

# **2024 Health Care Policy Primer**

### TABLE OF CONTENTS

1		Who	is	the	Committee	to	<b>Protect</b>	Health	Care?
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- 2 | Affordable Care Act and Medicaid
- 2 ...... Affordable Care Act (ACA) Repeal Efforts
- 2 ...... No-Cost Preventive Services
- 3 ...... American Rescue Plan Act Tax Credits Expiration
- 4 ...... Reject Medicaid Block Grants
- 5 | Inflation Reduction Act of 2023, Health Care Provisions
- 5 ...... Medicare Price Negotiations, \$35 Insulin, and Out-of-Pocket Rx Caps
- **6 | Site-Neutral Payments**
- 6 ...... Same Service, Same Price Initiative
- 7 | Reproductive Rights
- 7 ...... Restore and Protect Access to Reproductive Care

## WHO IS THE COMMITTEE TO PROTECT HEALTH CARE

The Committee to Protect Health Care, composed of over 20,000 physicians and advocates across the United States, fights to expand health care access, lower costs for patients, and protect reproductive rights. Using advocacy campaign tactics, we fight back against special interests that put profits before patients.

Our organizational priorities include, but are not limited to: Defending and improving the Affordable Care Act and Medicaid, protecting Medicare to ensure seniors may enjoy the benefits promised to them, defending reproductive freedom, and lowering patients' health care costs.

In this packet, you will find a brief explainer on the critical health care issues patients face day-to-day. This information guides our federal issue and policy questionnaire, also contained in this packet. The candidate questionnaire will inform our Care for U.S. Candidate endorsement slate. Use the QR code to submit the questionnaire online.

We hope to work alongside you to ensure everyone in the United States has access to the health care they need to thrive.



protectmed.org/fed-quest-2024

## Section I. Affordable Care Act and Medicaid:

## Section I. Issue I. Affordable Care Act (ACA) Repeal Efforts:

Roughly seven years ago, the Affordable Care Act (ACA) faced an existential threat by the 115th Congress. The House voted on May 4, 2017, to replace the ACA with the controversial American Health Care Act (AHCA). Changes to the health care marketplace under the AHCA would have included: No protections for patients with pre-existing conditions, provisions allowing states to opt-out of formerly required consumer protections, and massive cuts to funding for Medicaid and subsidies for private insurance that has expanded access to coverage for millions of Americans since 2014.

The AHCA ultimately failed to pass a reconciliation vote in the Senate, thanks to the late Senator John McCain's famous 'No' vote on the Senate floor. However, the pointed attacks on central provisions in the ACA did not stop, and many elected officials continue to propose ACA repeal and/or funding cuts to this day.

Just this year, the Republican Study Committee published its 2025 budget [1] which includes proposals such as a "Medicaid/Affordable Care Act (ACA) block grant [and] weakening pre-[existing conditions] coverage quarantees." [2]

This landmark legislation, which expanded health care access and protections for millions of patients across the country, faces ongoing threats of repeal, funding cuts, and court challenges. Members of the 119th Congress need to use whatever powers available to protect people's health care by protecting the Affordable Care Act.

#### Section I. Issue II. No-Cost Preventive Services:

A Texas lawsuit, Braidwood Management Inc. v. Becerra (2022), posed a legal challenge to a vital Affordable Care Act provision, citing infringement of the company's "religious freedom." The provision in question requires most private health insurance plans to cover preventive services with no cost-sharing on behalf of enrollees. In 2023, Texas Judge Reed O'Connor ruled partly in favor of Braidwood Management. Shortly thereafter, the same judge issued a <u>ruling</u> that "blocks the federal government from requiring health plans to cover services recommended or updated by the U.S. Preventive Services Task Force (USPSTF) on or after March 23, 2010." [3]

<sup>[3] &</sup>quot;Explaining Litigation Challenging the ACA's Preventive Services Requirements: Braidwood Management Inc. v. Becerra; District Court's Decision," Kaiser Family Foundation; May 15, 2023



<sup>[1] &</sup>quot;Fiscal Sanity to Save America," Republican Study Committee FY 2025 Budget Proposal; March 20, 2024

<sup>[2] &</sup>quot;Beyond the Data: More On Health and Politics: The Peculiar Timing of Republican Health Policy Plans," Kaiser Family Foundation News, Drew Altman; April 9th, 2024.

