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CBPP STATEMENT

For Immediate Release:
October 18, 2017

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Greenstein: Alexander-Murray Agreement an Important Step Toward Bipartisanship on Health Care

The agreement that Senators Lamar Alexander and Patty Murray announced yesterday represents an important step toward bipartisan action on health care and away from damaging attempts to repeal the Affordable Care Act (ACA), radically overhaul and cut Medicaid, and take coverage away from tens of millions of people.

With this agreement, policymakers have come together on a bipartisan basis to address the Administration's efforts to undermine the ACA marketplaces. The agreement guarantees continued payment of cost-sharing reductions (CSRs) through 2019, averting actions by insurers to set sharply higher premiums — or to leave the ACA marketplaces altogether — because they are no longer being reimbursed for lowering deductibles and co-payments for millions of lower-income consumers. The agreement also partially restores federal funding for consumer outreach and education and enrollment assistance that the Department of Health and Human Services has cut. These activities are critical to helping people access the coverage and financial assistance they need and help keep coverage affordable for consumers by encouraging healthier people to purchase insurance. Equally important, with this agreement Senate Republicans and Democrats have come together to amend provisions of the ACA, rather than attempt to rip up the law.

This agreement is a compromise, and some elements raise concerns. For example, while the changes to the ACA's 1332 waivers maintain the most crucial protections for consumers, including low-income people, people with serious health needs, and other vulnerable groups, they increase the risk that waivers in some states could weaken health coverage by making coverage less affordable for some people. In addition, the agreement is only an initial and incomplete response to the Trump Administration's actions to undermine the ACA marketplaces. Congress should provide an explicit *permanent* appropriation for CSR payments, not just funding for two years, to provide long-term certainty for insurers and consumers. The agreement also does not address the harmful actions foreshadowed by the Administration's recent executive order, which could significantly increase premiums in the individual and small group markets, destabilize those markets, and undermine protections for people with pre-existing health conditions.

Nonetheless, the bipartisan agreement represents significant progress. Unlike the bills to repeal the ACA, it does not take coverage away from millions of people, weaken safeguards for people with pre-existing conditions, or destabilize insurance markets. Instead, it aims to bolster those markets. Unfortunately, the weeks and months that were lost to one repeal effort after another make it harder for this agreement to affect premiums and market stability for *2018*, which will suffer from the uncertainty the repeal efforts and the Administration's actions engendered. But rapid enactment of this measure still would benefit consumers and help stabilize markets this year, while doing considerably more for 2019. Enactment also would demonstrate that the two parties can still work together to improve the U.S. health care system.

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