be entitled to payments from the government.

The law's drafters hoped that payments into the program would offset payments out. As it turned out, losses substantially outpaced gains. Under the terms of the law, the government was required to make up much of the difference.

But Congress later enacted a series of appropriation riders that seemed to ban the promised payments. The insurance companies sued, but a divided three-judge panel of the United States Court of Appeals for the Federal Circuit ruled against them.

Chief Judge Sharon Prost, writing for the majority, acknowledged that the health care law "obligated the government to pay the full amount of risk corridors payments." But she added that "the riders on the relevant appropriations effected a suspension of that obligation for each of the relevant years."

In dissent, Judge Pauline Newman said the majority had undermined basic principles of fairness.

"The government's ability to benefit from participation of private enterprise depends on the government's reputation as a fair partner," she wrote. "By holding that the government can avoid its obligations after they have been incurred, by declining to appropriate funds to pay the bill and by dismissing the availability of judicial recourse, this court undermines the reliability of dealings with the government."

In their brief seeking Supreme Court review, two insurance companies said they had been the victims of "a bait-and-switch of staggering dimensions in which the government has paid insurers $12 billion less than what was promised."

Justice Sotomayor wrote that Congress could have limited the government's financial exposure but chose not to. "At bottom, the government contends that the existence and extent of its obligation here is 'subject to the availability of appropriations,'" quoting from the government's brief.

"But that language appears nowhere" in the relevant statutory provision, she wrote, "even though Congress could have expressly limited an obligation to available appropriations or specific dollar amounts. Indeed, Congress did so explicitly in other provisions of the Affordable Care Act."

"In sum," Justice Sotomayor wrote, "the plain terms of the risk corridors provision created an obligation neither contingent on nor limited by the availability of appropriations or other funds."

Justice Samuel A. Alito Jr. dissented in the three consolidated cases decided on Monday: Maine Community Health Options v. United States, No. 18-1023; Moda Health

Plan Inc. v. United States, No. 18-1028; and Land of Lincoln Mutual Health Insurance Co. v. United States, No. 18-1038.

Congress had not authorized the lawsuits, Justice Alito wrote, making them improper. The upshot of the court's decision, he added, was "a massive bailout for insurance companies that took a calculated risk and lost."

"Under the court's decision, billions of taxpayer dollars will be turned over to insurance companies that bet unsuccessfully on the success of the program in question," Justice Alito wrote. "This money will have to be paid even though Congress has pointedly declined to appropriate money for that purpose."

Former members of the Obama administration saw the ruling as a vindication that Republicans should have never prevented the funding, which was aimed at keeping the Affordable Care Act marketplace stable in the early years.

Without the money, many insurers, ranging from well-established companies like UnitedHealth Group to the co-op insurers created under the law, left the market, leaving consumers with fewer plan choices and higher prices. "Now, it's basically a $12-billion windfall for insurers," tweeted Larry Levitt, an executive vice president for the Kaiser Family Foundation, which closely tracks the Affordable Care Act.

"It's compensating insurers for money that they were supposed to get several years ago," Mr. Levitt said in an interview. "If the money had been paid out when it was supposed to, it would have stabilized the A.C.A. financially and politically."

While it is possible that the additional money could lead to insurers charging lower premiums for 2021, Mr. Levitt thought it was unlikely. "It's an infusion of cash for insurers," he said.

Laid-off US workers face foreign world of insurance shopping
Tom Murphy

Mass layoffs are pushing many Americans into an unfamiliar role: shopping for health insurance that isn't offered by an employer.

A swirl of confusing terms and options await inexperienced shoppers as they sort health insurance plans. And there's probably no one from human resources available to quickly answer questions.

The coronavirus pandemic has thrown 1 in 6 American workers out of a job. Navigators, brokers and others who help people find coverage say they are starting to see a wave of new customers looking for help either from the Affordable Care Act's insurance marketplaces or the government-funded Medicaid program.

Here are some steps to take if you wind up on the market for new coverage.

KNOW THE BASICS

People who lose health insurance through work might be able to avoid a big search by switching to a spouse's employer-sponsored plan.

