University of Arizona expert: Midterm elections could determine U.S. health care’s future

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“You can’t make insurance work if people only get coverage and pay into it when they get sick,” Dr. Daniel Derksen says. Rick Wiley / Arizona Daily Star 2017

The Affordable Care Act remains law, but its future will be uncertain until after the upcoming elections, University of Arizona health policy expert Dr. Daniel Derksen says.

“Depending on what happens in the midterms, we could certainly go back to some tough times” for health economics in this state, said Derksen, who is a professor of public health policy and director of the Center for Rural Health at the University of Arizona.

“The midterms make an extraordinary difference in what happens in the subsequent two years. Surely if it stays as-is, we’ll see similar bills to what went on before.”

Last year, the Republican-led Congress attempted to repeal the Affordable Care Act (ACA, also known as Obamacare) in proposed legislation that would have cut billions of dollars from the country’s Medicaid program, a government health insurance program for low-income people.

When the government-run Children’s Health Insurance Program is included in the count, Medicaid in the U.S. covers about 75 million Americans. Cuts to Medicaid would lead to more uncompensated care, Derksen and other experts have predicted.

“We continue in Arizona to see some of the best rates we’ve seen for hospitals — operating margins are going up, uncompensated care has really gone down. That has really fueled the strong growth we’ve seen in the health sector,” Derksen said. “We don’t really want to regress. We don’t want to go back to the days of 1.2 to 1.5 million uninsured Arizonans.”
The Star talked to Derksen by phone last week while he was in Flagstaff for the 45th Annual Arizona Rural Health Conference, hosted by the Arizona Center for Rural Health in collaboration with the Arizona Rural Health Association.

Here are excerpts from the interview:

**The Affordable Care Act is still the law of the land. But in 2019 there will no longer be an individual mandate that all Americans have health insurance. What’s going to happen with that?**

You can’t make insurance work if people only get coverage and pay into it when they get sick. Or if you only have people with chronic diseases — if those are the only people signing up for coverage, it makes it hard for the insurance model to work.

If there’s no mandate, insurers are worried that all they’ll get are people who have a reason to have health insurance. There are waiting periods and other ways insurers will have to mitigate that risk, based on the pool they have.

But the individual market — the non-group, non-employer — has always been in the last 10 years the most vulnerable to these types of changes, the most volatile.

**Most Americans do not buy their health insurance on the marketplace. Those who do are such a small group — 155,000 Arizonans, for instance. So why do we talk about the marketplace so much?**

Even though the individual market may represent a small percentage, if for some reason you undermine that and it becomes unstable and goes away, the uninsured, uncompensated care gets shifted to private insurance and to some degree to public payers.

You are not really saving money, you are just shifting the costs to hospitals and health providers and insurers. ... And you get back to where we were before the Affordable Care Act, with 50 million (Americans) uninsured.

If there is an increase in uncompensated and charity care, it also makes it harder for rural and critical-access hospitals to provide care, stay in a good fiscal position and make their margins work.

**What do you predict will happen to the ACA moving forward?**

We are one of the top states in reducing our numbers of uninsured. But depending on what happens in the midterms, we could certainly see that go back to some tough times for our health sector and state economics.

A lot of consumer protections (contained in the ACA) are at risk, and it’s hard to tell which ones will continue and which ones won’t. One of the most popular is not being denied or charged more for having a pre-existing condition. That is an extremely popular provision that came about because of the ACA.

What we need is more stability ... in the individual market. If we don’t stabilize the individual, non-group health insurance market, it will leach into employer-sponsored insurance, too. We’ve already seen that. This is a trend that has been going on well before ACA.

More and more companies that provide employer-sponsored insurance are shifting costs to individuals, and more of the risk. That shifting of cost and risk to individuals has not been covered by increases in peoples’ compensation.

If you further destabilize the individual market, more costs will shift to employer-sponsored insurance and get into a spiral that makes it hard to predict what will happen.
Why are you so concerned about Medicaid?
One-quarter of Arizonans get their coverage from Medicaid. Only one-quarter of people on Medicaid are in the eligibility category of disabled and the frail elderly, but they generate 62 or 63 percent of the Medicaid costs.
So when you talk about cutting Medicaid, as these various (congressional) bills did, $800 billion or $900 billion from U.S. Medicaid over 10 years, that is going to shift to those really vulnerable populations. That’s what states should be anxious about.
We have some special challenges in Arizona because we’ve been one of the states with a lot of growth in our low-income elderly — a lot of these issues disproportionately affect Arizona when you talk about Medicaid funding.
Two, possibly three companies could be selling marketplace insurance to Pima County residents on the Arizona marketplace for 2019. There was only one company in 2018. How did that happen?
When this started, if you remember, we had seven different insurance companies offering about 70 different plans on the marketplace in Arizona. As a result, we had the second-lowest silver premiums in the country.
Some people (companies) didn’t get enough enrollment to mitigate the risks and they withdrew. That is basic market principles.
There are a lot of covered lives potentially to be had. Most folks would like to see more than one choice, and competition does keep the prices down a bit.
But they (insurance companies) are going to have to pay close attention to how many enrollees they get and how they spread the risk. They will have to be very careful in how they price and what they do to encourage enrollment.
What about the Trump administration’s cuts to navigator grants that help people find health insurance? The reduction in Arizona has been 82 percent since 2016.
At a time when there are lots of questions — there are people who don’t understand that this (ACA) is still in place — I think it’s helpful to people to have non-biased assistance. If you have a complicated situation, having someone with a background and a couple of years of training really helps.
Despite these things, in the last couple of years enrollment has been relatively stable. The people who have enrolled and re-enrolled certainly understand it. That’s good, because when we see a decrease, there can be a related increase in uncompensated care.
It’s no different than Medicare. Medicare is not an easy system to understand when you first get into it. A lot of people get their information from friends or family members.
You are also talking about opioids at this week’s conference. What are the public health issues with opioid misuse in rural Arizona?
The resources can be quite thin for people with opioid use disorder.
The data is showing that people are seen two, three or four times in hospital emergency rooms for opioid overdoses before that tragic event of an overdose death. We have to keep trying to get people into treatment programs to address the underlying disorder. Sometimes they aren’t ready.
I think we are going to see from CDC (the U.S. Centers for Disease Control and Prevention) a series of funding opportunities, especially directed at rural areas. We are looking for ways to really enhance the resources we have on this issue. It is truly a public health emergency.