

Issue Brief: Ensuring Access to Affordable, Comprehensive Coverage

IHA believes all individuals should have access to affordable, quality health coverage. We should continue to build on the progress we've made in increasing coverage through expansion to the Affordable Care Act (ACA), Medicaid coverage and improved access to private insurance through expanded coverage programs and insurance market reforms.

IHA opposes proposals to create a federal public option or Medicare-for-All* program, or any other state or federal program that reduces hospital resources, hinders choice in coverage, or moves individuals off their current insurance, risking destabilization of the marketplace.

Build on what's working

The number of people with health insurance has increased significantly over the past five years, with more than 20 million individuals newly insured. Most of these individuals were able to enroll in coverage offered through the Medicaid program, their employer or the individual market, as a result of improved and expanded coverage programs and insurance market reforms.¹

Illinois coverage by the numbers:

- 54.6% receive coverage through their employer
- 18.2% receive coverage through Medicaid
- 14.1% receive coverage through Medicare
- 5.2% hold non-group coverage
- 7.3% are uninsured
- 0.7% receive coverage through the military

Source: [Kaiser Family Foundation](#) (Note: statistics are based on 2019 data, prior to enactment of coverage expansions enacted in the American Rescue Plan Act.)

In Illinois, over two-thirds of the uninsured population (approximately 600,000 individuals) are eligible for Medicaid or a highly subsidized plan on the Marketplace.² Rather than dismantle the entire system, policymakers should increase efforts to ensure eligible individuals are enrolled in existing coverage options and focus on establishing coverage options for those who need it. Hospitals have been engaged on this front for years, helping to identify coverage options for the many uninsured who enter their doors. As key members of the communities they serve, hospitals welcome the opportunity to collaborate with government partners and other stakeholders to broaden existing consumer outreach and education initiatives.

Examples of recently enacted,³ IHA-supported coverage expansions:

- ACA Marketplace subsidies available to individuals with income above 400% of the federal poverty level (FPL);
- Capping ACA premiums for silver plans at no more than 8.5% of an individual's income;
- Increasing ACA subsidies so that individuals making between 100% and 150% of FPL pay no premiums; and
- Allowing states to expand Medicaid coverage for one year postpartum.

*"Medicare for All" is a catch-all label that represents a variety of health coverage proposals that would do everything from establish a single-payer system to create a public, Medicare-like option. While these proposals vary, they all could do more harm than good to patient care.

¹ <https://americashealthcarefuture.org>

² <https://www.kff.org/statedata/custom-state-report/?242788-dataView=number-Number&view=3&i=166385&g=i>

³ <https://www.team-ih.org/files/non-gated/advocacy/covid-legislative-summary.aspx?ext=.pdf>

One-size-fits all means paying more and waiting longer for worse care

Any one-size-fits-all new government health insurance program, be it Medicare for All, Medicare buy-in, or a public option, would mean higher taxes, longer wait times, and lower quality of care:

- Income taxes would double under federal legislation to create a single-payer system that replaces all private coverage.⁴
- According to the *New York Times*, Americans could see their insurance premiums rise 10% depending on how a public option or Medicare buy-in is structured. And ACA coverage could also be threatened because the number of individuals buying policies on the Obamacare markets would shrink.⁵
- In urban markets, “a public option could come in and soak up all of the demand of the ACA market,” said Craig Garthwaite, a health economist at the Kellogg School of Management at Northwestern University.⁶

Policy recommendations

To advance our objective of universal coverage, IHA supports numerous policy recommendations put forward by the American Hospital Association⁷, including:

- **Providing federal subsidies for more lower- and middle-income individuals and families.** Many individuals and families who do not have access to employer-sponsored coverage earn too much for either Medicaid or marketplace subsidies and yet struggle to afford coverage. This is particularly true for lower-income families who would be eligible for marketplace subsidies except for a “glitch” in the law that miscalculates how much families can afford. We support both expanding the eligibility limit for federal marketplace subsidies to middle-income families and fixing the “family glitch” so that more lower-income families can afford to enroll in coverage.
- **Strengthening the marketplaces** to improve their stability and the affordability of coverage by reinstating funding for cost-sharing subsidies and reinsurance mechanisms and reversing the expansion of “skinny” plans that siphon off healthier consumers from the marketplaces, driving up the cost of coverage for those who remain.
- **Robust enrollment efforts to connect individuals to coverage.** The majority of the uninsured are likely eligible for Medicaid, subsidized coverage in the marketplace or coverage through their employer. We need an enrollment strategy that connects them to—and keeps them enrolled in—coverage. This requires adequate funding for advertising and enrollment efforts, as well as navigators to assist consumers in shopping for and selecting a plan.
- **Continued efforts to expand Medicaid in non-expansion states**, including providing the enhanced federal matching rate to any state, regardless of when it expands.

⁴ <https://www.crfb.org/blogs/how-much-will-medicare-all-cost>

⁵ <https://www.nytimes.com/2019/07/29/health/medicare-public-option.html>

⁶ <https://www.nytimes.com/2019/07/29/health/medicare-public-option.html>

⁷ <https://training.aha.org/system/files/media/file/2019/09/fact-sheet-medicare-for-all-0919.pdf>