If that's not possible, they might be able to choose the pricey option of continuing their coverage from work under the federal law known as COBRA. That would allow you to keep the doctors already covered in your insurer's network.

Laid-off workers also have a 60-day window in which they can shop the ACA marketplaces for coverage they might be able to buy with help from income-based tax credits.

That window doesn't apply to people who lost a job that didn't come with insurance. But several states are offering a separate enrollment period that may help them.

Some people also may qualify for the government's Medicaid program, which helps those with low incomes.

PREPARE FOR STICKER SHOCK

Did you know that your employer probably paid as much as 70 percent of the insurance premium? If not, you will quickly realize that when choosing to continue coverage under COBRA.

In that case, the laid-off employee will pay the entire monthly bill for coverage plus an administrative fee. That could cost more than $1,000 for a family plan.

Then there's the ACA marketplaces, where monthly premiums also can be several hundred dollars depending on the coverage.

But shoppers there can buy insurance with help from income-based tax credits. That's something many don't understand, according to Jeremy Smith, a West Virginia-based navigator who helps people find coverage in several states.

"If people have never had to worry about these programs, they've never put much thought into it," he said. "Most call us, and they automatically think that the insurance is going to be so outrageously expensive that they're not going to be able to touch it."

CONSIDER HELP

After being laid off April 1, Dianne Waldorf spent about an hour and a half bouncing between websites and trying to figure out whether she qualified for Medicaid or if she should just buy individual insurance. The 54-year-old Boca Raton, Florida, resident needed coverage to deal with some health problems, including a brain aneurysm that doctors are monitoring.

But she got so frustrated she wondered whether she should continue.

"There's so many different options available, and they ask you so many questions," she said. "You just get overwhelmed."

Then Waldorf found a phone number for HealthSherpa, a company that helps people find coverage in the marketplaces.

She said a representative took about 15 minutes to guide her to a plan that cost about $80 a month with the tax credit.

Companies like HealthSherpa, as well as navigators and insurance agents, may be available to help find a plan. They also can assist shoppers in figuring out tax credits.

Help from health insurance navigators is free, but they may be hard to find in some states. HealthSherpa also does not charge customer fees, but it receives a commission from some plans, as do many brokers or agents. Shoppers should ask about fees or commissions when seeking assistance.

BE PATIENT

Callers to the federal government's health insurance enrollment helpline — 1-800-318-2596 — may have to wait depending on when they call.

First thing in the morning is a good window to hit, said Joshua Peck, co-founder of the non-profit Get America Covered. Peck, who worked in the administration of former

President Barack Obama, said call volume usually hits peak levels in mid- to late afternoon.

If you search online, avoid jumping at the first option Google produces. That might be a short-term coverage plan. Those can be cheaper than regular insurance, but they may have big limitations and might not cover conditions you had before enrolling.

For more complete coverage, visit healthcare.gov.

Expect delays, especially when dealing with Medicaid. Those applications can get held up by complications that might not surface when an employee picks work-based coverage, said enrollment expert Ben Geyerhahn.

His company, BeneStream, helps people sign up for Medicaid and has been working more lately with customers who usually make $40,000 to $70,000 annually and have never used the Medicaid system.

“I think that people have gotten used to high-quality, low-friction services,” he said. “There’s a lot of interesting and wild policy complexity built into the system that surprises people.”

University of Colorado **Boulder**

CU Boulder Today

Obamacare lived up to promise of buffering bankruptcy risk, study shows
Lisa Marshall

On March 23, 2010, President Barack Obama signed the Affordable Care Act (ACA) into law with a stated goal of addressing the “crushing cost of health care…a cost that now causes a bankruptcy in America every 30 seconds.”

A decade later, the law, otherwise known as Obamacare, appears to be accomplishing that goal, leading not only to millions more insured individuals but also to a sharp decline in bankruptcy risk among those with on-and-off coverage, new CU Boulder and University of Denver research suggests.

“The big picture finding is that the ACA is doing what it is supposed to be doing, providing more people with health coverage and buffering them from crushing debt that can play out in financial ruin,” said co-author Tim Wadsworth, an associate professor of sociology at CU Boulder.

