



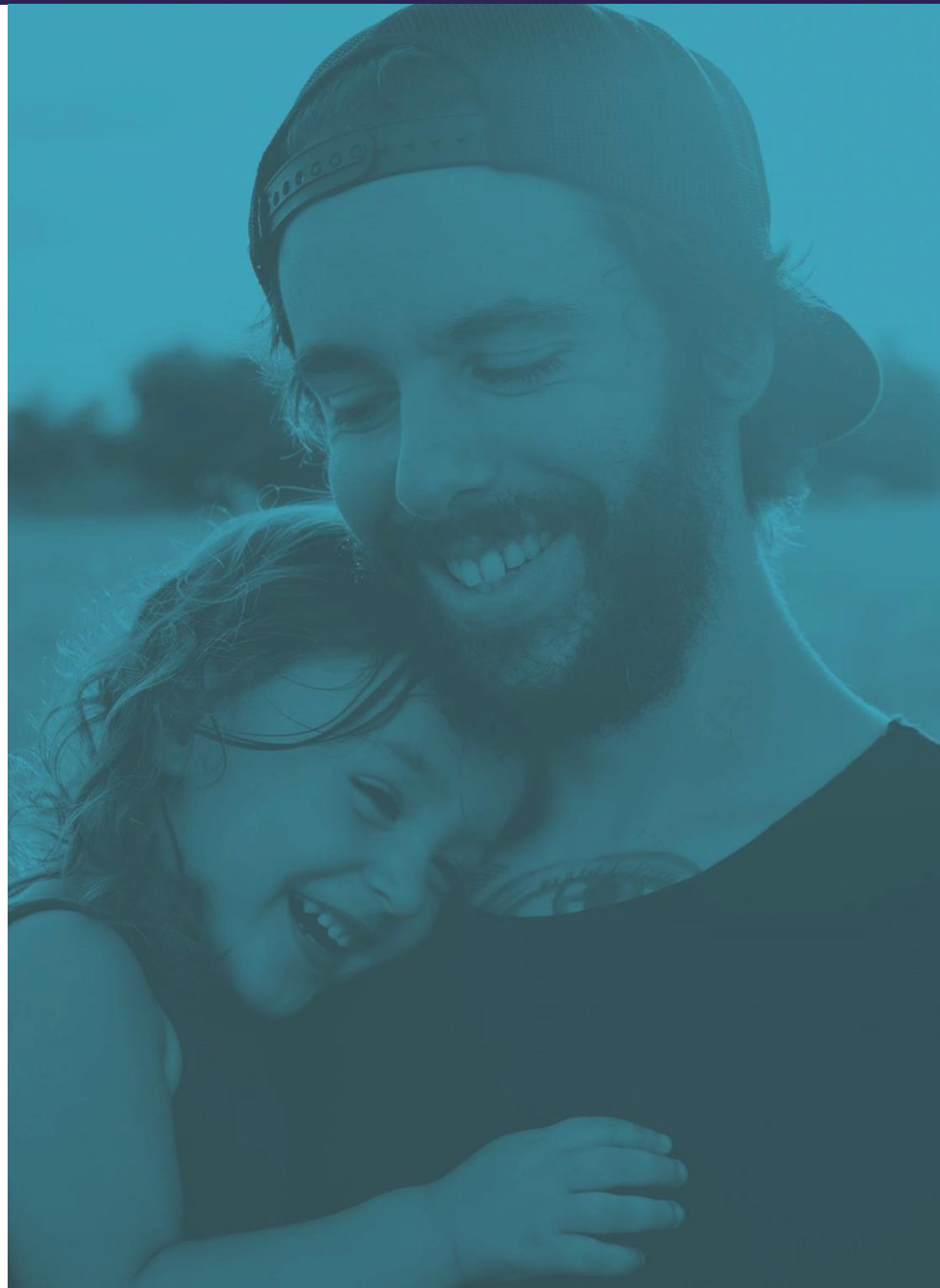
The Search for a Successful Public Option

Liz Hagan, Director of Policy Solutions

The mission of United States of Care is to ensure that everyone has access to quality, affordable health care regardless of health status, social need, or income.

Principles:

- ★ Everyone should have a regular source of care for themselves and their families
- ★ Everyone should be protected from financial devastation because of illness or injury
- ★ Policies to achieve these aims must be fiscally responsible and win the political support needed to ensure long-term stability



United States of Care Goals



Affordability: People have certainty that they can afford their health care.



Dependability: People have the security and freedom that dependable health coverage provides as life changes.



Personal: People can get the personalized care they need, when and how they need it.



Understandable: People experience a health care system that's understandable and easy to navigate.

What Problems Can Public Options Solve?

- ★ Provide more affordable premiums
- ★ Offer more choice of plans
- ★ Reduce rates of uninsurance
- ★ Reduce rates of underinsurance
- ★ Improve health equity and reduce disparities
- ★ Contain costs and cost growth
- ★ Establish new provider reimbursement rates
- ★ Simplify shopping experience by offering standardized plans
- ★ Promote “value” for patients and the overall system
- ★ And more...

