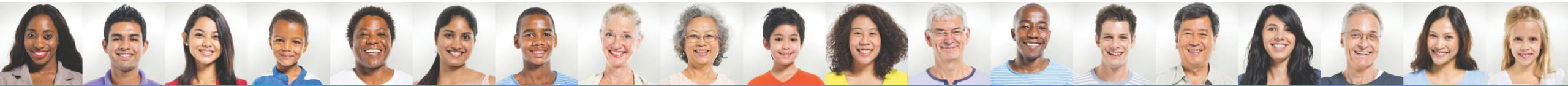




Joint State-Federal Relations & International Insurance Issues Committee

NCOIL

April 2025



Dedicated to creating a nation where the best health and health care are equally accessible and affordable to all

Families USA, a leading national, nonpartisan voice for health care consumers, is dedicated to the achievement of high-quality, affordable health care and improved health for all. We advance our mission through public policy analysis, advocacy, and collaboration with partners to promote a patient- and community-centered health system.

Working at the national, state, and community levels for over 40 years.



State of Health Care in America

More people in American have coverage than ever before

- ACA Marketplace enrollment reached four year high in 2025 with 24.3 million people enrolling in coverage¹
- Americans without insurance has been cut in half since 2010, going from 49 million down to 26 million in 2023.²
- Majority of people in America get coverage through private insurance (65%) vs through public coverage such as Medicare, Medicaid, TriCare, or through the VA (36%)³

Families are still grappling with high costs of health care, despite these important gains

- More than 100 million Americans face medical debt⁴; a quarter of all Americans forgo needed medical care due to the cost⁵; and a third of Americans indicate that the cost of medical services interferes with their ability to secure basic needs like buying groceries and paying rent.⁶
- Rising costs of health care have put significant downward pressure on workers' wages over the last 40 years.⁷
- Almost 30% of adults are not taking their medications as prescribed specifically due to the cost — rationing their medications, skipping doses, or not filling their prescriptions at all.⁸

Sources

1 <https://www.kff.org/policy-watch/enrollment-growth-in-the-aca-marketplaces/#:~:text=ACA%20Marketplace%20enrollment%20has%20reached,24.3%20million%20people%20in%202025.>

2 <https://www.kff.org/policy-watch/enrollment-growth-in-the-aca-marketplaces/#:~:text=ACA%20Marketplace%20enrollment%20has%20reached,24.3%20million%20people%20in%202025.>

3 <https://www.census.gov/library/publications/2024/demo/p60-284.html#:~:text=In%202023%2C%20most%20people%2C%2092.0,percent%20and%2036.3%20percent%2C%20respectively.%E2%80%8B>

4 <https://kffhealthnews.org/news/article/diagnosis-debt-investigation-100-million-americans-hidden-medical-debt/>

5 <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/#:~:text=The%20cost%20of%20health%20care,care%20because%20of%20the%20cost%E2%80%8B>

6 <https://www.commonwealthfund.org/publications/surveys/2023/oct/paying-for-it-costs-debt-americans-sicker-poorer-2023-affordability-survey>

7 <https://familiesusa.org/resources/the-weight-of-high-hospital-prices-is-keeping-american-workers-underwater/>

8 <https://www.kff.org/health-costs/press-release/poll-nearly-1-in-4-americans-taking-prescription-drugs-say-its-difficult-to-afford-medicines-including-larger-shares-with-low-incomes/>

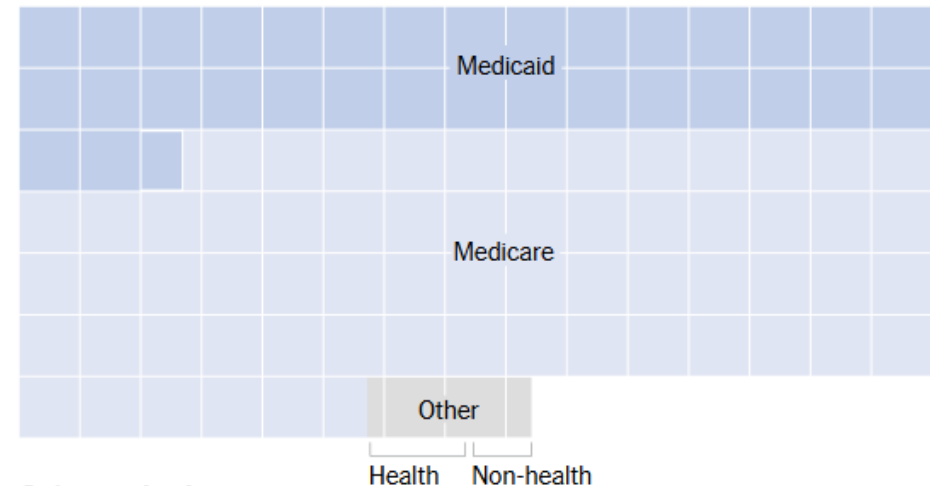


Landscape: Medicaid

- Congress, through budget reconciliation, has required itself to find significant cuts. Particularly true for the House Energy and Commerce Committee – lead health care committee – which is required at minimum to cut \$880 billion
- Number of proposals being considered:
 - Implement work reporting requirements
 - Eliminate or reduce provider taxes
 - Reduce federal share of Medicaid funding (FMAP)
 - Undermine eligibility determination processes to make more burdensome
 - Fundamentally restructure Medicaid state-federal match to block grants or per capita caps funding