The case resulted in a temporary "stay" on the decision, meaning the ACA's preventive services requirements still remain in full effect during litigation. However, the impacts of a win for Braidwood Management Inc at the Supreme Court would have disastrous results for patients' care and health. Because of the ACA's no-cost preventive services provision:

- As of 2020, approximately 151.6 million individuals are enrolled in health insurance plans that provide free preventive services without cost-sharing, either through employee-sponsored coverage or a state or federal Marketplace, including approximately 37 million children [4]:
- As of 2021, 20 million adults with Medicaid coverage as part of 38 states' Medicaid Expansion enrollment had coverage for preventive services without cost-sharing, and 31 million children enjoyed the same coverage as part of Medicaid [5]:
- According to United States of Care, "more Americans [have received] blood pressure, cholesterol, and colon cancer screenings since the ACA was passed. Moreover, more adults and children receive recommended immunizations, such as the flu and HPV vaccines." [6]

While Braidwood Management v. Becerra, and the fate of ACA's no-cost preventive services provision, awaits a likely SCOTUS decision, these legal challenges represent an ongoing multi-pronged strategy to dismantle the Affordable Care Act. Members of the 119th Congress must reject any and all legislative efforts to dismantle the ACA, and instead work to build on this landmark legislation.

## Section I. Issue III. American Rescue Plan Act Tax Credits Expiration:

A provision in the Inflation Reduction Act extended the previously enhanced subsidies for individuals and families purchasing health insurance coverage on the ACA Marketplace. Established by the American Rescue Plan Act (ARPA) in 2021, and extended by the Inflation Reduction Act (IRA) until 2025, the subsidies "increase the amount of financial help available to those already eligible and also newly expand subsidies to middle-income people, many of whom were previously priced out of coverage." [7]

As of January 24, 2024, ACA Marketplace enrollment for 2024 had reached 21.3 million enrollees, exceeding 2023 enrollment numbers by roughly 5 million. More and more

<sup>[7] &</sup>quot;Five Things to Know about the Renewal of Extra Affordable Care Act Subsidies in the Inflation Reduction Act," Kaiser Family Foundation, August, 2022



<sup>[4] &</sup>quot;Access to Preventive Services without Cost-Sharing: Evidence from the Affordable Care Act," Dept. of Health and Human Services, Office of Health Policy; January 2022

<sup>[5] &</sup>quot;Access to Preventive Services without Cost-Sharing: Evidence from the Affordable Care Act," Dept. of Health and Human Services, Office of Health Policy; January 2022

<sup>[6] &</sup>quot;Access to Preventive Services without Cost-Sharing: Evidence from the Affordable Care Act," Dept. of Health and Human Services, Office of Health Policy; January 2022

individuals are gaining access to affordable health insurance options through the Marketplace than ever before, due in part to these enhanced subsidies and the sunsetting of PHE Medicaid coverage. [8]

Families across the country are at risk of being priced out of health insurance coverage in 2026 should our leaders fail to extend the ARPA tax credits in the new Congress. Congress must extend the ARPA tax credits in 2025.

#### Section I. Issue IV. Threats to Medicaid:

The Republican Study Committee's 2025 budget includes a proposal to transition Medicaid funding to block grants, meaning "far less funding for Medicaid programs and would likely result in cuts to enrollment, benefits and already low reimbursements to providers." [9]

Transitioning state Medicaid funding to block grants is just one of many threats to Medicaid. For example, the Trump Administration allowed for states to opt-into the "Healthy Adult Opportunity" Medicaid initiative, paving the way for states to shirk several federal protections for consumers, including restrictions on work requirements, denying retroactive eligibility, premium and cost-sharing hikes, and reducing consumer benefits. [10]

When the Biden Administration took office, the Center for Medicare & Medicaid Services (CMS) adjusted its position on the Medicaid program's objectives, asserting that states' provisions, like work requirements, do not further those objectives.

In 2021, just weeks before President Biden's inauguration, Tennessee's CMS waiver "demonstration" was approved by the Trump Administration. [11] According to policy experts, the "historically bad" demonstration attempted to block grant the Medicaid program in Tennessee and implement an "extremely restrictive drug formulary." The waiver was subsequently challenged by Tennessee Medicaid recipients. The Biden Administration's CMS rejected their waiver application, and ultimately approved a revised waiver that removed the restrictive drug formulary, work requirements, and premium waivers. [12]

<sup>[12] &</sup>quot;Waiver Update: CMS May Have Found a Path Forward in Tennessee," Georgetown University McCourt School of Public Policy; August 1, 2023



<sup>[8] &</sup>quot;Another Year of Record ACA Marketplace Signups, Driven in Part by Medicaid Unwinding and Enhanced Subsidies," Kaiser Family Foundation, January 2024

<sup>[9] &</sup>quot;GOP plans for Medicaid cuts could face backlash," Axios; March 28, 2024

<sup>[10] &</sup>quot;The Fiscal Impact of the Trump Administration's Medicaid Block Grant Initiative," Commonwealth Fund; March 6, 2020.

<sup>[11] &</sup>quot;The Biden Administration CMS Unwinds the Tennessee 'Block Grant'," Georgetown University McCourt School of Public Policy; August 21, 2023.

