

**Statement
of the
American Hospital Association
to the
Subcommittee on Health, Employment, Labor, and Pensions
of the
Education and Labor Committee
of the
U.S. House of Representatives**

“Exploring Pathways to Affordable, Universal Health Coverage Care”

February 17, 2022

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) appreciates the opportunity to submit this statement for the record.

America’s hospitals and health systems play a central role in delivering health care in this country and are committed to the goal of affordable, comprehensive health coverage for every American. We believe we should build upon and improve our existing system to increase access to coverage of comprehensive health benefits.

THE IMPORTANCE OF HEALTH COVERAGE

Meaningful health care coverage is critical to living a productive, secure and healthy life. Studies confirm that coverage improves access to care; supports positive health outcomes, including an individual’s sense of their own health and wellbeing; incentivizes appropriate use of health care resources; and reduces financial strain on individuals and families.ⁱ Coverage has broader community benefits as well, from ensuring adequate resources to maintaining critical health care infrastructure to being associated with decreased crime. We, therefore, appreciate Congress’ focus on opportunities to close the remaining coverage gaps and achieve comprehensive health coverage for every American.



Despite recent coverage gains, approximately 9% of the U.S. population remains uninsured. Many of the uninsured are likely eligible for, but not enrolled in subsidized coverage, including through Medicaid, the Health Insurance Marketplaces or their employers. For example, millions of the lowest income uninsured could be covered if all states expanded Medicaid.

While the AHA shares the objective of achieving health coverage for all Americans, we do not agree that a government-run, single-payer system is right for this country. Such an approach could upend a system that is working for the vast majority of Americans and throw into chaos one of the largest sectors of the U.S. economy.

Results from a 2019 study give some idea of the financial impact a public option program based on Medicare rates could have on the health care system. The study found that a proposal to create a government-run, public option Medicare-like health plan on the individual exchange could create the largest ever cut to hospitals – nearly \$800 billion – and be disruptive to the employer-sponsored and non-group health insurance markets, while resulting in only a modest drop in the number of uninsured as compared to the 9 million Americans who would gain insurance by taking advantage of building upon the existing public/private coverage framework. This coverage proposal would enroll significantly fewer people than a single-payer model, and yet the reimbursement cuts would be catastrophic.

Even if the proposed single-payer program increased reimbursement rates above Medicare's rates, our members' experience suggests that the government does not always act as a reliable business partner. Delays in payment and retroactive changes to reimbursement policies leave providers at risk of inadequate payment. Politicization means that providers cannot always trust that the rules of today will be the rules of tomorrow, which presents a challenging – if not impossible – environment for large, complex organizations. Recent examples of the uncertainty of working with government.

We also are deeply concerned that a single-payer model would seriously distract from the important delivery system reform work underway. Hospitals and health systems have invested billions of dollars in technology and delivery system reforms to improve care, enhance quality and reduce costs. Moving to a single-payer model could stymie these efforts by, at best, diverting attention and, at worst, being deemed irrelevant if the government can simply ratchet down provider rates to achieve spending objectives.

WAYS TO PROMOTE BETTER CARE FOR AMERICA

Health coverage is too important to risk such levels of disruption. The better path to achieving comprehensive coverage for all Americans lies in continuing to build on the progress made over the past decade. To advance our objective of covering all Americans, we support:

- Continued efforts to expand Medicaid in non-expansion states, including providing the enhanced federal matching rate to any state, regardless of when it expands. This would give newly expanded states access to three years of 100% federal match, which would then scale down over the next several years to the permanent 90% federal match.

- Providing permanent federal subsidies for more lower- and middle-income individuals and families. Many individuals and families who do not have access to employer-sponsored coverage earn too much to qualify for either Medicaid or marketplace subsidies and yet struggle to afford coverage.
- Strengthening the marketplaces to improve their stability and the affordability of coverage by reinstating funding for cost-sharing subsidies and reinsurance mechanisms.
- Robust enrollment efforts to connect individuals to coverage. The majority of the uninsured are likely eligible for Medicaid, subsidized coverage in the marketplace or coverage through their employer. We need an enrollment strategy that connects them to – and keeps them enrolled in – coverage. This requires adequate funding for advertising and enrollment efforts, as well as navigators to assist consumers in shopping for and selecting a plan.

We stand ready to work with Congress as we look for ways expand coverage to patients and families.

ⁱ American Hospital Association, “The Importance of Coverage,” November 2018.
<https://www.aha.org/system/files/media/file/2019/04/report-coverage-overview-2018.pdf>