

MaineHealth

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MaineHealth sees opportunity amid concerns in the debate over the Affordable Care Act

When the Affordable Care Act (ACA) was being contemplated, MaineHealth joined other healthcare systems to support legislation that would expand access to quality, affordable health insurance for Maine people and realign our healthcare finance system to support better, more cost-effective care. Once passed, member organizations of MaineHealth invested heavily in implementation of the ACA, and now have a big stake in its success.

In addition to meeting new requirements under the law, MaineHealth members have helped finance ACA coverage by foregoing hundreds of millions of dollars of Medicare reimbursements. And, unfortunately, while our member hospital in New Hampshire did see an expanded Medicaid program as part of the ACA, that was not the case in Maine. As result hospitals there have not been able to fully realize the opportunity for reductions in bad debt and charity care.

Nevertheless, the ACA has succeeded in providing access to affordable coverage for thousands of moderate-income people in our service area, improving the individual health insurance market and incentivizing new financial models that promote improved health care value.

Today, many of our patients now have comprehensive, high-quality coverage that they simply could not afford previously. While the exchange that supports the individual market under the ACA is not perfect, it's important to remember that in Maine the individual market was on the brink of collapse prior to the law's enactment while New Hampshire's individual market also faced severe challenges.

The ACA has also promoted important progress in areas such as population health, value-based purchasing and building a foundation on primary care. Our organization was supportive of these reforms even prior to the ACA, and since its passage has continued to invest in them: Today, MaineHealth oversees \$9.5 million annually in programing aimed at improving community health; our Accountable Care Organization has 17 different contracts that align quality care and cost containment, which together cover more than 200,000 patient lives; and throughout our system, primary care is being reimagined with a more comprehensive model known as Patient-Centered Medical Homes that provide a range of services, including behavioral health.

Over all, the ACA has been a positive step forward in reducing the number of uninsured Americans and promoting more effective delivery of care. Its chief challenges are that it relies upon an individual insurance market that does not have enough healthy participants to properly spread risk, and there is a gap in insurance access for the poor that was created when expansion of Medicaid became optional for states.

Though we've always believed that it is neither the panacea its supporters tout nor the disaster its detractors suggest, our organization has been and remains supportive of the ACA. We believe strongly that any replacement must adhere to the same principles we supported in 2010, namely that it provide access to affordable, high-quality health insurance for low- and moderate-income people while continuing to realign healthcare financing to support improved value.

Perhaps the law's biggest flaw, however, is not one of policy, but of politics. Passed in 2010 with only the votes of Democrats, the law has understandably been a source of resentment among Republicans, who now control Congress and the presidency. As a result, we expect a robust debate in Washington in the coming year over whether, when and how to repair or repeal the ACA and what might take its place.

Ideally, the parties would work together to build on and improve the ACA, but the heated rhetoric over the years makes that difficult. We are hopeful that our representatives in Washington will take up the cause with the fate of our largely rural local health systems in mind.

It would be good to see New Hampshire's four Democratic representatives in Washington – U.S. Sens. Jean Shaheen and Maggie Hassan as well as U.S. Reps. Carol Shea-Porter and Ann McLane Kuster - finding a way to work with their colleagues from Maine, including Independent U.S. Sen. Angus King of Maine as well as Maine U.S. Sen. Susan Collins, a moderate Republican who has taken the important step of sponsoring legislation that clearly aims to forge a constructive compromise. We are encouraged as well that Maine's U.S. Reps., Chellie Pingree, a Democrat, and Bruce Polilquin, a Republican, have also voiced support for mitigating the potential negative impact on rural communities.

There is a lot at stake in this debate. The Maine Hospital Association estimates that the various provisions of the ACA to be debated put nearly \$1 billion at stake for MaineHealth and its members over 10 years. Already, many of the state's community hospitals and local health systems are struggling with losses as they deal with a changing industry landscape – challenges that are driven as much or more by technology and evolving care models as they are by public policy.

Repeal of the ACA without a suitable replacement could be a tipping point for many of our rural health care providers, raising serious issues of access to care for thousands of patients.

We believe any ACA replacement should adhere to some core principles that, taken together, amount to a Hippocratic Oath for lawmakers:

- **Access to high-quality and affordable coverage.** Any replacement should be judged not just by whether health insurance is available to individuals, but whether it covers the full array of necessary health care and is within the means of those who need it.
- **Coverage for the poorest patients.** As a system of not-for-profit health care providers, MaineHealth is committed to providing care to all who come to us, regardless of ability to pay. Caring for uninsured people of limited means can be costly because needed treatment and preventative services often are skipped. And in our healthcare financing system, bad debt and charity care drives up the cost of care for everyone with private insurance.
- **A commitment to reforms that work.** Initiatives like Accountable Care Organizations and requirements that hospitals invest in their public health mission are important to transforming our system to one that delivers great care, controls costs and creates healthy communities. These goals should not be abandoned.
- **Market stability.** The great opportunity that comes with a reexamination of the ACA is the chance to do a better job of getting younger and healthier individuals to participate in the insurance market. People tend to want coverage when they know they will need it, that's only natural. But this tendency can leave a marketplace only with the sickest participants, making coverage expensive. In the worst case, such a trend can cause a market to collapse.
- **Political consensus.** Predictability and sustainability are important to any enterprise. Healthcare providers and insurers need to know that the rules won't drastically change with each election. A bipartisan plan would correct the ACA's biggest flaw of being politically unsustainable.

We recognize the politics of this debate are very difficult. The two sides seem far apart on so many issues. But progress demands an honest discussion based on facts and compromise that puts patients before politics. We believe our representatives in Washington are poised to be a leading voice in this debate, and we encourage them to fill that role.

About this white paper: This MaineHealth White Paper on the Affordable Care Act was drafted by the MaineHealth communications and government relations staffs with input and final approval from senior leadership. This version was tailored specifically for our New Hampshire stakeholders.

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