The study, forthcoming in the Brooklyn Law Review, comes as the controversial law continues to be challenged in federal courts and a global pandemic is poised to leave tens of thousands of people unemployed and uninsured, testing its ability to serve as a health and financial safety net.

“A lot of people who are losing their paycheck right now are also going to lose their health coverage,” said Wadsworth. “There will be bankruptcies but we are likely better off than we would have been in this situation several years ago.”

For the study, Wadsworth and co-author Michael D. Sousa, an associate professor at DU’s Sturm College of Law, examined Bureau of Labor Statistics survey data from 8,000 middle-aged men and women across three time periods between 2004 and 2016.

Their over-arching research questions were: Does having health insurance lower your risk of bankruptcy, and how did the ACA - which expanded Medicaid coverage and insurance tax credits and mandated all citizens to possess coverage - affect U.S. bankruptcy filings?

Not surprisingly, they found that more people were insured after the ACA was enacted. The percentage of fully insured individuals rose from 72% to 80%, while those with no coverage dipped from a high of 12.6% to 7.4%. On-and-off coverage declined from 17% to 13%. In all, about 20 million Americans gained access to health insurance as a result of the ACA.

Some results, however, surprised them.

Unexpected results
The researchers found no evidence that people without insurance are more likely to file bankruptcy than people with full coverage.

In contrast, prior to the implementation of the law, people with intermittent coverage were twice as likely to file for bankruptcy as the fully insured.

“We found that it is not lack of insurance that is predictive of bankruptcy, but rather going on and off of it,” said Sousa, who is also a PhD candidate in the CU Boulder Department of Sociology.

After the passage of the ACA, however, that added risk disappeared.

The study didn’t specifically examine why that is, but Sousa and Wadsworth have theories.

Bankruptcy, which impacts approximately 1 million families each year, tends to be most common among lower-middle-income people or those who earn enough money to qualify for debt to purchase things like cars and homes. When these individuals lose their health insurance, often due to divorce or loss of a job, an unexpected medical emergency can swiftly throw them into a financial crisis in which they can't pay those debts. Many people who file bankruptcy cite medical bills as a factor.

Post-ACA, such individuals have new options for getting insurance and those periods of going without coverage have grown shorter, previous research shows.

Few prior studies have looked at the link between health insurance and bankruptcy, and results have been mixed. This is the first study to use individual data, rather than broader trends, to ask the question.

"Our study suggests that the Affordable Care Act is in fact playing an important role in decreasing the reliance upon bankruptcy in this country," Sousa said.

Wadsworth believes the ongoing pandemic may reveal just how great a role the ACA will play and may also highlight shortfalls in a system that ties health insurance to employment, as those who lose coverage rush to apply for Medicaid or coverage through a local exchange. Due to the coronavirus, numerous states, including Colorado, have launched special open enrollment periods for people to sign up for ACA plans.

"I think the ACA will help buffer the blow but there is still a lot of fine-tuning to be done with it," he said. "This time we are in will either serve as evidence that we should not dismantle it or that it is not nearly enough."

In a time of COVID-19, 'Obamacare' still part of the action
Ricardo Alonso-Zaldivar

WASHINGTON (AP) — COVID-19 could have stamped a person "uninsurable" if not for the Affordable Care Act. The ban on insurers using preexisting conditions to deny coverage is a key part of the Obama-era law that the Trump administration still seeks to overturn.

Without the law, people who recovered from COVID-19 and tried to purchase an individual health insurance policy could be turned down, charged higher premiums or have follow-up care excluded from coverage. Those considered vulnerable because of conditions such as respiratory problems or early-stage diabetes would have run into a wall of insurer suspicion.

Yet as defenders of the ACA submit written arguments to the Supreme Court next week countering the latest challenge to its existence, the Trump administration remains adamant that former President Barack Obama's health law, known as "Obamacare," must go.

"A global pandemic does not change what Americans know: Obamacare has been an unlawful failure and further illustrates the need to focus on patient care," White House spokesman Judd Deere said in a statement.

Deere asserted that the law limits patient choice, has premiums that are too expensive and restricts patients with high-risk conditions from going to the doctors and hospitals they need. Trump has said he would protect people with preexisting conditions, as have other Republicans, but he hasn't spelled out a plan.