Goals of a Public Health Insurance Option

Public options are a tool states can use to create more affordable and dependable coverage options. They are often:



A government-regulated health insurance plan sold alongside private plans, typically at a lower cost



Public-private partnerships, organized under the existing public infrastructure and administered by private insurance companies



An option to individuals and small businesses

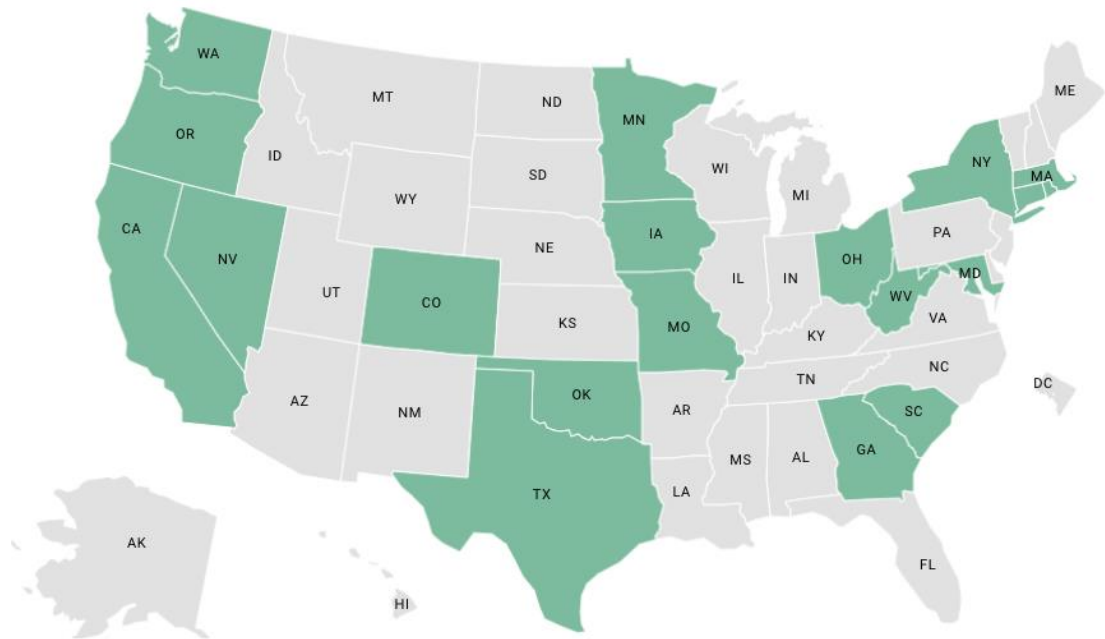
Responding to People's Needs: State Efforts

2019:

- ★ Washington state enacts Cascade Care

2021:

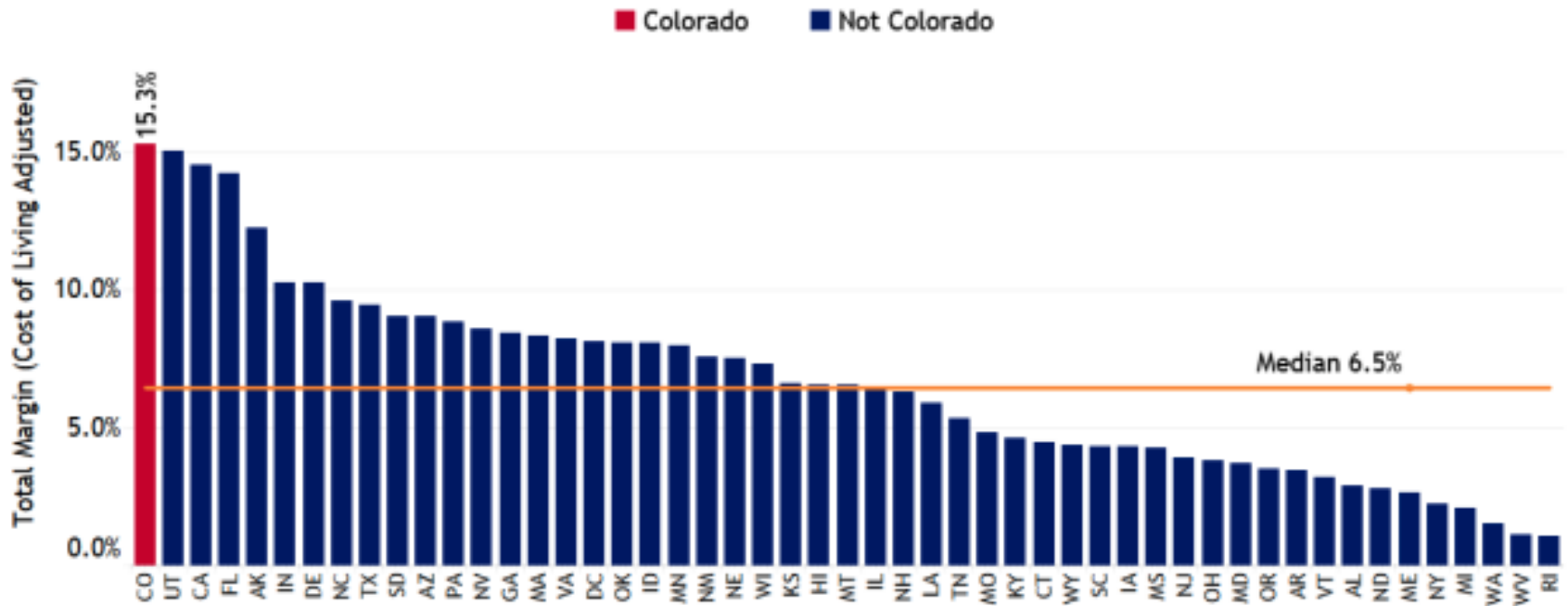
- ★ Nevada passes Nevada Public Option
- ★ Colorado passes “Colorado Option”
- ★ Washington passes “Cascade Care 2.0”



