Zombie Health Care — BCRA rising from the dead?

GUEST VIEWPOINT

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One has to wonder in what way did the Senate's latest "Repeal and Replace" proposals "dig" into the real issues, such as providing the affordable, accessible and comprehensive health care so many Americans were not only promised but are in dire need of?

The key question is how Americans can secure what every other industrialized nation is already being provided at half our current healthcare costs?

Let's start with the fact that, for normal citizens under the recently "stunned" Better Care and Reconciliation Act (BCRA) proposal, essential policy coverage elements and cost protections could be "waived" by each state. But, according to law professor and health care policy expert Timothy Jost, that "waiver of essential health benefits apparently would not have applied to ACA plans that cover members of Congress."

At 172 pages, crafted behind closed doors, how did the Senate's BCRA actually compare with the 1,000-plus paged Affordable Care Act (ACA)? A full year of detailed public debate surrounded ACA's passage, amid more than 170 Congressional hearings.

Interestingly, after the passage of the ACA, lead Democratic Senator Max Baucus retired to join the insurance industry. It wasn't the first time the bronze revolving door appeared. In December 2003, President Bush signed the Medicare Modernization Act (MMA) providing first-time Medicare Part-D pharmaceutical coverage.

Just like BCRA, it was created without public hearings and presented to Congress for a vote — all in the same evening. MMA barred Medicare from negotiating lower drug prices. It also denied Americans ability to import cheaper drugs. By comparison, the Veterans' Administration negotiates prices, the result of which are drastically reduced drug pricing scales.

Within days of passing the MMA, lead committee member Congressman Billy Tauzin (La.), a 25-year "Democrat-turned-GOP" resigned his $150,000 a year Congressional seat, joining PhRMA — a powerful pharmaceutical trade-lobby group, where his annual income skyrocketed to more than $2 million.

Today, as drug costs increasingly eat away at U.S. health funding, each zombie-like "Repeal and Replace" version rises from the dead, retaining MMA's 2003 pharmaceutical price protections and drug importation bans.

The BCRA also overlooked complex drug pricing and payment schemes designed to profit everyone except the American consumer. It ignored the hidden issue of drug industry "rebates" to care providers, insurance companies and pharmacy benefit managers (PBM), who prescribe or otherwise decide which drugs will be approved for policy holder payment.

Some "rebate" programs exceed 40 percent of labeled drug costs. Meanwhile, consumers pay full price, unaware such "kickbacks" may influence prescribing higher-priced drugs rather than equally effective, lower-priced drugs.

As for carrier administrative costs, BCRA eliminated the ACA's "80/20 Medical Loss Ratio" (MLR) rule. These discourage carriers from charging — and pocketing — excessive revenue above actual health costs.

They require payout of at least 80 percent of premiums for actual health costs, not carrier administrative costs or profits. If a carrier's administrative costs or profits exceed 15-20 percent of premium charges, consumers receive rebates for the excess. Rebates now top $2.4 billion. Under BCRA, MLRs and rebates ceased unless each state created its own MLR program.

Long-term and nursing home care were also at risk through BCRA's deep Medicaid cuts. Effective after the next election cycle, cuts then deepened. Approximately 64 percent of nursing homes residents are dependent on Medicaid. BCRA removed requirements that state Medicaid programs cover such care. The respected Medicare Rights Center predicted BCRA "Will end Medicaid as we know it."

As for ACA cost-sharing for "individual market" deductibles and co-pays, BCRA would have phased out all support after the 2018 elections — and ACA premium support would have been reduced significantly.

BCRA also lifted ACA rules limiting carriers from charging older consumers more than three times the rates paid by younger policy holders. Under BCRA, "age-rating" price ratios would have risen by five times or more.

And BCRA's big picture for rural communities? National Rural Health Association, representing nearly 2,000 rural and small-town hospitals, said it would lead to more uninsured people, greater health disparities and "...ultimately be a death sentence for [many] rural hospitals across the country."

Beyond BCRA, the GOP is also exhuming its 2015 "repeal-and-delay" proposals, killing significant parts of the ACA, without any immediate replacement. On July 19, the bipartisan Congressional Budget Office (CBO) issued their analysis of this. According to the CBO:

— "Average premiums in the nongroup market (individual policies in ACA and private market) increase roughly 25 percent ... in 2018, 50 percent in 2020 ... and double by 2026..."

—"Half of the nation's population would live in areas having no insurer participating in the nongroup market in 2020 ...[increasing] to about three-quarters of the population by 2026."

One can see why interest and poll-approval is growing for an expanded "Medicare-for-all." Traditional Medicare has demonstrated administrative costs of under 5 percent.

In the Harvard Business Review published July 18, the Boston University School of Public Health Dean wrote, "The core of the ACA framework is unstable — a hostage to the market and political fortune. By contrast, a single-payer model stands to be much more durable and provides a chance to build a healthcare system around the well-being of patients rather than the profits of providers and insurers."

Senate Bill 1046, in the Oregon Legislature, supported by more than one-third of all Legislators, outlines such an approach. Health care alternatives exist. The logic and dimension of future care will reflect the level of concern and engagement demonstrated by ordinary Americans.

Otherwise, our health care will remain hostage to a multitude of "market-based" risk pools and zombie-like special interests continuing to spread their infection throughout our healthcare system — one bite at a time.