Some GOP lawmakers in contested races this fall are unnerved by the prospect of Trump administration lawyers asking the Supreme Court during the coronavirus outbreak to toss out a law that provides coverage to at least 20 million Americans.

"The ACA remains the law of the land, and it is the Department of Justice's duty to defend it," said Sen. Susan Collins, R-Maine. "That is especially true during the current public health crisis our country is facing due to COVID-19."

She is among those urging the administration not to get rid of the law but instead make broader use of it to cover uninsured people during the pandemic. Collins is considered among the most endangered incumbents as Republicans try to keep their Senate majority.

It's unclear whether the Supreme Court will hear oral arguments before the November election. A group of GOP-led states contends that because Congress repealed an ACA tax penalty, the law's requirement for individuals to carry health insurance is unconstitutional. If the insurance mandate is unconstitutional, their argument goes, then the rest of the law must collapse like a house of cards.

The administration agrees, but has also suggested that federal judges could decide to keep some parts of the law. The Supreme Court took the case after a federal appeals

court in New Orleans said the ACA's insurance mandate is unconstitutional, but did not rule on the rest of the law.

From nearly 12 million people to 35 million could lose their workplace coverage due to layoffs in the coronavirus shutdown, according to an estimate by the consulting firm Health Management Associates. They have more options because of the Obama-era law.

They are entitled to a special sign-up opportunity for coverage through HealthCare.gov or their state insurance market, and may qualify for financial assistance with premiums and other costs. They cannot be asked about health problems. In states that expanded Medicaid, some may qualify for that program, usually at little or no cost.

Before the law, people who lost their jobs and wanted to keep their employer health insurance could do so under a law known as COBRA. It's still on the books, but it requires them to pay the full premium, plus an administrative fee. That's often cost-prohibitive.

Karen Pollitz of the nonpartisan Kaiser Family Foundation said people seeking an individual health insurance policy "would have been very much at risk in today's pandemic" were it not for the health law.

"The conditions associated with a more complicated case of COVID-19 would have been especially radioactive," she said.

For Republicans, the Supreme Court case "has to be the ultimate in 'be careful you don't get what you wish for,' " said health industry consultant Robert Laszewski.

Part of the reason Trump failed to repeal and replace the law in 2017 was that Republicans didn't have a plan they could agree on, he said.

"Before COVID, if they won the suit, then what?" asked Laszewski. "And now with COVID ... in the face of a major medical crisis, and depression-level unemployment, and people losing their health insurance? Yikes!"

Last week the U.S. Chamber of Commerce and some 30 health groups called on Congress to help maintain health insurance coverage during the economic shutdown caused by the pandemic. They urged a broad approach that includes subsidies for COBRA, opening up the ACA to more people and allowing those with tax-sheltered health accounts to use that money for premiums.

But the White House is resisting anything that includes “Obamacare.” Instead the administration is using a health system relief fund created by Congress to reimburse hospitals for treating uninsured patients with COVID-19.

That “is way less than adequate,” said Richard Pollack, president of the American Hospital Association. “What we need to do is provide coverage in a more comprehensive way for people.”

POLITICO

Trump will urge Supreme Court to strike down Obamacare
Tina Nguyen

President Donald Trump on Wednesday said his administration will urge the Supreme Court to overturn Obamacare, maintaining its all-out legal assault on the health care law amid a pandemic that will drive millions of more Americans to depend on its coverage.

The administration appears to be doubling down on its legal strategy, even after Attorney General William Barr this week warned top Trump officials about the political ramifications of undermining the health care safety net during the coronavirus emergency.

Democrats two years ago took back the House of Representatives and statehouses across the country by promising to defend Obamacare, in particular its insurance protections that prevent sick people from being denied coverage or charged more because of a health condition. The issue may prove to be even more salient in November amid the Covid-19 outbreak that health experts believe will persist through the fall.

The Justice Department had a Wednesday deadline to change its position in a case brought by Republican-led states, but Trump told reporters Wednesday afternoon his administration would stand firm. DOJ declined to comment.

“Obamacare is a disaster, but we’ve made it barely acceptable,” Trump said.

