Beyond Repeal--A Republican Proposal for Healthcare Reform

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Beyond Repeal — A Republican Proposal for Health Care Reform

Timothy Stoltzfus Jost, J.D.

By voting repeatedly to repeal the Affordable Care Act (ACA) over the past 4 years, Republicans have risked being identified as a party without a positive health policy agenda. On January 27, 2014, however, three Republican senators — Orrin Hatch (UT), Tom Coburn (OK), and Richard Burr (NC) — unveiled a proposal that would not only repeal the ACA, but also replace it with comprehensive legislation based on Republican health policy principles. Although the proposal recycles long-standing Republican prescriptions, it also offers new ideas.

The proposal would not entirely repeal the ACA. Republicans seem to be coming to terms with the fact that the ACA has permanently changed the health policy landscape. The proposal would, for example, retain the ACA’s Medicare provisions in recognition, no doubt, of the difficulty of rolling back all the ACA’s provisions, but insurers could charge five times as much for an older enrollee, as opposed to the three-to-one ratio limit in the ACA.

The proposal would likely enable insurers to charge significantly higher premiums for older enrollees. The proposal includes an age rating of insurance premiums, but insurers could charge five times as much for an older enrollee, as opposed to the three-to-one ratio limit in the ACA.

The proposal would, like the ACA, use premium tax credits to make health coverage affordable for lower-income Americans. Unlike the ACA’s tax credits, which are available to families with incomes of up to 400% of the federal poverty level ($95,400 for a family of four) and are based on the actual cost of health insurance in particular markets, the Republican proposal would help families with incomes of up to only 300% of the poverty level.

Sound public policy requires bright lines backed by agreed-on criteria, protocols, and tests when the issue is the determination of death. The law and ethics have long recognized that deferring to medical expertise regarding the diagnosis of brain death is the most reasonable way to manage the process of dying. Nothing in these two cases ought to change that stance.

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($71,550), with phasing out beginning at 200%. The proposal would go beyond the ACA, however, by allowing employees of small businesses to use tax credits to purchase insurance through their employer, which would make small-group coverage more affordable.

The tax credits would be for flat dollar amounts, adjusted for age but not for regional cost variations. The amounts proposed would be adequate to purchase high-deductible coverage in some parts of the country but would fall far short of the actual cost of coverage in others. With the repeal of the ACA’s cost-sharing reduction payments — which reduce deductibles and coinsurance — low-income families might find high-deductible insurance affordable but have trouble paying for actual health care services. Individuals would also still have to disclose personal information to the government to establish eligibility.

The proposal would reinstate premiums based on health status, with an important limit: such “medical underwriting” would not be permitted for any individual who maintained “continuous coverage” when moving from group to individual coverage or between individual or group plans. Americans who are currently uninsured would be given only a one-time opportunity to purchase coverage at a rate not based on their health status. The proposal would also provide federal support for state high-risk pools, although it would not ensure that premiums for those pools were affordable. Insurers could once again charge women more than men.

The proposal would repeal the unpopular individual mandate to obtain insurance coverage. The continuous-coverage requirement, however, would effectively impose another penalty for remaining uninsured: instead of paying a tax, individuals who failed to remain insured would risk facing increased — perhaps unaffordable — insurance premiums for the rest of their lives. There would be no exemption from this penalty for people who couldn’t afford coverage, as there is from the ACA mandate.

The proposal would also allow states to “auto-enroll” individuals who were eligible for premium tax credits in health insurance plans, effectively signing them up for coverage without their consent, though allowing them subsequently to opt out. States would be responsible for working with insurers to create auto-enrollment plans that could be purchased for the value of the premium tax credit. The proposal also assumes that the states could auto-enroll people in Medicaid.

Auto-enrollment is an interesting idea. Although it would be technically challenging, it could result in significant coverage expansion. It is likely, however, that for coverage without their consent, though allowing them subsequently to opt out. States would be responsible for working with insurers to create auto-enrollment plans that could be purchased for the value of the premium tax credit. The proposal also assumes that the states could auto-enroll people in Medicaid.

Auto-enrollment is an interesting idea. Although it would be technically challenging, it could result in significant coverage expansion. It is likely, however, that its high-cost-sharing plans, has not eliminated these problems.

The proposal would turn Medicaid into a block-grant program, refocusing it on “the low-income mother with children, or the elderly blind person — the kinds of individuals who Medicaid was originally designed to help.” The proposal would also prevent coverage for the aged, blind, and disabled, but funding for pregnant women, children in low-income families, and long-term care would

The Republican proposal would repeal the unpopular individual mandate to obtain insurance coverage, but individuals who failed to remain insured would risk facing increased insurance premiums for the rest of their lives. There would be no exemption from this penalty for people who couldn’t afford coverage, as there is from the ACA mandate.
A Republican Proposal for Health Care Reform

Abbe R. Gluck, J.D.

Health care reform won a big victory in court on January 15, when a federal judge in Washington, D.C., rejected a challenge to the new health insurance marketplaces, or exchanges, created under the Affordable Care Act (ACA). Had this challenge succeeded, it could have crippled the ACA by denying its generous tax subsidies to the more than 12.5 million Americans expected to use this financial assistance to buy their health insurance through a federally run exchange. The ex-

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