

## **AMA VISION ON HEALTH REFORM**

### **November 15, 2016**

The AMA has long advocated for health insurance coverage for all Americans, as well as pluralism, freedom of choice, freedom of practice, and universal access for patients. The same core principles and priorities will guide future AMA advocacy efforts regarding the Affordable Care Act. The AMA remains committed to improving health insurance coverage and health care access so that patients receive timely, high quality care, preventive services, medications and other necessary treatments.

Below is a summary of the AMA's current policy on health reform. It is not intended to be exhaustive, but highlights key elements that will guide the AMA in upcoming discussions with Congress and the Trump Administration.

- Continue efforts to cover the uninsured, and ensure that any future proposals do not cause individuals covered as a result of ACA provisions to become uninsured. Any proposal to reform the health care system should be consistent with the long-standing AMA policy for covering the uninsured and expanding choice:
  - Support individually selected and owned health insurance using refundable and advanceable tax credits that are inversely related to income.
  - Health insurance purchased with a tax credit must provide coverage for hospital care, surgical and medical care, and catastrophic coverage of medical expenses as defined by Title 26, Section 9832 of the U.S. Code.
  - Support eliminating or capping the employee tax exclusion for employment-based health insurance as a funding stream to improve health insurance affordability, including for the provision of tax credits.
  - Support a requirement that individuals and families who can afford health insurance be required to obtain it, using the tax structure to achieve compliance.
  - Support health insurance coverage of pre-existing conditions with guaranteed issue within the context of requiring individual responsibility, in addition to guaranteed renewability.
  - Support modified community rating, risk bands, or risk corridors. Some degree of rating based on age and tobacco use is acceptable.
  - Support increased choice of health plans, including accessibility to high-deductible health plans in conjunction with Health Savings Accounts (HSAs).
  - Support including young adults to age 28 under extended family health insurance coverage.
  - Support states being given the freedom to develop and test different models for covering the uninsured.
- Work to ensure that health insurance coverage actually translates to patients having access to the care and providers they need.
  - Continue advocacy in support of adequate provider networks in plans offered through health insurance exchanges, Medicare Advantage and Medicaid managed care.
  - Support efforts to improve health plan transparency for both patients and physicians, including ensuring that provider directories are accurate, complete and up-to-date; requiring health plans to inform physicians of criteria to participate in provider networks; and promoting fair health plan contracting practices.
  - Advocate for the provision of additional financial and other protections to patients who are forced to seek care out-of-network.
- Improve health equity for minority, underserved and special needs populations.

- Support including medical liability reforms consistent with policy.
- Support the ability of patients to privately contract for medical services of their choice with no penalties.
- Support graduate medical education funding consistent with extensive, long-standing policy.
- Support reforms to the Medicaid and Medicare programs to ensure that they are viable and effective mechanisms to provide health insurance coverage to low-income individuals, seniors and the disabled.
  - Support state efforts to expand their Medicaid programs, including increased flexibility through the waiver process.
  - Allow states the option to provide private coverage to their nondisabled and nonelderly Medicaid beneficiaries, such as refundable and advanceable premium tax credits that can be used to purchase coverage with little or no cost-sharing.
  - Support reinstating Medicaid payment parity with Medicare for primary care services provided under the Medicaid program.
  - Support the restructuring of Medicare’s age-eligibility requirements and incentives to match the Social Security schedule of benefits.
  - Support a Medicare defined contribution program that would enable beneficiaries to purchase coverage of their choice from competing health plans. Traditional Medicare would be preserved as an option.
- Continue to promote market-based strategies to achieve the affordability of prescription drugs, and support initiatives to incentivize the pharmaceutical industry to exercise reasonable restraint in the pricing of drugs.
  - Encourage prescription drug price and cost transparency among pharmaceutical companies, pharmacy benefit managers and health insurance companies.
  - Support legislation to shorten the exclusivity period for biologics to facilitate entry of biosimilar competition in the marketplace.
  - Support improvements to the pharmaceutical marketplace to ensure it operates efficiently and effectively, including making “pay-for-delay” agreements illegal; ensuring “evergreening” practices are not anticompetitive in nature; and monitoring mergers and acquisitions in the industry.
  - Continue to explore potential legislative and regulatory approaches to enhance access to and affordability of pharmaceutical and biologic products.
- Advance initiatives that enhance practice efficiency and professional satisfaction, improve the delivery of health care, decrease administrative burdens of public and private insurance programs, and reduce health care spending.
  - Seek ongoing improvements in the implementation of MACRA to enhance prospects for successful physician participation in MIPS and APMs.
  - Work to focus EHR certification requirements on improving usability and interoperability.
  - Seek health plan reduction in the number of services and medications that require prior authorization.
  - To reduce spending associated with the burden of disease, support efforts to mitigate the economic burdens associated with chronic disease, including type 2 diabetes and heart disease.