

# The Source Roundup: August 2020 Edition

The Source continues to extend wishes of safety and good health to you and your loved ones. This month, some policy and market considerations reflect on the Affordable Care Act in its tenth year, while others continue to focus on the COVID-19 pandemic and its projected long-lasting effects. Many experts share how and why the pandemic urgently necessitates healthcare system reform in the United States.

## The Affordable Care Act

Last month, the Duke University Press *Journal of Health Politics, Policy and Law* published [The Affordable Care Act's Missing Consensus: Values, Attitudes, and Experiences Associated with Competing Health Reform Preferences](#) by Adrianna McIntyre and other researchers from Harvard University and The Commonwealth Fund. The article analyzes a nationwide telephone survey from last year of attitudes towards the Affordable Care Act (ACA). The study found one-third of Americans would prefer health system reforms that maintain and build upon the foundation of the ACA, while one-third would prefer to replace the ACA with Medicare-for-All, and another one-third would prefer states individually fund and develop their own systems. While the authors admit the country lacks a consensus regarding the desired particulars of future health insurance reforms, two-thirds of Americans agree reforms should lead to universal coverage.

Also published in the *Journal of Health Politics, Policy and Law*, Boston University researchers David K. Jones et al. scrutinize the ACA's goals, challenges, and successes in [Have the ACA's Exchanges Succeeded? It's Complicated](#). Universal

downfalls of ACA exchanges include overall lack of plan affordability and high out-of-pocket prescription costs. However, the researchers emphasize the need to examine success metrics at the state instead of national level, since the ACA's impacts varied depending upon each state's actions. Three factors positively contributed to individual states' success: the states operated their own exchanges, adopted Medicaid expansion, and garnered participation from more than one insurance carrier. Overall, states that continuously engaged with the ACA reaped more of the benefits it aimed to achieve. Thus, the authors caution that state variation in health reforms can lead to disparities, diminished access, and lack of coverage.

### **The Underutilization of Health Savings Accounts**

*JAMA Network* published an article by University of Michigan Medical School researchers, [Use of Health Savings Accounts Among US Adults Enrolled in High-Deductible Health Plans](#), that shares the results of a national online survey regarding high-deductible health plans (HDHPs). Jeffrey Kullren et al. found that although about two-thirds of the 1,637 surveyed were enrolled in plans with a health savings account (HSA), fifty-five percent of those did not contribute to an HSA within the twelve months prior to the survey, therefore bypassing the opportunity to accumulate untaxed savings for health care expenses. Of those surveyed with an HSA, nearly one-third (thirty-two percent) stated they could not afford to contribute, and thirty-seven percent claimed they had simply "not considered" contributing to their HSA. Of those with a HDHP, those who possessed a master's degree or reported a "high level of health insurance literacy" were more likely to have made an HSA contribution. The survey results suggest that higher levels of insurance knowledge or education correlated with a higher likelihood of contributing to an HSA. Interestingly, neither income levels nor the presence of

a chronic condition resulted in statistically significant differences in having or using an HSA. The article concludes that employers, health plans, and health systems should target outreach to encourage participation in HSAs to help more enrollees benefit by saving on taxes for necessary health services.

## **Consequences of COVID-19: A Plea for Healthcare System Reform**

### Health Insurance Coverage

[Changes in Health Insurance Coverage Due to the COVID-19 Recession: Preliminary Estimates Using Microsimulation](#), published by *Urban Institute* and written by Banthin, J, et al., simulated the effects of pandemic-related unemployment on health insurance. The authors project pandemic-related job loss will deprive ten million people of employer-sponsored health insurance. Moreover, 3.5 million of those will remain uninsured, while 3.3 million will join a family member's insurance, and 2.8 million will enroll in Medicaid. The percentages of uninsured will be higher in states that did not expand health insurance coverage. Regrettably, the COVID-19 recession will disproportionately affect low-wage workers, many of whom did not have employer-sponsored insurance even before the pandemic.

### Price Transparency

Even for Americans who have retained health insurance, COVID-19 presents insurmountable financial challenges. In the Kaiser Family Foundation issue brief [COVID-19 Test Prices and Payment Policy](#), Nisha Kurani et al. discuss the consequences of the lack of federal regulation over the prices of COVID-19 related tests and visits. The list prices for COVID-19 diagnostic and antibody tests vary hugely across the seventy-eight large hospitals sampled. Though the CARES Act price transparency rule requires providers to publicly post the cash

price for testing and related services, COVID-19 testing rates that insurers negotiate with their in-network providers are not publicly available. The authors mention that ambiguous pricing of health care services is not a new issue in the United States, however, the pandemic magnifies the problem because it will likely prevent some patients from accessing the tests and care necessary during this public health crisis.

### Market Competition

While individuals cope with urgent issues like financing health care services and insurance, market authorities should focus on extensive upcoming competition issues. In [How Should Competition Policy React to Coronavirus](#), published by the *Progressive Policy Think Tank*, Lord Andrew Tyrie details the importance of competition policy changes to aid in short-term and long-term market recovery from COVID-19's financial ramifications. He argues the pandemic will evoke lasting changes to consumer behavior, business trends, supply chains, and regulations. Further, he suggests this could exacerbate market concentration and public distrust of the market, generating additional policy challenges. He recommends authorities over market competition provide governments with vigorous, definitive plans for reversing current crisis measures and undertaking issues that the pandemic worsened.

### Federal Action for System-wide Reform

In consideration of many of the concerns and proposals outlined above, David Blumenthal et al. examine the lessons health reformers can learn from the pandemic in [Covid-19 – Implications for the Health Care System](#), published in the *New England Journal of Medicine*. Blumenthal et al. first highlight the crises the pandemic has caused or augmented, including more than one million health care jobs lost through May 2020, significant racial disparities in COVID-19 cases and deaths, and the disproportionate percentage of the country's COVID-19 cases (26%) and deaths (24%) while it accounts for

only four percent of the world's population. Noting how the country's lack of federal leadership has impinged its ability to overcome the pandemic, the authors propose several policy solutions at the federal level. To achieve universal coverage, they suggest the federal government could enforce ACA authorities, fund Medicaid expansion, extend or enhance subsidies for ACA marketplace coverage, or avail a public option to those with employer-sponsored plans. In addition, Blumenthal et al. advocate for payment models "that sever the link between compensation and the volume of services provided," such as full or partial capitation, to promote security in health care funding.

If you find additional articles that you would like us to include in the monthly roundup, please send them our way! The Source team hopes you stay safe and healthy in the upcoming month.