Now, the Republican Study Committee and its allied authors of the Heritage Foundation's Project 2025 are reviving a Congressional effort to implement Medicaid block grants. despite its adverse impacts on patient access and health outcomes.

Congressional efforts to reform Medicaid by reducing federal funding, establishing restrictive eligibility requirements, and/or repealing patient protections must be rejected by the 119th Congress to protect people's health and well-being.

# **Section II. Inflation Reduction Act & Prescription Drug Costs:**

Section II. Issues I, II, & III. Medicare Price Negotiations, \$35 Insulin, and **Out-of-Pocket Rx Caps:** 

One in four people age 65 or older, and 37% of adults who take 4 or more prescriptions, report having difficulty affording their prescription drugs. [13] To address the worsening prescription drug cost crisis, the Inflation Reduction Act (IRA) included three key provisions to provide financial relief for those on Medicare:

- 1. Medicare is authorized to negotiate with drug corporations to drive down expensive prescription drug costs for consumers and the government;
- 2. Medicare recipients' monthly costs for insulin are capped at \$35;
- 3. Medicare recipients' annual out-of-pocket cap for prescription drugs is set at \$2,000.

Medicare's authorization to negotiate prices for their enrollees could save as much as \$6,500 a month on a 30-day prescription, and save Medicare \$25 billion through 2031, once in effect in January of 2026. [14]

Over 8 million Americans "rely on insulin to survive, and as many as 1 in 4 patients have been unable to afford their medicine, leading them to ration doses – sometimes with fatal ramifications," reports CNN. [15] Medicare's newly established \$35 insulin cap will improve and save lives.

Out-of-pocket caps on prescription drug spending for Medicare recipients are long overdue. The new out-of-pocket cap, established by the IRA starting in 2025, is estimated to save 19 million Americans an average of \$400 annually [16], improving both the financial and medical well-being of older U.S. residents across the country. According to the Kaiser Family Foundation, "if the cap [had] been in place in 2021, 1.5 million Medicare

<sup>[13] &</sup>quot;Americans' Challenges with Health Care Costs," Kaiser Family Foundation; March 1, 2024 "Medicare Drug Price Negotiation Will Lower Prices by Thousands of Dollars per Month," Center for American

<sup>[14]</sup> Progress; February 21, 2024

<sup>[15] &</sup>quot;More Americans can now get insulin for \$35," CNN; January 2, 2024

<sup>[16] &</sup>quot;FACT SHEET: President Biden Takes New Steps to Lower Prescription Drug and Health Care Costs, Expand Access to Health Care, and Protect Consumers," White House; March 6, 2024.

beneficiaries would have benefited" to date, not accounting for inflation or rising drug costs. [17] If the Inflation Reduction Act is repealed, this benefit for seniors will no longer exist.

In response to this IRA provision, the world's largest pharmaceutical companies have spent over "\$761 million to lobby lawmakers and regulators" since 2022, while their lobby and trade association, Pharmaceutical Research and Manufacturers of America (PhRMA), have contributed "more than \$77.5 million to federal office-seekers" in that same time period. [18] Well-funded lobbying and large campaign contributions to curry favor, coupled with ongoing legal challenges to the Medicare drug negotiation provision, suggest senior citizens' prescription drug savings will face ongoing legal and legislative attacks in the years to come.

Members of the 119th Congress must stand up for seniors, and stand against pharmaceutical companies' lobbying efforts, to protect Medicare's ability to negotiate drug prices.

# **Section III. Site-Neutral Payments:**

#### Section III. Issue I. Same Service, Same Price Initiative:

Patients should be charged the same price when they receive the same medical service, no matter the setting where they receive it.

Unfortunately, big hospital systems are buying up small physician practices and then charging patients more to receive the same care there. By changing the logos on the door of the physician practices, big hospital systems are making billions more dollars, at the expense of patients. Site-neutral payments will ensure that patients pay the same price for the same service, and will save patients billions of dollars.

As hospitals continue to consolidate, this problem will only get worse, as patient care is shifted from lower-cost options in physician offices to hospital "outpatient departments." And as these billions in health care costs accumulate for patients, insurance premiums increase for everyone.

<sup>[17] &</sup>quot;New \$2,000 Medicare Part D Cap Could Reduce Out-of-Pocket Drug Costs for Over One Million Beneficiaries Beginning Next Year, Including Tens of Thousands of Beneficiaries in Most States," Kaiser Family Foundation; February 8, 2024

<sup>[18] &</sup>quot;How Big Pharma is fighting Biden's program to lower seniors' drug costs," The Washington Post; March 11, 2024

On average, when a physician's office is acquired by a hospital system, the prices increase by 14.1%. [19] For example, in 2023 Medicare paid 194% more for an echocardiogram in a hospital outpatient department than a freestanding physician office. [20]

Physicians know that when people aren't able to afford the care they need, they develop worse health outcomes and suffer needlessly.

