

TIME

Obamacare Repeal: The Big Difference Between 'Access' and 'Coverage'

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Rep. Tom Price, President Donald Trump's nominee to lead the U.S. Department of Health and Human Services, promised at his confirmation hearing on Tuesday that all Americans would have "access" to health care in the post-Obamacare future.

"Every single American will have access to affordable coverage," said Price, a former orthopedic surgeon and current House Republican from Georgia, before the Senate finance committee.

But what does that mean? The Affordable Care Act expanded coverage for 20 million Americans, and many now worry that they'll lose their coverage under whatever comes next. Republicans have yet to coalesce around a replacement plan, although many—including Price—have put forth proposals.

Meanwhile, President Trump last Friday signed an executive order directing federal agencies to do what they can to weaken the Affordable Care Act. While it was a largely symbolic act, it heightened the uncertainty for the millions of Americans covered under the law.

Could they lose their health insurance under an Obamacare replacement? Short answer: yes. Having access to care isn't the same thing as having insurance, says Michael Tanner, senior fellow at the right-leaning Cato Institute.

The philosophical divide between Republicans and Democrats dates back decades. "There's always been a difference between the two parties between access and coverage," Tanner says.

Coverage refers to who's paying for health care, he notes. Under the universal coverage that most developed countries have, the government pays the tab. The Affordable Care Act, also

known as Obamacare, attempted near-universal coverage through a mixture of government-subsidized private insurance and the expansion of Medicaid, a government program.

“Access” refers to the delivery of care, Tanner says. It ensures that everyone can get care even if they don’t have insurance—say, by walking into a doctor’s office and paying the bill individually, or by receiving free care at a community clinic.

Obamacare expanded health coverage, but critics argue that the law didn’t expand access for many consumers. If those covered under the Medicaid expansion can’t find a doctor who takes Medicaid, they have coverage but limited access. If those on a marketplace plan have a high deductible that prevents them from going to the doctor when they feel sick, they, too, have coverage but limited access.

On Tuesday, Senator Bob Menendez (D-NJ) pressed Price, asking, “Will you guarantee that no one will lose coverage?” Price responded that everyone would have access to affordable coverage.

He didn’t define affordable. It’s very likely that people with pre-existing conditions will pay more for coverage under an Obamacare replacement than they do now. It’s also likely that young people will pay less for coverage than they currently do.

Obamacare requires that insurers charge healthy and sick consumers the same price. It also limits insurers to charging the oldest consumers no more than three times what they charge the youngest. Any replacement will likely exclude these provisions, which will raise prices for older, sicker consumers.

This won’t happen overnight, though. While Republicans have laid the ground work for dismantling the Affordable Care Act, insurers are contractually committed to their plans for 2017. Barring a worst-case scenario, coverage for this year won’t change.

Coverage could change for 2018, however, either under a replacement plan or under market uncertainty in a “repeal and delay” scenario, where a replacement either is not passed or does not take effect for a number of years.