



Chipping away at the ACA

By Stephanie Zaremba | April 18, 2018

Congress failed to repeal the Affordable Care Act last year, but the effort hardly ended there.

Not only was the ACA's individual mandate repealed in the tax reform bill that passed in December, but the Trump administration continues to take steps to change the law.

Here are the latest developments from DC:

The administration recently finalized rules to grant states more flexibility to design benefits and set coverage parameters for insurers. These changes will take effect in 2020. Insurers will also have more flexibility in setting the percentage of premium revenues that must be spent on medical care (known as the Medical Loss Ratio).

The Trump administration is also expanding exemptions to the individual mandate for 2019, since the repeal of

the mandate does not take effect until 2020. Individuals living in counties where there is only one insurer selling coverage or where the only affordable plans cover abortion will now be able to apply for an exemption from the penalty. The new exemptions also extend to individuals who can't access any affordable plans that cover needed specialty treatment.

That said, all this tinkering with the individual mandate may not matter: A recent Kaiser Family Foundation study found that 90 percent of American adults in the individual insurance market said they still plan to buy coverage even when they aren't required to do so.

While 34 percent said that the mandate was a major reason for purchasing health insurance, it doesn't necessarily mean they will decline coverage once it's not mandated. In short, those projections from the Congressional Budget Office that millions would drop insurance without the mandate may not hold true.

Bottom line: The ACA markets are proving to be much more resilient than many thought. Despite large rate hikes and all of the recent changes, enrollment for 2018 dropped only 3 percent, according to CMS's final open enrollment report.

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