Members of the 119th Congress must pass common sense, bipartisan solutions to protect patients from being charged more for the same care just because of where they receive it. Ensuring that patients pay the same price for the same service will save patients billions of dollars.

# **Section IV. Reproductive Rights:**

Section IV. Issue I-IV. Restore and Protect Access to Reproductive Health Care:

In June of 2022, the Supreme Court issued a decision on Dobbs v. Jackson Women's Health Organization, which overturned Roe v. Wade, the case that had protected women's right to abortion since 1973. After nearly 50 years as a constitutional right, women's freedom to make their own decisions about abortion was no longer federally protected.

Since the Dobbs decision in 2022 – which purportedly left abortion rules, regulations, and laws to individual states – several states' centuries-old abortion bans were suddenly the law of the land, while other state legislatures implemented new restrictions and/or bans on reproductive health care access. Many other states have passed citizen-ballot initiatives to enshrine reproductive freedoms into state constitutions, while approximately 16 others prepare to do the same in 2024.

Meanwhile, a barrage of court cases challenging reproductive health care services have been taken up in state Supreme Courts and SCOTUS. For example:

A Texas court ruling revoked the FDA's approval of a common abortion-inducing drug, mifepristone. A lawsuit filed by an anti-abortion group, named The Alliance for Hippocratic Medicine, against the U.S. Food and Drug Administration in November 2022 ultimately led to this decision. [21] In June, the Supreme Court ultimately rejected the lawsuit against mifepristone.

<sup>[21] &</sup>quot;U.S. Supreme Court takes up Texas case challenging abortion pill access," Texas Tribune; March 26, 2024



<sup>[19] &</sup>quot;The effect of hospital acquisitions of physician practices on prices and spending," Journal of Health Economics, April 22, 2022

<sup>[20] &</sup>quot;Chapter 8: Aligning fee-for-service payment rates across ambulatory settings," MedPAC Report to Congress, 2023

An Alabama court ruling declared that "embryos created through in vitro fertilization (IVF) should be considered children," thus suggesting that any embryos destroyed in the process of pursuing IVF leave those clinics open to litigation under the Wrongful Death of a Minor Act, causing "two of eight fertility clinics in Alabama" to immediately pause their IVF treatments. [22]

An Idaho abortion ban was challenged by the Biden Administration in federal court, arguing that "EMTALA trumps an Idaho law that generally makes it a crime to provide an abortion except in a handful of circumstances." The state legislature ultimately appealed the decision, which ruled in favor of the Biden Administration, and the case was heard in the Supreme Court April 24, 2024. On June 27, the court determined that patients in Idaho can receive emergency medical care, including abortion, for the time being, but failed to address whether the EMTALA protects the right to emergency abortion care in every state.[23]

In 2023, Senator Tammy Baldwin introduced the Women's Health Protection Act (S.701) which "prohibits governmental restrictions on the provision of, and access to, abortion services." [24] According to Senator Baldwin, "the Women's Health Protection Act creates federal rights for patients and providers to protect abortion access and creates federal protections against medically unnecessary restrictions that undermine Americans' access to health care and intrude upon personal decision-making." [25]

In the spring of 2024, politicians reiterated their support for a national abortion ban, including hundreds of U.S. Representatives who endorsed a national abortion ban and legislation that may eliminate in-vitro fertilization (IVF) access. [26]

On June 5, 2024, the United States Senate voted on the Right to Contraception Act (S. 4381). However, the bill was blocked in the Senate, leaving access to basic contraception at risk of draconian restrictions by state legislatures and governors.

Members of the 119th Congress must make it a priority to find legislative solutions for the chaotic patchwork of restrictions on, and legal challenges to, reproductive health care services. Congress must pass federal legislation to restore the right to abortion nationwide, and reject all attempts to institute a national abortion ban or related legislation that threatens patients' access to reproductive health care.

<sup>[26] &</sup>quot;Fiscal Sanity to Save America: Republican Study Committee FY 2025 Budget Proposal," Republican Study Committee, March 20, 2024



<sup>[22] &</sup>quot;The Alabama Supreme Court's Ruling on Frozen Embryos," Johns Hopkins Bloomberg School of Public Health; February 27, 2024

<sup>[23] &</sup>quot;Supreme Court divided over federal-state conflict on emergency abortion ban." SCOTUSblog, April 24, 2024

<sup>[24]</sup> S.701 - Women's Health Protection Act of 2023, Bill Summary

<sup>[25] &</sup>quot;Baldwin, Blumenthal Lead 47 Members in Introducing Legislation to Restore and Protect Americans' Right to an Abortion Nationwide," Press Release; March 8, 2023