



Weekly Checkup

ACA Expansion – Health Care’s Growing Leak

JOHN WALKER | JUNE 28, 2024

In early May, President Biden announced his final rule to expand the Affordable Care Act (ACA) for Deferred Action for Childhood Arrival (DACA) recipients. As AAF President Douglas Holtz-Eakin [remarked](#) at the time, this final rulemaking “ignore[s] the clear intent of the law.” After all, the ACA is limited to lawful U.S. residents only. Earlier this week, the Congressional Budget Office (CBO) released a new [report](#) estimating the total costs of the president’s final rule at slightly over \$7 billion across the next nine years. On the scale of federal health care spending, this amount doesn’t exactly break the bank. But the *avenue* through which minor expenses continue to grow does matter. **The ACA has frequently been expanded at the president’s whim, without actual legislation from Congress. Let’s walk through President Biden’s rule and why the legislative process matters.**

The Biden Administration’s rule, administered through the Centers for Medicare and Medicaid, amends the legal definition of “lawfully present” in the ACA to include DACA recipients, or “Dreamers.” While only a small addition on paper, this alteration clearly isn’t commensurate with the legislative language of the ACA. As Doug wrote, “So I checked the text of the ACA and there it was: ‘ACCESS LIMITED TO LAWFUL RESIDENTS...’ The same language appears in several sections of the law. It seems like congressional intent is pretty clear.” From its inception, the ACA operated with the understanding that its provisions would only cover U.S. citizens or lawfully present aliens. Hence, **while the president can determine his administration’s enforcement, or lack thereof, of immigration law, he cannot broadly alter the definition of “lawfully present” to enable certain groups to participate in a federal program from which they are otherwise barred.**

The president’s rule to broaden the scope of the ACA’s coverage is neither revolutionary nor a massive expenditure in the context of total health care

spending. But it is yet another straw, another benefits giveaway, on the camel's back of federal health spending, the result of the presidency continuing to flout Congress' authority. In the long run, this is a problem: Total health expenditures have continued to balloon over the past several decades, with Peterson-KFF's health [system tracker](#) finding that inflation- adjusted, total national health expenditures have nearly tripled since 2000.

No doubt there is little appetite in Congress to curb federal health care spending, a task that would require taking a serious look at Medicare and Medicaid. But **for Congress to simply turn a blind eye to the expansion of health benefits beyond its clear legislative intent has proven a surefire way to remove any meaningful control on health care spending.**

