

Subject: American Medical Association on Upton Amendment

<https://www.ama-assn.org/ama-warns-proposed-changes-ahca-do-not-remedy-bill-s-shortcomings>

Excerpts:

American Medical Association: “The History Of High-Risk Pools Demonstrates That Americans With Pre-Existing Conditions Will Be Stuck In Second-Class Health Care Coverage -- If They Are Able To Obtain Coverage At All.” “High-risk pools are not a new idea. Prior to the enactment of the Affordable Care Act, 35 states operated high-risk pools, and they were not a panacea for Americans with pre-existing medical conditions. The history of high-risk pools demonstrates that Americans with pre-existing conditions will be stuck in second-class health care coverage – if they are able to obtain coverage at all.” [American Medical Association, [5/3/17](#)]

American Medical Association: “Proposed Changes To The Bill Tinker At The Edges Without Remediating The Fundamental Failing Of The Bill -- That Millions Of Americans Will Lose Their Insurance As A Direct Result Of This Proposal.” “None of the legislative tweaks under consideration changes the serious harm to patients and the health care delivery system if AHCA passes. Proposed changes to the bill tinker at the edges without remediating the fundamental failing of the bill – that millions of Americans will lose their health insurance as a direct result of this proposal.” [American Medical Association, [5/3/17](#)]

Full Statement:

AMA Warns Proposed Changes to AHCA Do Not Remedy Bill’s Shortcomings

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Despite amendments to bill, millions of Americans would still lose health insurance coverage

CHICAGO – American Medical Association (AMA) President Andrew W. Gurman, M.D., issued the following statement today about proposed changes to the American Health Care Act (AHCA):

“None of the legislative tweaks under consideration changes the serious harm to patients and the health care delivery system if AHCA passes. Proposed changes to the bill tinker at the edges without remedying the fundamental failing of the bill – that millions of Americans will lose their health insurance as a direct result of this proposal.

“High-risk pools are not a new idea. Prior to the enactment of the Affordable Care Act, 35 states operated high-risk pools, and they were not a panacea for Americans with pre-existing medical conditions. The history of high-risk pools demonstrates that Americans with pre-existing conditions will be stuck in second-class health care coverage – if they are able to obtain coverage at all.

“Not only would the AHCA eliminate health insurance coverage for millions of Americans, the legislation would, in many cases, eliminate the ban against charging those with underlying medical conditions vastly more for their coverage.”

“America should not go backward to the time when our fellow citizens with pre-existing health conditions faced high costs for limited coverage, if they were able to obtain coverage at all. The AMA urges congressional leaders and the Administration to pursue a bipartisan dialogue on alternative policies that provide patients with access and coverage to high quality care and preserve the safety net for vulnerable populations.”

Background on high-risk pools:

A January report from the American Academy of Actuaries notes that “enrollment has generally been low, coverage has been limited and expensive, they require external funding, and they have typically operated at a loss . . . Removing high-risk individuals from the insured risk pools reduces costs in the private market only temporarily. Over time, even lower-cost individuals in the individual market can incur high health care costs, which would put upward pressure on premiums.”

According to the Kaiser Family Foundation:

- State high-risk pools featured premiums above standard non-group market rates – with most states capping them at 150%-200% of standard rates. Many also featured high deductibles, some \$5,000 or more.
- Despite the fact that many individuals were forced into high-risk pools because of a pre-existing condition, nearly all states excluded coverage for these conditions for 6-12 months.
- Almost all high-risk pools imposed lifetime limits on covered services, and some imposed annual limits.
- Some states capped or closed enrollment.
- Combined net losses for the state high-risk pools totaled more than \$1.2 billion for 2011, or \$5,510 per enrollee, on average.

Furthermore, a 2010 paper by James Capretta and Tom Miller that appeared in National Affairs estimated that the cost of adequately funded high risk pools would be \$15 billion to \$20 billion per year.

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About the American Medical Association

The American Medical Association is the premier national organization providing timely, essential resources to empower physicians, residents and medical students to succeed at every phase of their medical lives. Physicians have entrusted the AMA to advance the art and science of medicine and the betterment of public health on behalf of patients for more than 170 years. For more information, visit ama-assn.org.