

# A Vote to Protect and Expand Health Coverage for Young Adults: A Policy Agenda for the 2018 Midterm Elections

Health care in the United States remains under attack. President Trump and Congressional Republicans have made repeal of the Affordable Care Act (ACA) a central campaign promise and primary governing priority. Since President Trump took office in January 2017, the Republican majority and the administration have attempted repeated legislative efforts to repeal or severely weaken the ACA, successfully repealed the individual mandate, worked to sabotage the law administratively, and declined to defend the law against yet another looming legal challenge that threatens key consumer protections.

At the same time these repeal efforts were taking place, the United States saw historic gains in health insurance coverage – particularly for young adults – and public support for the ACA reached record highs, with the majority of adults under 50 now having a favorable view of the law.<sup>1</sup> Consequently, it’s no surprise that fifty-five percent of Americans now say that they worry “a great deal” about the availability and affordability of health care, more than any other issue.<sup>2</sup>

In the upcoming midterm elections, voters want to hear from candidates about the issues that matter to them. Nearly one in four voters say that health care is “the most important issue” they want to see candidates address in 2018, with health care costs specifically being top of mind for these voters.<sup>3</sup> While the ACA has helped expand coverage to tens of millions of Americans, costs remain a barrier for many, particularly for young adults. Candidates should think big about the next phase of health reform, while at the same time focus on practical, short-term proposals to ensure access to and affordability of coverage. The ACA has helped expand coverage to tens of millions of Americans, but challenges remain, and there’s much that candidates can do right now to protect the ACA and build on its progress.

Young Invincibles challenges midterm candidates, and all elected officials, to support a health care policy platform that prioritizes the health of young adults by ensuring they have access to the affordable care they need to get and stay healthy. Millennials are projected to overtake Baby Boomers in the next year as the largest living adult generation and are also approaching Baby Boomers in their share of the electorate.<sup>4</sup> Young adults have also seen the greatest gains under the ACA, and consequently have much to lose.<sup>5</sup> In order to win their votes, candidates need to be specific about their plans to protect and expand access to coverage.

Specifically, candidates can support young people by working to:

- Protect public programs and reaffirm commitment to core consumer protections;
- Increase the affordability of marketplace coverage and lower out-of-pocket costs for young adults;
- Improve the stability of the individual market to bring down premiums;
- Ensure every young adult knows about the coverage options available to them and has the help they need to enroll; and
- Close remaining coverage gaps to move toward universal coverage.

## **PROTECT PUBLIC PROGRAMS AND REAFFIRM COMMITMENT TO CORE CONSUMER PROTECTIONS**

### *The problem:*

Significant threats exist to the immense progress made under the ACA to extend affordable, comprehensive coverage to young adults. If President Trump and Congressional Republicans are successful in their attempts to repeal and or significantly weaken the law, at least 8 million young adults (18-34) covered through the marketplaces, Medicaid expansion, or expanded dependent coverage are at risk.<sup>6</sup> So too are the millions more that have also benefited from the ACA's consumer protections – such as new benefits requirements, limits on out of pocket spending, and guaranteed coverage for people with preexisting conditions – that improved the quality of existing coverage. Potential coverage losses extend beyond the ACA to the most vulnerable young adults covered by the Medicaid program, including those with disabilities and/or complex health care needs. Administrative and Congressional actions continue to put the Medicaid program at risk of funding cuts and programmatic changes intended to restrict access to coverage and care.

### *What candidates can do:*

Protecting the progress made under the ACA is essential to ensuring that the 8 million young adults that have gained coverage are able to maintain that coverage. Protecting the Medicaid program preserves an invaluable safety net for the most vulnerable young adults. Candidates must reaffirm their commitment to ensuring that every young adult can access affordable, comprehensive health insurance and work to:

- Protect the ACA from repeal.
- Preserve the ACA's consumer protections.
- Protect Medicaid from funding cuts and push back on restrictive programmatic changes, like work requirements.

## **IMPROVE AFFORDABILITY OF COVERAGE AND CARE**

### *The problem:*

While the ACA has made great strides in reducing the number of uninsured young adults, coverage remains too expensive for many - even with financial assistance. A typical uninsured young adult makes just over \$19,000 a year while the typical young person shopping on the individual market makes about \$24,000 a year.<sup>7</sup> Although nearly all uninsured young adults have incomes that would qualify them for marketplace subsidies or Medicaid (in states that have expanded), many still may find coverage unaffordable.<sup>8</sup> For instance, 86 percent of individuals that shopped for a plan but did not enroll said it was because they could not find a plan they could afford.<sup>9</sup> Moreover, even for those young adults that are insured, skyrocketing deductibles can make accessing care prohibitively expensive leading them to delay treatment or forgo it altogether.