The Supreme Court later this fall will hear a lawsuit from the GOP-led states that argue the Affordable Care Act was rendered invalid after Congress eliminated its tax penalty for not having health insurance. A coalition of Democratic state attorneys general and the Democratic-led House of Representatives are defending the law in court.

The Trump administration had previously shifted its legal position in this case, but appears to have decided against doing so again. DOJ originally argued the courts should throw out just Obamacare's preexisting condition protections, before last year urging that the entire law be struck down.

The Supreme Court is expected to hear the case during its next term starting in October, but it hasn't scheduled arguments yet. A decision is unlikely before the Nov. 3 election. The court has previously upheld Obamacare in two major challenges that threatened the law's survival.

About 20 million people have been covered by Obamacare, and the law is expected to provide a major safety net during the economic freefall brought on by the coronavirus. Millions more are expected to join the Medicaid rolls, especially in states that joined Obamacare’s expansion to poor adults. Others who lost workplace health insurance can sign up on the law’s health insurance marketplaces, though the Trump administration isn’t doing much to advertise coverage options.

House Democrats in a filing to the Supreme Court on Wednesday said the pandemic showcased why justices should preserve the law.

“Although Congress may not have enacted the ACA with the specific purpose of combatting a pandemic, the nation’s current public-health emergency has made it impossible to deny that broad access to affordable health care is not just a life-or death matter for millions of Americans, but an indispensable precondition to the social intercourse on which our security, welfare, and liberty ultimately depend,” their brief read.

Obamacare has grown more popular since the GOP's failed repeal bid during Trump's first year in office, though the law is still broadly disliked by Republicans. Many Democrats are eager to again run on their defense of Obamacare this fall. That includes presumptive presidential nominee Joe Biden, who has advocated for building on the health care law rather than pursuing a comprehensive progressive overhaul like “Medicare for All.”

Top Trump officials have long been split on the legal strategy in the Obamacare lawsuit. Barr and Alex Azar, the Health and Human Services secretary, both opposed a broader attack on the law, but White House officials have been more supportive, seeing it as a chance to fulfill Trump’s pledge to repeal Obamacare. Barr, in a Monday meeting with Vice President Mike Pence and other White House officials, made an eleventh-hour plea for the administration to soften its legal stance ahead of the Supreme Court's briefing deadline.

The Washington Post
Democracy Dies in Darkness

Trump vows complete end of Obamacare law despite pandemic
Devlin Barrett

President Trump said Wednesday he will continue trying to toss out all of the Affordable Care Act, even as some in his administration, including Attorney General William P. Barr, have privately argued parts of the law should be preserved amid a pandemic.

“We want to terminate health care under Obamacare,” Trump told reporters Wednesday, the last day for his administration to change its position in a Supreme Court case challenging the law. “Obamacare, we run it really well. . . . But running it great, it’s still lousy health care.”

While the president has said he will preserve some of the Affordable Care Act’s most popular provisions, including guaranteed coverage for preexisting medical conditions, he has not offered a plan to do so, and his administration’s legal position seeks to end all parts of the law, including those provisions.

Democrats, who view the fight over the Affordable Care Act as a winning election issue for them, denounced the president’s decision.

House Speaker Nancy Pelosi (D-Calif.) said in a statement that “the President’s insistence on doubling down on his senseless and cruel argument in court to destroy the ACA and every last one of its benefits and protections is unconscionable, particularly in the middle of a pandemic.”

Trump’s declaration caps months of debate within his administration about the best course of action, in which the stakes have only become greater now that the nation’s health-care system is struggling to deal with the spread of the coronavirus, which has killed more than 70,000 Americans.

On Monday, Barr attended a meeting of senior officials in which he argued the administration should temper its opposition to Obamacare, leaving some parts of the law intact, according to people familiar with the discussion, who spoke on the condition of anonymity because the conversation was private.

The case before the court was brought by a group of Republican states, and as part of that case, the Trump administration is seeking to invalidate the entire Affordable Care

Act, which passed in 2010 and became one of President Barack Obama's most significant legislative victories.

Barr and others in the administration have argued that killing Obamacare completely could be politically damaging to Republicans in an election year, particularly when there is a national health crisis. In two previous case, the Supreme Court upheld the law, but if the high court were to strike it down, millions of people could find themselves without affordable health care.