CHART REVIEW: AI IN HEALTH CARE, PERCEPTIONS AND EXPECTATIONS OF PHYSICIANS

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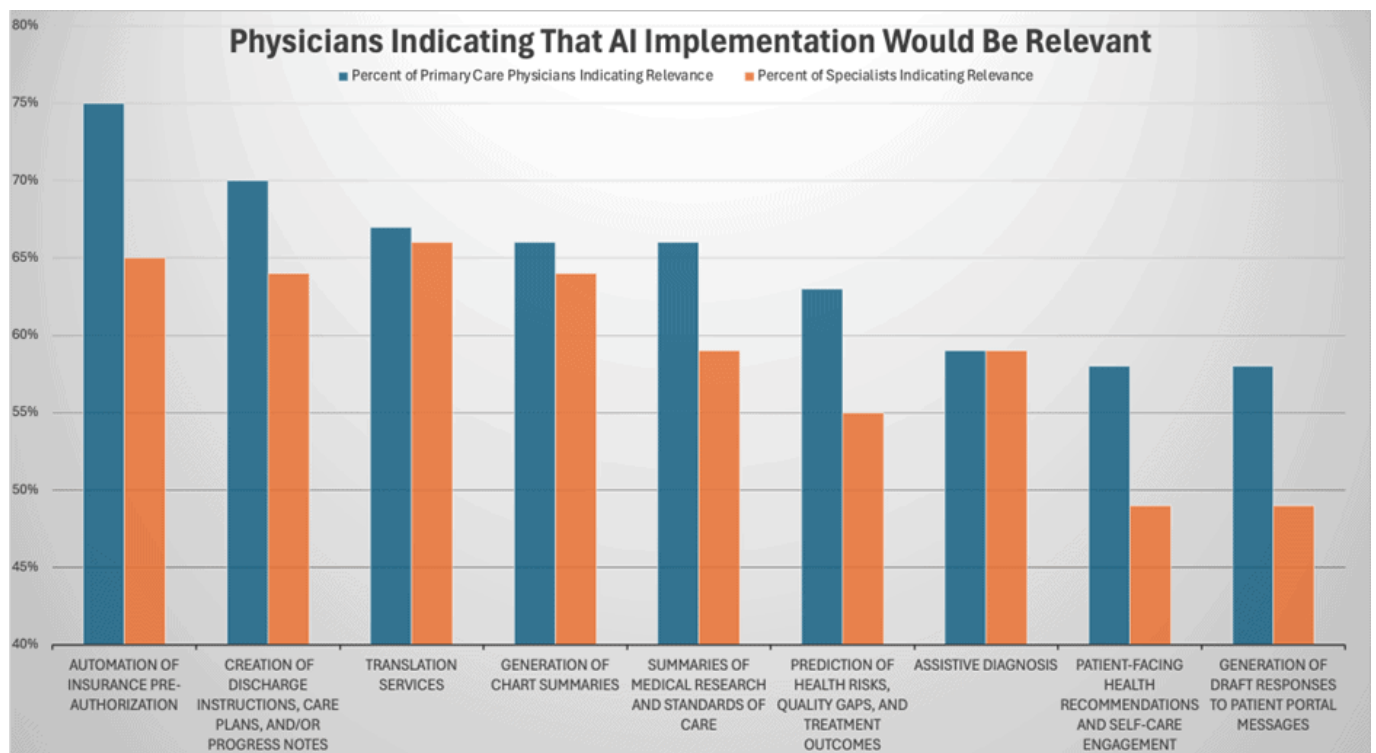
Automation and artificial intelligence (AI) implementation are among the most discussed issues in health care. AI in particular has made tremendous strides in recent years. As of May 2024, the U.S. Food and Drug Administration (FDA) [had approved](#) 882 artificial intelligence and machine learning medical devices. These new medical devices are mainly in the areas of radiology, which accounts for 76.2 percent of new devices; cardiology, which accounts for 10.3 percent of new devices; and neurology which accounts for 3.6 percent. Despite these innovations, 62 percent of physicians surveyed in an American Medical Association (AMA) [report](#) indicated that their practice has yet to implement any AI tools. An additional AMA [survey](#) of 1081 physicians conducted last year found that 65 percent of physicians see net advantages in the use of AI, with only 11 percent indicating they saw net disadvantages to implementation.

Surveyed physicians indicated relieving administrative burdens and improving workflow as the most important areas for AI application. The chart below displays the areas in which over half of physicians viewed AI implementation as relevant. It is broken down between primary care physicians (PCPs) and specialists. PCPs viewed AI as more useful in several areas, with gaps of 7 percent or more present in the following areas:

- Automizing insurance pre-authorization,

- Summarizing medical research,
- Predicting health risks and treatment outcomes for patients,
- Providing patients with health recommendations, and
- Helping draft responses to patient portal messages.

Despite physician interest in AI technology, adoption of these technologies is expected to take place over the long run, with physicians most commonly indicating a timeline of two to five years before full implementation.



Sources:

<https://www.ama-assn.org/system/files/future-health-augmented-intelligence-health-care.pdf>

<https://www.fda.gov/medical-devices/software-medical-device-samd/artificial-intelligence-and-machine-learning-aiml-enabled-medical-devices>

<https://www.ama-assn.org/system/files/physician-ai-sentiment-report.pdf>