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BRIEF: How Do We Know Whether Health Reform Proposals Measure Up?

As Congress and the Trump administration debate how to repeal and replace the Affordable Care Act (ACA), Americans are hearing a litany of proposals and talking points about how the country should move forward. **Any policy changes must aim to cover more lives with affordable, comprehensive health insurance coverage that guarantees access to necessary health care services and protects consumers from financial insecurity.** In order to achieve those objectives above, a health care reform proposal should seek to achieve the following outcomes:

Key Outcomes of Acceptable Health Reform Proposals

1. People with pre-existing conditions have equitable and affordable access to coverage
2. Health plans provide coverage for essential health services
3. People with lower incomes get more help to afford their premiums
4. Consumers are protected from unreasonably high out-of-pocket costs (deductibles, co-pays, and coinsurance)
5. Reduction in uninsured rate

How the ACA Achieves These Outcomes

The following chart provides a summary overview of how the Affordable Care Act’s provisions aim to achieve these outcomes. However, this is not a comprehensive list of ACA reforms.

| Desired Outcome | How the ACA Seeks to Achieve It |
|--|--|
| People with pre-existing conditions have equitable access to coverage | <ul style="list-style-type: none"> • Prohibits discrimination against 4.1 million North Carolinians with pre-existing conditions by forbidding insurers from: <ol style="list-style-type: none"> 1. Denying coverage to people based on health status 2. Varying premiums based on health status and gender 3. Refusing coverage for consumers’ pre-existing conditions 4. Rescinding coverage for any reason other than nonpayment or fraud • Requires most people to have health insurance in order to balance the risk pool in the individual market and ensure people with pre-existing conditions can obtain coverage. |
| Health plans provide coverage for essential health services | <ul style="list-style-type: none"> • Requires plans sold on the individual and small group markets to cover minimum package of services called “essential health benefits,” including but not limited to: ambulatory, emergency, laboratory, and maternity services; mental health and substance use disorder services; prescription drugs; hospitalizations; preventive, rehabilitative, and habilitative services; and pediatric services. |
| People get help to lower premiums based on what they can afford | <ul style="list-style-type: none"> • Provides an up-front, refundable tax credit for enrollees with incomes up to four times the federal poverty level to reduce the monthly cost of premiums. The credit varies on a sliding scale according to income and to the cost of plans available to them. Nearly half a million North Carolinians benefited from premium tax credits in 2016. |

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| Desired Outcome | How the ACA Seeks to Achieve It |
|--|---|
| <p>Consumers are protected from unreasonably high out-of-pocket costs (deductibles, co-pays, and coinsurance)</p> | <ul style="list-style-type: none"> • Prohibits plans from imposing lifetime limits on the dollar value of benefits for an enrollee. More than 3 million North Carolinians faced lifetime limits before the ACA. • Prohibits plans from imposing annual limits on how much the plan would spend on essential health benefits. • Creates cost-sharing reductions, a discount that lowers deductibles and other out-of-pocket costs for Marketplace enrollees who have incomes up to 250% of poverty. 360,045 North Carolinians benefited from these discounts in 2016. • Establishes limits on the amount of out-of-pocket costs that a plan may require a consumer to pay each year. • Requires plans sold to meet a minimum value standard, ensuring that plans cover reasonable share of the costs for health care services. • Lowers Medicare beneficiaries' costs by closing the prescription drug doughnut hole, saving North Carolina beneficiaries an average of \$1,013 in 2015. |
| <p>Reduction in uninsured rate</p> | <ul style="list-style-type: none"> • Through the above provisions and other components of the law, the ACA has covered 22 million more Americans, reduced the national uninsured rate to a historic low, and provided coverage to over half a million North Carolinians, reducing the state's uninsured rate by 33% between 2010 and 2015. |



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