### *What candidates can do:*

The ACA's income-based subsidies have helped many low-income young adults access lower premiums without paying full premium costs up front, and more easily afford out-of-pocket costs, but more can be done. Building on these tools – and finding new ways to limit out-of-pocket costs – can help ensure that marketplace coverage is affordable for young adults, particularly those remaining uninsured. Candidates should commit to policy changes that would:

- Increase financial assistance for young adults to lower the cost of premiums.<sup>10</sup>
- Lower out of pocket costs, particularly for the lowest income marketplace enrollees.

## **IMPROVE STABILITY OF INDIVIDUAL MARKET TO REDUCE PREMIUMS**

### *The problem:*

While independent evidence has consistently demonstrated that the ACA's individual market is on a path toward stability and profitability, recent policy changes have had a destabilizing effect on the market.<sup>11</sup> An early analysis of 2018 market data from the Kaiser Family Foundation found that if not for actions taken by Congress and the Trump administration – such as repeal of the individual mandate and expansion of loosely regulated plans like association health plans and short term plans that aren't required to comply with ACA consumer protections – consumers could expect only modest premium increases for the 2019 plan year.<sup>12</sup> Instead, double-digit premium increases are expected across the country in the lead up to the next open enrollment period.<sup>13</sup> This trend exacerbates growing affordability issues for young adults, many of whom already struggle to afford their health insurance premiums. For instance, the Urban Institute found that nearly one quarter of marketplace enrollees surveyed reported that they (or someone they knew) had difficulty affording their health insurance premiums in 2017.<sup>14</sup>

### *What candidates can do:*

A federal reinsurance program, much like the one implemented for Medicare Part D, could significantly drive down premiums – improving affordability for consumers, including young adults – as well contributing to the long-term stability of the marketplace. Reinsurance is a market stabilization program that provides payments to health plans to offset expenses of higher cost individuals, in turn protecting against premium increases in the individual market. The ACA's temporary reinsurance program was estimated to have reduced premiums by up to 14 percent.<sup>15</sup> Additionally, a public plan option offered on the marketplace – either as a side-by-side with private plans or as a fallback where there isn't adequate competition – could introduce additional competition into the marketplace and drive premiums down. Candidates should commit to policy change that would:

- Establish a permanently funded federal reinsurance program for the ACA.
- Implement a public plan option to compete alongside private plans in areas with limited competition.

## **ENSURE THAT EVERY YOUNG ADULT KNOWS THEIR COVERAGE**

### **OPTIONS AND CAN GET THE HELP THEY NEED TO ENROLL**

#### *The problem:*

Increased financial assistance to afford marketplace coverage and a reinsurance program would help bring premiums down for young adults, but actual enrollment depends on young adults knowing about their options. Despite immense coverage gains, 10.4 million young adults remain uninsured.<sup>16</sup> Nearly all of the remaining uninsured have incomes that would make them eligible for marketplace subsidies or Medicaid (in states that have expanded).<sup>17</sup> Yet, many young adults remain unaware of premium tax credits or opportunities to enroll in marketplace coverage, with historically too few resources devoted to reaching this population. For example, young adults 19-34 remain the age group least likely to know about affordable coverage options through the marketplaces.<sup>18</sup> While the ACA included significant funding to undertake outreach and enrollment efforts that could help reach this population, the Trump administration has slashed that funding: in 2018 advertising was cut by \$90 million and enrollment assistance cut by just over 40 percent.<sup>19</sup> Just recently, the Administration announced an additional 72 percent cut to enrollment assistance funding bringing the total to just \$10 million in 2019 for all 34 federally-facilitated marketplace states.<sup>20</sup>

#### *What candidates can do:*

Reaching these remaining uninsured will require aggressive outreach and enrollment efforts to educate young adults about coverage options available to them and ensure they enroll. Candidates should commit to policy change that would:

- Restore, and make permanent, funding for outreach, marketing, and in-person enrollment assistance.

## **CLOSE REMAINING COVERAGE GAPS**

### **TO MOVE TOWARD UNIVERSAL COVERAGE**

#### *The problem:*

While improving affordability of coverage and increasing the awareness of, and enrollment in, coverage options can significantly reduce the number of uninsured young adults, gaps will remain. It is estimated that nearly a million uninsured young adults between 19-34 have Medicaid-eligible incomes, but live in states that have yet to expand.<sup>21</sup> Additionally, countless more young adults are locked out of affordable marketplace coverage due to the ‘family glitch.’

#### *What candidates can do:*

Two-thirds of adults under 30 believe that the government has a responsibility to ensure Health Coverage for all people, more than any other age group.<sup>22</sup> Closing remaining coverage gaps and moving toward universal coverage will require a variety of policy changes to ensure that no young adult is left behind. Candidates should commit to policy changes that would:

- Incentivize remaining states to expand Medicaid.
- Fix the ‘family glitch’ by changing the way the affordability of job-based insurance is calculated so that family members can obtain premium tax credits.