Spending overseen by the House Committee on Energy and Commerce

\$25 trillion



Cuts required

\$880 billion

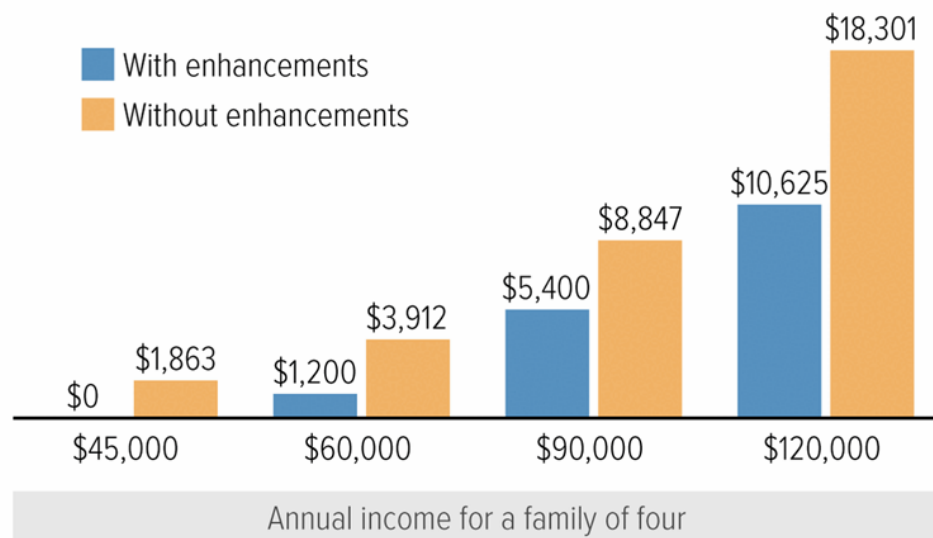


Specific impacts of these reforms vary but without a doubt they would overwhelmingly impact state budgets due to reductions in federal funding and result in millions of families losing affordable health care coverage

Landscape: Private Coverage

Families Would Face High Premium Increases if Tax Credit Enhancements Expire

Annual premium for benchmark marketplace coverage for a family of four, based on national average premium



Note: The example family includes two 40-year-old adults, a 10-year-old child, and a 5-year-old child. Premium costs differ for states with different poverty level standards than the national standard (Alaska and Hawai'i) and in some cases differ for states that provide additional financial help beyond the federal subsidy.

Source: CBPP calculations

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

- Possible Congressional Priorities
 - Enhanced Premium Tax Credits (APTCs) expire at the end of this year without Congressional action to extend
 - Association Health Plans and Short-Term Plans becoming more accessible, putting at risk comprehensive protections
 - Increasing risk of high-deductible plans through changes to Health Savings Accounts (HSAs)
- Possible Administrative Priorities
 - Proposed ACA Marketplace Integrity and Affordability Rule
 - Mandated shorter special enrollment periods – including for states that have typically had their own timelines
 - Limiting coverage, such as for DACA individuals through ACA marketplaces and gender affirming care
 - Reductions in funding for Navigators that help families navigate ACA and Medicaid enrollment
 - Changes to coverage for preventive health services (*Braidwood v Kennedy*)

Landscape: Medicare

- Continued implementation of the Medicare Drug Price Negotiation Program and other reforms from the *Inflation Reduction Act*
- Possible Administrative and Congressional Priorities on Medicare Advantage:
 - Strengthen the Medicare Advantage payment system against over payments and coding abuses, including the bid-benchmark and risk adjustment systems, to promote competition within the Medicare Advantage individual market
 - Monitor reforms that could require or further incentivize default enrollment in Medicare Advantage.
 - Require Medicare Advantage insurers to submit high-quality and complete encounter data to promote meaningful transparency in the Medicare Advantage program

Landscape: Addressing Drivers of High Health Care Costs

Possible priorities that could be done through Congress or Administration:

- Transparency
 - Strengthen hospital and health plan price transparency by requiring all hospitals and health plans to disclose their negotiated rates in dollars and cents.
 - Advance billing transparency reforms to ensure that big hospital corporations are not overcharging in outpatient settings.
 - Direct pharmacy benefit managers (PBMs) to report comprehensive and accurate data about their business practices, including but not limited to revenue, price and utilization data resulting from their negotiations with drug manufacturers and contracts with insurers.
- Same Service, Same Price Reforms
 - Enact a comprehensive same service, same price policy to stop big hospital corporations from charging more for the same care, and shifting patients to higher-cost care settings.
- Reining in consolidation and anticompetitive behavior
 - Prohibit anti-competitive contracting including between providers and insurers that limit patients' access to alternative sources of health care.
 - Prohibit anticompetitive contracting terms including between providers and insurers such as "all-or-nothing," "anti-steering," and "anti-tiering" clauses in provider and insurer contracts and noncompete clauses in employee contracts that limit patient access to alternative sources of higher-quality, lower-cost care.
 - Close legal loopholes that allow drug companies to drive up the cost of prescription drugs by reining in key patent abuses, such as patent thickets, product hopping and pay-or-delay practices to improve innovation and competition in the prescription drug market.

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