Once former Vice President Biden clinched the Democratic Party presidential nomination in early June, it was clear that the chances of a Medicare-for-all-type system in the near future had all but disappeared. Yet, frustration with the fragmented health insurance system crystallized support of progressives for a fundamental rethinking of how US residents pay for health care. Although many progressives will not be satisfied with incremental changes to health care financing, such an approach is considered likely if Biden is elected. Below are several possible concrete steps his administration could take to fulfill his pledge to improve access to and affordability of health care coverage.

Automatic Enrollment

One of the biggest problems with the social safety net—including Medicaid and the Affordable Care Act (ACA) marketplace—is getting and keeping people enrolled. Administrative burdens on consumers are substantial and have become amplified during the coronavirus disease 2019 (COVID-19) pandemic. People unable to fight through a daunting process requiring documentation and certifications are left out of programs for which they are eligible.

The Biden plan would help US residents with low incomes get health insurance coverage by making a free public option available everywhere, including in states without Medicaid expansion. Morever, it would automatically enroll individuals “when they interact with certain institutions...or other programs,” including, the plan notes, the Supplemental Nutrition Assistance Program, popularly known as food stamps.

But the plan lacks detail on how this would actually work. One mechanism it could leverage already exists in 14 states, though you have probably never heard of express lane eligibility (ELE). Created with reauthorization of the Children’s Health Insurance Program (CHIP) in 2009, ELE allows states to use data collected by other agencies to make Medicaid and CHIP eligibility decisions automatically. For example, Louisiana, which implemented ELE in 2010, automatically enrolled 20,000 people in Medicaid that year. It cost the state less to do this than an outreach campaign that enrolled just 329 children.

One reason states have underinvested in ELE is because it could strain state budgets if it is too successful in enrolling people in public programs, such as Medicaid, for which the state pays some of the cost. In addition, though the Medicaid and CHIP Payment Advisory Commission has recommended making ELE permanent, the authority that ELE relies on remains temporary, perhaps deterring states from committing to it.

Getting Employers out of the Insurance Game

Because of World War II-era tax breaks that remain in place today, the vast majority of working-aged adults and their families (163 million US residents) are covered through employer-sponsored insurance. Despite the reliance on it in the US, work-based coverage comes with problems that the country is now in a good position to solve.

During economic downturns, such as the COVID-19–induced one the US is experiencing now, the loss of a job can mean the loss of access to affordable coverage. Even for those employed with good health insurance, the arrangement can keep people locked into jobs they would prefer to leave. If the tax break for employer-sponsored coverage ended, the market-place would become the largest health insurance market in the country overnight. Given the technical problems that plagued the marketplace in the early days, that might be worrying to some. But those problems are long gone. And, with a massive expansion of the market, insurers would be eager to participate. Concerns
about bare counties without individual market insurers and shallow risk pools would instantly disappear.

Yet, it may not be wise to implement a massive change to the health system overnight. There are incremental ways to ease out of employer-sponsored coverage. One of them is part of a rule that the Trump administration finalized last year. It allows employers to help their employees buy coverage in the marketplace using health reimbursement arrangements. The administration projected that more than 11 million workers will be covered this way by 2029.

With this as a first step, Biden has a plan to take another. He wants to allow all those who can obtain more affordable coverage with marketplace subsidies than through their workplace to be able to do so. The ACA created an obstacle to this by making most people with available job-based coverage ineligible for financial help in the marketplace.

The next administration could also work with Congress to reform the tax break conferred on employer-sponsored plans with the ACA’s Cadillac tax (a substantial tax on the most generous employer-provided health insurance plans) having been delayed and then repealed. With these ideas, reliance on employer-sponsored coverage would gradually diminish, thereby reducing the problems it creates.

Change is slow and hard, particularly in health care. There are many other proposals in the Biden plan to improve access and affordability, but also many ideas that will not, such as all-payer rate setting or price transparency. Inching closer to universal coverage and improving the affordability of care without fundamentally rethinking the health care system is going to require some experimentation, even if change will not always be popular.

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