The high court plans to hear arguments in the case later this year, and a decision may not come until 2021, well after the November election.

The latest ACA suit was organized by Republican attorneys general in Texas and other states. When the Trump administration declined to defend the law, a coalition of Democratic-led states entered.

The case began after the Republican-led Congress in 2017, unable to secure the votes to abolish the law, reduced to zero the penalty for a person not buying health insurance. Lawyers for the state of Texas argued that in doing so, Congress had removed the essential tax element that the Supreme Court had previously ruled made the program constitutional.

A district judge in Texas agreed and said the entire law must fall. Eventually the Trump administration agreed with that assessment.

Obamacare, Trump and the Supreme Court, explained
Tami Luhby and Joan Biskupic

(CNN) The Trump administration will continue to push the Supreme Court to invalidate the entire Affordable Care Act, President Donald Trump said Wednesday, rejecting a last-minute attempt by Attorney General William Barr to change course.

"We're not doing anything. In other words, we're staying with the group, with Texas and the group," Trump told reporters in the Oval Office.

As it stands now, the Trump administration position fully backs the lawsuit filed by a group of Republican states seeking to throw out all of Obamacare, the landmark 2010 health reform law.

Here's what you need to know about where things stand:

Q. Is Obamacare safe?

A. For now, it is. But its fate is in the hands of the Supreme Court, which agreed to consider the case next term. The justices are likely to hear the case in the 2020-21 session, but a decision is not expected until 2021, after the November election.

Until then, the Trump administration has stressed that the law remains in effect as the case proceeds through the legal system.

Trump says administration will continue legal fight to eliminate Obamacare
Do I still have coverage?

A. Yes. Some 11.4 million Americans signed up for Obamacare policies for 2020, and roughly 12.5 million people were enrolled in Medicaid expansion.

And millions more are expected to turn to Medicaid and the Affordable Care Act exchanges for coverage as they lose their jobs -- and employer-based health insurance -- amid the coronavirus pandemic.

Q. Didn't the Trump administration want to keep part of the law?

A. The administration's position has shifted multiple times since the lawsuit began in early 2018. Initially, it argued that along with the individual mandate, key provisions that protect Americans with pre-existing conditions should fall, but most of the law could remain.

In a dramatic reversal early last year, the Justice Department said the entire Affordable Care Act should be invalidated. Several months later, the administration argued before a federal appeals court that the law should only be struck as it applies to the coalition of 18 Republican-led states that brought the challenge.

Q. How political is this move? Will it work for Trump?

A. The President has been consistent in calling for the end to Obamacare, but there is also no White House plan to replace portions such as coverage for those with pre-existing conditions should the law be declared unconstitutional.

Nevertheless, maintaining the same position will prevent Trump from being flagged as a flip-flopper trying to soften the administration's stance on health care before the election.

Q. What about other efforts to kill it?

A. After promising for years to repeal Obamacare, Trump and Republican lawmakers in Congress failed to do so in 2017, even though the party controlled both chambers and the White House.

Since he took office, Trump's administration has chipped away at the law by shortening the sign up period, shrinking spending on advertising and enrollment assistance and broadening the appeal of alternatives to Obamacare plans.

Q. I thought the Supreme Court already said it was legal, what's the difference now?

A. In 2012, the court rejected a broad challenge to the law and upheld the individual insurance mandate based on Congress' taxing power.

This new dispute began after the Republican-led Congress in 2017 cut the tax penalty to zero for those who failed to obtain insurance. Texas and other GOP-led states sued, arguing that because the individual mandate is no longer tied to a specific tax penalty, it is unconstitutional. The states also say that because the individual mandate is linked to many other Obamacare provisions, invalidating it should doom the entire law, including protections for people with pre-existing conditions.

Q. What's the alternative plan?

A. Trump has long promised to unveil an alternative to the Affordable Care Act but has yet to do so.

Soon after tweeting last year that Republicans were developing "a really great" health care plan, the President said that he would not push for a vote until after the 2020 elections.

Supreme Court hears Obamacare contraceptive mandate challenge via telephone
Q. If former Vice President Joe Biden wins in November, does the lawsuit end?

