



The Future of Healthcare and the ACA

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ACA: High-Level Overview

- ▶ What Works: People Are Insured
- ▶ What Doesn't: Affordability
- ▶ What's Next: Repeal & Replace

What Works: Medicaid Expansion

- ▶ 1 in 5 New Jerseyans are enrolled in Medicaid (20%)
- ▶ Expansion increased access to Medicaid for 539,293 enrollees
- ▶ New enrollees are accessing healthcare services: \$1.3 Billion in healthcare services were provided for new enrollees over a six-month period
- ▶ Improved economic climate for most New Jersey Hospitals

What Works: Individual Market Subsidies and Coverage Mandate

- ▶ NJ's pre-ACA individual market was in death-spiral
- ▶ Coverage Mandate coupled with Payment Subsidies increased affordability for lower-income residents; more than doubled enrollees; and provided access to more comprehensive plans

What Doesn't Work: Affordability

- ▶ “Affordable” Care Act achieves affordability largely through subsidies, not by addressing the underlying costs.

What Doesn't Work: Affordability

- ▶ Affordability of Individual Coverage for > 400% of FPL
- ▶ Individual Market Risk Pool
 - ▶ Third-party payments
 - ▶ State purchasing coverage for high-risk individuals
 - ▶ Difficulty in attracting younger consumers

What Doesn't Work: Affordability

- ▶ In order to fund subsidies, the ACA imposed taxes
- ▶ Impact on NJ premium payers: \$5 billion in 10 years
- ▶ Health care is not a luxury or sin, but taxed like it is both

What's Next: Repeal/Replace Era

- ▶ Stability and predictability
 - ▶ Carriers need stability and clear guidance, for which there seems to be none.

What's Next: Return Regulatory Authority to the States

- ▶ Increase state flexibility
- ▶ Rate review, benefit design and review, provider network adequacy, etc.

What's Next: Adequate Federal Funding for Medicaid

- ▶ Block grants if used to limit or lower federal funding to states will result in reduced access
 - ▶ Do you cut benefits, beneficiaries, payments?

Questions?

