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# Implementing The ACA: Onward Through The Thorns

BY JOHN K. IGLEHART

**A** monumental clash over the Affordable Care Act (ACA) that defines the ideologies of the political parties, along with a divided public and anxious stakeholders, are greatly complicating implementation of the landmark law. As Republicans strategize to defund the measure in whole or part through budgetary processes, the administration is focused on implementation.

One question that looms large is whether the government has the capacity to effectively implement a massive public undertaking amidst paralyzed politics and the inevitable glitches that even President Barack Obama concedes will occur. Health and human services secretary Kathleen Sebelius has characterized implementation as “a continuous self-improvement project.”

The next major step begins October 1, when the real public voting begins on the ACA. At that point, eligible individuals can begin enrolling in newly created health insurance exchanges that are designed to enable consumers to select an insurance package from among competing plans offered by private carriers. Many Republican governors declined to operate these state-based exchanges—decisions that ironically left the task largely to the federal government.

## VEXING QUESTIONS

This *Health Affairs* variety issue focuses on some of the vexing questions that implementation poses for parties of interest who stand to gain (or lose) in the process. One of the most provocative is whether employers that before the ACA provided coverage voluntarily to their employees will terminate it, compel-

ling workers to seek insurance through the exchanges. The administration announced July 2 that it would delay for a year an employer mandate that firms with more than fifty workers provide insurance or pay a penalty, but employers’ potential actions complicate the implementation picture.

Thomas Buchmueller, Colleen Carey, and Helen Levy report their own estimates of potential coverage fall-off by examining two approaches to the question: microsimulation models developed by others and employer surveys. They agree with the general conclusions reached through these instruments that the ACA will result in little change in the number of workers covered by employer-sponsored insurance. However, this finding contrasts sharply with the American Action Forum’s estimate that forty-three million workers will lose access to employer coverage. This work is accessible online: [http://americanactionforum.org/uploads/files/research/OHC\\_LabMktsHCR.pdf](http://americanactionforum.org/uploads/files/research/OHC_LabMktsHCR.pdf).

## CHANGES FOR PRIVATE INSURANCE

The ACA’s dictates are leading to profound changes in how private insurance is designed and sold, offering insurers new business opportunities but also imposing regulatory restrictions that could pinch their bottom lines. One such provision regulates medical loss ratios that require insurers to use 80–85 percent of their collected premiums for direct medical expenses or quality improvements rather than overhead or profits. As one consequence, Michael McCue, Mark Hall, and Xinliang Liu found that insurers reduced their administrative costs, with the largest changes occurring in the individual insurance market.

But employers and insurers are not the only stakeholders that the ACA subjects to possible penalties or repayments. Ken Jacobs, Dave Graham-Squire, Elise Gould, and Dylan Roby found that if an individual receives a tax credit to partially cover the cost of insurance based on reported income, she would have to repay a portion of the subsidy to the Internal Revenue Service if, in a subsequent tax filing, her income proved higher than previously calculated. The authors recommend that insurance exchanges educate consumers about how the subsidies work and the need to report income changes promptly.

## PRIMARY CARE ACCESS

Primary care is the gateway through which most patients pass, but a shortage of practitioners will undoubtedly crimp access for many newly insured people. The ACA includes a number of provisions designed to improve primary care access, including a temporary (2013–14) increase in Medicaid payments to primary care providers for a limited set of services. However, newly available data reported by Sharon Long show that physicians across the state of Washington believe that other improvements would be equally important in making the program more attractive to doctors, including simplifying its administrative processes, speeding up reimbursement, and reducing the costs of caring for its covered patients.

## OTHER SUBJECTS COVERED

Articles in this issue of *Health Affairs* also address food policy and health; measure the cost of sending low-risk patients to trauma centers; report on a federal commission’s recommendation that states be given the option of offering twelve-month continuous Medicaid eligibility to adults as a way to increase enrollment; and review a Michigan county-based program that granted uninsured residents access to dental services from local dentists by providing a total of 57,000 hours of volunteer service in their communities. ■