## END NOTES

- [1.] Ashley Kirzinger, et al, "Kaiser Health Tracking Poll: Preview of the Role of Health Care in the 2018 Midterm Campaigns," Kaiser Family Foundation, May 10, 2018, <https://www.kff.org/health-costs/poll-finding/kaiser-health-tracking-poll-preview-role-of-health-care-2018-midterm-campaigns/>
- [2.] Jeffrey Jones "U.S. Concerns About Healthcare High; Energy, Unemployment Low," Gallup, March 26, 2018,
- [3.] Kirzinger, et al, "Kaiser Health Tracking Poll"
- [4.] Richard Fry, "Millennials Approach Baby Boomers as America's Largest Generation in the Electorate," Pew Research Center, April 3, 2018,
- [5.] Erin Hemlin, What's Happened to Millennials since the ACA? Unprecedented Coverage & Improved Access to Benefits, (Washington, DC: Young Invincibles, 2017), p. 1-3, accessed July 18, 2018, <http://younginvincibles.org/wp-content/uploads/2017/05/YI-Health-Care-Brief-2017.pdf>
- [6.] Erin Hemlin, What's Happened to Millennials since the ACA?, p. 3
- [7.] Young Invincibles' analysis of U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2017
- [8.] Sara Collins, et al, Who Are the Remaining Uninsured and Why Haven't They Signed up for Coverage? (Washington, DC: The Commonwealth Fund, 2018) p. 4, accessed July 18, 2018, [https://www.commonwealthfund.org/sites/default/files/documents/\\_\\_\\_media\\_files\\_publications\\_issue\\_brief\\_2016\\_aug\\_1894\\_collins\\_who\\_are\\_remaining\\_uninsured\\_tb\\_rev.pdf](https://www.commonwealthfund.org/sites/default/files/documents/___media_files_publications_issue_brief_2016_aug_1894_collins_who_are_remaining_uninsured_tb_rev.pdf)
- [9.] Sarah Collins, et al, Who Are The Remaining Uninsured, p. 7
- [10.] An example of this proposal is found in S.2529 and H.R. 6432
- [11.] Matthew Fiedler, Taking Stock of Individual Insurer Financial Performance in the Individual Market Through 2017, (Washington, DC: USC-Brookings Shafer Initiative for Health Policy, 2017), p. 1-3, accessed July 18, 2018, <https://www.brookings.edu/wp-content/uploads/2017/10/individualmarketprofitability.pdf>
- [12.] Ashley Semanskee, Cynthia Cox, and Larry Levitt, Individual Insurance Market Performance in Early 2018, (Washington, DC: Kaiser Family Foundation, 2018), p. 1, accessed July 18, 2018,
- [13.] Rabah Kamal, et al, "Tracking 2019 Premium Changes on ACA Exchanges," Kaiser Family Foundation, July 12, 2018, accessed July 19, 2018, <https://www.kff.org/private-insurance/issue-brief/tracking-2019-premium-changes-on-aca-exchanges/>
- [14.] Michael Karpman and John Holahan, With Nongroup Premiums Rising Sharply, Several Proposals to Reduce Premium Growth Have Strong Support, (Washington, DC: Urban Institute, 2018), p. 3, accessed July 18, 2018, [http://hrms.urban.org/briefs/reducing\\_nongroup\\_premiums.pdf](http://hrms.urban.org/briefs/reducing_nongroup_premiums.pdf)
- [15.] Cori E. Uccello and Shari Westerfield, Drivers of 2015 Health Insurance Premium Changes (Washington, DC: American Academy of Actuaries, 2014), p. 4, accessed July 18, 2018, [http://www.actuary.org/files/2015\\_Premium\\_Drivers\\_Updated\\_060414.pdf](http://www.actuary.org/files/2015_Premium_Drivers_Updated_060414.pdf)
- [16.] Young Invincibles' analysis of U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2017
- [17.] Sarah Collins, et al, Who Are The Remaining Uninsured, p. 4
- [18.] Ibid, p. 6
- [19.] Shanoor Seervai, Cuts to the ACA's Outreach Budget Will Make It Harder for People to Enroll, (Washington, DC: The Commonwealth Fund, 2017), accessed July 18, 2018,
- [20.] Virgil Dickson, "CMS Slashes Navigator Funding to Just \$10 Million," Modern Healthcare, July 10, 2018, accessed on July 18, 2018, <http://www.modernhealthcare.com/article/20180710/NEWS/180719988>
- [21.] Rachel Garfield, Anthony Damico, and Kendal Orgera, The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid, (Washington, DC: Kaiser Family Foundation, 2018), p. 3, accessed July 18, 2018, <http://files.kff.org/attachment/Issue-The-Coverage-Gap-Uninsured-Poor-Adults-in-States-that-Do-Not-Expand-Medicaid>
- [22.] Jocelyn Kiley, "Public Support for 'Single Payer' Health Coverage Grows, Driven by Democrats," Pew Research Center, June 23, 2017, accessed July 18, 2018, <http://www.pewresearch.org/fact-tank/2017/06/23/public-support-for-single-payer-health-coverage-grows-driven-by-democrats/>