

**Res. A-05-17**

December 9, 2016

**TITLE:** **Protect the Integrity of the Affordable Care Act**

**Introduced by:** Rossan Chen, MD MSc.

**WHEREAS**, the Patient Protection and Affordable Care Act of 2010 has expanded health insurance *coverage* to more than 20 million Americans by expanding Medicaid, creating the health exchanges, preventing insurance companies from denying coverage based on pre-existing conditions, and allowing youth to stay on their parents' plans until age 26, and lowering the uninsured rate by 43 percent, from 16 percent in 2010 to 9.1 percent in 2015<sup>1</sup>, and

**WHEREAS**, the Affordable Care Act has increased health insurance *quality* by requiring a basic package of essential health benefits as defined by the Department of Health and Human Services<sup>2</sup>, and

**WHEREAS**, the Affordable Care Act has increased health insurance *affordability* for individuals by capping annual and lifetime limits and providing insurance exchange subsidies, and has been shown to decrease personal debt due to unpaid medical bills<sup>3</sup>, and

**WHEREAS**, the individual mandate is crucial for the financial stability of health insurance markets through cross-subsidies from the healthy to the sick, the young to the old, and the wealthy to the poor<sup>4</sup>, and

**WHEREAS**, a regular source of health care has been shown to decrease preventable illnesses and premature deaths, diminish health disparities, reduce health care costs, utilize specialty care prudently, and improve quality of clinical care<sup>5</sup>, and

**WHEREAS**, eliminating the Medicaid expansion and federal financial assistance for coverage through the health exchanges, as Congress has attempted to do through the budget reconciliation process, will double the number of uninsured people from 28.9 million to 58.7 million by 2019, disproportionately

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<sup>1</sup> Obama B. United States Health Care Reform: Progress to Date and Next Steps. *JAMA*. 2016;316(5):525-532.

<sup>2</sup> Centers for Medicare & Medicaid Services. Information on Essential Health Benefits (EHB) Benchmark Plans. The Center for Consumer Information & Insurance Oversight. <https://www.cms.gov/ccio/resources/data-resources/ehb.html> Accessed December 6, 2016.

<sup>3</sup> Hu L, Kaestner R, Mazumder B, et al. The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Well-Being. NBER Working Paper No. 22170. The National Bureau of Economic Research. <http://nber.org/papers/w22170> Issued April 2016. Accessed December 6, 2016.

<sup>4</sup> Tanden N and Spiro T. The Case for the Individual Mandate in Health Care Reform. Center for American Progress. <https://www.americanprogress.org/issues/healthcare/reports/2012/02/08/11051/the-case-for-the-individual-mandate-in-health-care-reform/> Posted February 8, 2012. Accessed December 6, 2016.

<sup>5</sup> Starfield B, Shi L, and Macinko J. Contribution of Primary Care to Health Systems and Health. *Milbank Q*. 2005 Sep; 83(3): 457-502.

affecting working families and adults without college degrees, and shift the cost of uncompensated care to state and local governments by an additional \$1.1 trillion between 2019-2028<sup>6</sup>, and

**WHEREAS**, abolishing the individual and employer mandates would cause \$3 billion in losses to insurance companies as people stop paying premiums and would result in most, if not all, insurers leaving the health exchanges by 2018<sup>6</sup>, and

**WHEREAS**, repealing the Affordable Care Act would result in *higher* uninsured rates compared to prior to enactment of the ACA due to disruptions to the non-group insurance market<sup>6</sup>, now, therefore be it

**RESOLVED:** That the California Academy of Family Physicians advocate for the AAFP to work with Congressional leaders to reinforce the importance of the Patient Protection and Affordable Care Act, maintain the key components of the legislation with regard to coverage, quality and affordability in order to keep Americans healthy and reduce health care costs, and work to improve the law rather than repeal and replace it.

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<sup>6</sup> Blumberg L, Buettgens M, and Holahan J. Implications of Partial Repeat of the ACA through Reconciliation. The Urban Institute. December 6, 2016.

**1. PROBLEM STATEMENT: What specific practice problem does this resolution seek to solve, or, if this resolution pertains to a proposed new CAFP policy or change of policy, what issue does it seek to address?**

The Patient Protection and Affordable Care Act (2010) is under attack by the new administration to repeal and replace it. Eliminating the individual mandate will threaten the financial stability of the health insurance pools by leaving only the sickest and most expensive patients to insure. Researchers from the RAND Corp. analyzed President-elect Trump's health care reform principals and determined that his plan would increase the number of uninsured by 16-25 million, with the biggest impact on people with multiple chronic medical conditions who would face higher out of pocket costs.

**2. PROBLEM UNIVERSE: Approximately how many CAFP members or members' patients are affected by this problem or proposed policy?**

All CAFP members and members' patients are potentially affected by the dismantling of the Affordable Care Act, whether directly through loss of their health insurance coverage or indirectly through reduction in health care quality, skyrocketing health care costs, and untreated communicable diseases.

**3. WHAT SPECIFIC SOLUTION ARE YOU PROPOSING TO RESOLVE THE PROBLEM OR POLICY, i.e., what action do you wish CAFP to take?**

The CAFP should advocate for the AAFP to work with Congressional leaders to reinforce the importance of the Patient Protection and Affordable Care Act, maintain the key components of the legislation with regard to coverage, quality, and affordability in order to keep Americans healthy and reduce health care costs, and work to improve the law rather than repeal and replace it.

If the Affordable Care Act is repealed, Congress is unlikely to come together on a replacement health plan that would provide "great health care at lower costs" as President-elect Trump has promised, because this new plan would require the government to raise new taxes, substantially cut spending in other areas such as defense, and/or increase the national deficit.

**4. WHAT EVIDENCE EXISTS TO: 1) INDICATE THAT A PROBLEM EXISTS; OR 2) THAT THERE IS NEED FOR A NEW OR REVISED POLICY?**

Statements by President-elect Trump, House Speaker Paul Ryan, and the incoming administration to repeal and replace the Affordable Care Act. There have been proposals to create special insurance plans called "high risk pools" for people whom insurance companies will not cover. These high risk pools were trialed at the state level in the past, and did not work well because of weaker coverage at higher prices, and soaring costs that fell on state governments to cover.

**5. PLEASE PROVIDE CITATIONS to support the existence of the problem and your proposed solution.**

See footnotes.