Five bipartisan steps toward stabilizing our health-care system

By Bill Frist and Andy Slavitt  September 11 at 8:24 AM

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At a meeting in California this spring, we sat down with a number of insurance company chief executives who are major participants in the Affordable Care Act exchanges. They asked us to carry back a message to Washington: Put partisanship aside and end federal uncertainty about support for the ACA; otherwise, they will end up setting premiums higher than necessary or withdrawing from markets across the country.

With only weeks before the exchanges open for business again, Washington has one more chance to take clear action to bring down premiums and help millions of American families.

As a Republican former Senate majority leader and a political appointee in the Obama administration, we have seen firsthand the impact partisanship can have on American families. Millions have benefited from the Affordable Care Act, gaining the security and consumer protections that come from insurance coverage. But at the same time, growing premiums and deductibles and limited competition burden patients in many parts of the country.

It doesn’t have to be that way — so long as Congress can work together and act this month. We recently gathered a group of Democrats and Republicans at the Bipartisan Policy Center — both advocates and critics of the Affordable Care Act — to develop a set of concrete recommendations to address the cost of insurance premiums.

We developed five recommendations that could stabilize the individual health insurance market:
First — and most important — Congress should act to cut average premiums by 20 percent nationally. Lawmakers should commit to funding cost-sharing reduction subsidies for insurance companies in the ACA exchanges for 2018 and 2019. These payments reduce the size of deductibles for low-income people and are already accounted for in the federal budget. But the timing of this measure is critical. Congress and the president have only weeks to positively affect next year’s premiums.

Second, Congress should establish a targeted fund for states to use to bring down premiums. The cost of insurance for all of us can be affected by even a small number of expensive patients with complex medical conditions. Innovative efforts, as we have seen in Alaska, have demonstrated that this approach works.

Third, the federal government should cut its review time for approving state innovation applications in half, to a 90-day maximum. The ACA has provided states — such as Alaska — the opportunity to waive various provisions of the law with local innovations as long as important consumer protections are kept in place. Only two have been approved so far, but many more states have submitted applications, a pattern we hope continues. Done right, these innovations can improve competition and choice and reduce premiums while maintaining important protections.

Fourth, Congress should help middle-income consumers manage the size of their deductibles. It can do this by allowing consumers to temporarily increase the amount of money they can set aside for pretax health saving account contributions for 2018 and 2019 to equal the out-of-pocket limits for high-quality health plans.

Finally, the federal government should develop alternatives that allow states beginning in 2020 to potentially replace the ACA’s mandate that most individuals buy coverage or face a penalty. The individual mandate plays an important role in keeping premiums low but is also unpopular with the American public. So even while this mandate is enforced, Congress should direct the administration to explore an option similar to one used in Medicare — automatically enrolling consumers in low-cost coverage and providing incentives to enroll on time.

We know that reaching across the aisle to compromise is difficult. No one will get everything they want, and members of both parties may have to agree to things that are distasteful to them.

But if Republicans and Democrats can take even a small public step to work together on health care, Congress and the president have the opportunity to bring the cost of insurance premiums down and make a positive impact in the lives of many Americans. They will also send a strong signal to insurers, states and the American public that they can count on Washington to work for them.

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