Source: NASHP Health System Costs Legislative Tracker

Responding to High Hospital Profit Margins: Colorado

Figure 12: 2018 Colorado and U.S. States and the District of Columbia
Total Margin⁵¹



Source: Colorado Health Care Policy and Financing

Elements Needed for Success: Considerations for Lawmakers

Policy Goal/Area of Need

Public Option Policy Approaches Include:

Providing more affordable premiums



- ★ Nevada passes Nevada Public Option
- ★ Colorado passes “Colorado Option”

Improving access to care through reducing out-of-pocket costs



- ★ Requiring certain services pre-deductible, like primary care and behavioral health
- ★ Federal 1332 waiver

Ensure adequate access to providers



- ★ Creating provider participation incentives and/or requirements
- ★ Ensuring reasonable reimbursement
- ★ Developing robust networks that include essential community providers, federally-qualified health centers, and others

Increase plan choices



- ★ Requiring certain types of plans to offer products, such as QHP issuers or MCOs
- ★ Making enrollment in public option plans optional

Designing a more equitable system



- ★ Ensuring participation of certain providers, such as FQHCs, RHCs, and essential community providers
- ★ Developing robust culturally responsive provider networks
- ★ Requiring coverage of services aimed at addressing disparities

Containing costs

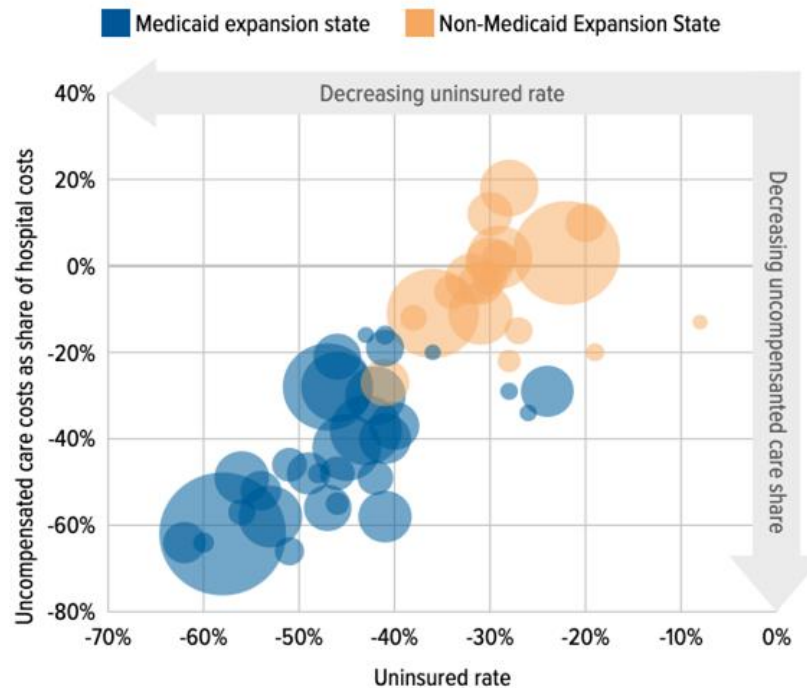


- ★ Establishing premium reduction targets and/or provider reimbursement rates
- ★ Requiring or incentivizing value-based payment

Lessons From Coverage Expansion Efforts

When Uninsured Rate Falls, So Do Uncompensated Care Costs

Percent Change, 2013 to 2017



Note: The Affordable Care Act allows states to expand their Medicaid programs. Each bubble represents a state with the size of the bubble based on state population.

Source: CBPP analysis using MACPAC data on uncompensated care costs and Census Bureau data on uninsured rates by state. Note, each bubble represents a state with the size of the bubble based on state population.

Contact Us:

Liz Hagan, Director of Policy solutions:

ehagan@usofcare.org

Twitter: Hagan_Elizabeth

www.unitedstatesofcare.org

Instagram: @usofcare

Twitter: USofCare