



# With Obamacare Repeal Stalled, Congress Must Move Forward with Targeted Reforms

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## *Eakinomics: With Obamacare Repeal Stalled, Congress Must Move Forward with Targeted Reforms*

Congress will return next week to one of the more claustrophobic end-of-fiscal-year agendas in recent memory. Amid all the must-pass items on the legislative to-do list (including re-upping funding for the [Children's Health Insurance Program, or CHIP](#)), Congress might hope to move past the stalled effort to repeal and replace the Affordable Care Act (ACA). However, regardless of whether full-scale repeal has breathed its last breath, the American health care system remains in dire need of reform.

The Senate Health, Education, Labor and Pensions (HELP) Committee will kick off the renewed effort next week with two hearings (one with governors, and another with state insurance commissioners), and two more potentially in the works for later in the month. The HELP Committee's focus is individual market stabilization, but there is a plethora of health policy items for Congress to address short of repeal and replace.

Two ACA "glitches" should remain in legislators' sights. The Medicaid glitch leaves some who fall below 100 percent of the federal poverty level (FPL), and reside in states that did not opt into the ACA's Medicaid expansion, without access to assistance in obtaining health insurance (those above 100 percent of the FPL receive federal subsidies and cost sharing assistance. One solution would be to allow subsidies to flow to anyone below 100 percent of FPL who is not already eligible for another federal or state program, as was proposed in both the [House's American Health Care Act](#) and the [Senate's Better Care Reconciliation Act](#) (BCRA). BCRA sought to offset the cost of this subsidy expansion with a reduction in the upper-bound on subsidy eligibility from 400 percent to 350 percent. The [family glitch](#) results from the ACA's definition of affordable employer-sponsored coverage, which at present denies subsidies to family members of an employee who receives an offer of "affordable" coverage from their employer – even if it is only individual coverage.

[Health Savings Accounts](#) (HSAs) could provide an opportunity for bi-partisan policymaking aimed at enhancing competitive forces in the individual health insurance market. Increasing the annual contribution maximum on HSAs or making the contribution max variable and pairing it with the level of an individual's annual deductible are ideas worth congressional consideration.

As mentioned in [this space](#) last week, in the absence of more significant long-term reforms to federal health insurance subsidies in the individual market, Congress should fund the ACA's [cost sharing reduction \(CSR\) subsidies](#) through the appropriations process, providing certainty to insurers and consumers for the remainder of 2017 and 2018.

There was much discussion earlier this year surrounding the concept of a new ["invisible" high-risk pool](#) to provide stability and reduce premiums in the individual market, while still ensuring those with high-cost medical needs don't get priced out. Several variations on this proposal exist, and congressional hearings aimed

at determining the best design and the objectives for such a system would be worthwhile.

Other oft-mentioned potential tweaks to the ACA's regulatory framework include limitations on premium payment [grace periods](#), expanding [age rating restrictions](#) from 3:1 to 5:1, and allowing catastrophic plans to satisfy the ACA's individual mandate for those 30 and over.

With an eye toward job growth, Congress could revisit the ACA's definition of [fulltime employment](#) being 30-or-more hours a week. Raising the number of hours that constitute full-time employment to the more standard 40 hours a week would address a number of [negative employment effects](#) of the current law.

Whatever the prognosis for repeal and replace, Congress can and should pursue targeted reforms to the health care system. Hopefully, the HELP Committee's September hearings can begin that process.