A. A Democratic president would almost certainly withdraw the administration from the case and possibly join the coalition of current Democratic-led states and the Democratic-led House of Representatives defending the law.

However, the group of Republican-led state attorneys general would remain challengers in the lawsuit and are not likely to drop the case just because Biden won the election.

Forbes

By Overturning The ACA, The Supreme Court Would Cut Taxes Substantially For High-Income Households
Howard Gleckman

Last week, President Trump reaffirmed the Administration will urge the US Supreme Court to overturn the entire 2010 Affordable Care Act. While the High Court decision could eliminate insurance coverage for millions of Americans, tossing the ACA also would result in a major tax cut largely benefiting high-income households.

In 2019, overturning the ACA would have cut taxes by about $35 billion to $40 billion. The Tax Policy Center estimates that the highest income 1 percent of households (those making about $819,000 in 2019) would receive about two-thirds of the benefit of these tax reductions, while those in the top 0.1 percent (who make $3.8 million or more) would get about 42 percent. Households making $91,000 or less would receive less than 10 percent of the benefits.

Tax Policy Center
The Administration is backing the legal challenge—and the resulting tax cuts—at a time when some top aides are raising concerns about whether additional coronavirus relief would add too much to the federal budget deficit.

On average, repealing the ACA would cut taxes for the top 1 percent by about $32,000 in 2019 (or 1.9 percent of after-tax income) and by about $200,000 (or 2.5 percent of after-tax income) for the top 0.1 percent. Taxes for middle-income households would be cut by an average of $50, about 0.1 percent of their after-tax income.

The ACA included several tax hikes, some of which Congress repealed in the intervening years. But a handful remain, including the 3.8 percent Net Investment Income TAX (NIIT) and the 0.9 percent additional Medicare tax on wages and salaries. Both levies apply to individuals with income in excess of $200,000 and couples filing jointly with income of $250,000.

Killing The NIIT

Most tax cuts would come by killing the NIIT, which applies to income from capital gains, dividends, royalties, and some annuities. High-income households receive an outsized share of investment income.

The TPC's distributional analysis excludes premium subsidies, which technically are designed as tax credits but largely function as spending. These subsidies primarily benefit low- and moderate-income households who purchase insurance through the ACA's marketplaces. Of course, by overturning the law, the Supreme Court not only would end the premium credits, it also would eliminate the health insurance the subsidies support.

The case, Texas v. the United States, was brought by 20 Republican attorneys general. The court is expected to hear oral arguments later this year but it unlikely to rule before the 2020 elections. The Trump Administration has changed is views on the case several times: It initially argued that the courts should throw out only part of the law, but last year reversed course and urged the court to overturn the entire ACA. Last week, faced with a filing deadline at the High Court, Trump said the Justice Department would stick with its call for the Court to scrap the entire law. Repeating a familiar trope, Trump said "Obamacare is a disaster, but we've made it barely acceptable."

One important caveat to the TPC analysis: It was unable to do a formal 10-year revenue estimate since the current and future paths of the economy are so uncertain.

The ACA case will generate enormous interest. And the Court's decision will affect well over 20 million Americans who have their health insurance through either the ACA health exchanges or expanded state Medicaid programs (it likely will be far more in a wake of the COVID-19 pandemic). But don't forget, if the Supreme Court accepts the Trump Administration's argument and throws out the entire ACA, it also will cut taxes significantly for high-income households.

UnitedHealthcare files to enter Maryland health exchange
AP

ANNAPOLIS, Md. (AP) — UnitedHealthcare has filed to offer individual health plans in Maryland's health care exchange next year, Gov. Larry Hogan announced Tuesday.

Now, there are two insurers who offer individual market health plans through the Maryland marketplace. They are CareFirst BlueCross BlueShield and Kaiser Permanente.

The governor says it's more important than ever for Maryland residents to have access to health insurance options because of the coronavirus pandemic.

Nearly 159,000 people enrolled in private plans through the Maryland health insurance marketplace during the initial 2020 open enrollment period. Nearly 29,000 people have since enrolled during a special coronavirus open enrollment period, running through June 15.

Maryland's health care exchange was established in 2011 as part of the federal Affordable Care Act.