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## How Obamacare helps hospitals battle the pandemic

Expanding coverage ultimately means more money for hospitals as they treat an onslaught of COVID-19 patients, some of whom won't be able to pay for care.

[Stephanie Goldberg](#)



Getty Images

The Affordable Care Act—which gave health insurance to hundreds of thousands of Illinoisans—is turning out to be a critical weapon in the fight against COVID-19.



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By expanding the state's Medicaid program and establishing a health insurance marketplace for uninsured individuals, the ACA increased the number of people in Illinois with health insurance by more than 800,000. An unknown additional number have gained coverage under ACA provisions banning insurers from rejecting people based on pre-existing conditions and allowing young adults to stay on their parents' insurance until age 26.

Even more could get covered if President Donald Trump authorizes a special sign-up period for those in need of health insurance amid the coronavirus pandemic, a step the administration is considering.

Boosting the ranks of insured people ultimately means more money for hospitals as they treat an onslaught of patients, some of whom won't be able to pay for care. With hospitals canceling lucrative elective surgeries, clinicians working overtime and many facilities begging for donations of protective equipment, that money would go a long way.

"If it wasn't for the ACA, it would be very difficult for us right now," says Loretto Hospital CEO George Miller. "If (the West Side hospital) had to absorb a larger portion of the population that had no insurance, we would not be able to survive."

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Yet health care providers could lose that financial lifeline just when they need it most. A lawsuit brought by a group of states challenging the constitutionality of the ACA has reached the U.S. Supreme Court. If the court invalidates the law, the number of patients without health insurance could explode.

"Health systems bear the cost when the uninsured population increases," says Wendy Netter Epstein, professor and faculty director of DePaul University's Jaharis Health Law Institute. "This disproportionately effects safety-net hospitals that can't pass the cost on to privately insured patients. We can't afford to have those hospitals close."

In dealing with an easily transmissible virus expected to infect between 40 and 70 percent of Americans, the cost of uncompensated care is just one concern.

Uninsured patients might not seek timely testing or treatment for COVID-19 for fear that doing so would bankrupt them, Epstein says. In addition to harming themselves, and leaving hospitals to deal with even sicker patients later on, those people could end up spreading the virus to others in the community, she says.

Loretto Hospital and other local safety nets that treat large numbers of low-income people have seen an increase in patients without insurance within the last two years, Miller says.

Unlike other outbreaks, COVID-19 has required that hospitals transform to deal with the expected surge of patients. This includes canceling nonemergency, elective surgeries to free up beds, clinicians and personal protective equipment like face masks. The move could take a financial toll on facilities, most of which operate on thin margins.

Without the ACA, local hospitals would incur even more unreimbursed costs providing free care to patients that might otherwise qualify for Medicaid. More than 500,000 additional people in Illinois are covered by the government-funded health insurance program for the poor and disabled as a result of the law.

Illinois also is among states taking advantage of a federal waiver that removes bureaucratic barriers to testing and treatment for Medicaid patients. The waiver temporarily suspends requirements that doctors obtain prior authorization from insurers before providing medical care and allows out-of-state clinicians to treat Illinois' 3 million Medicaid patients, among other things.

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The ability to enroll new health care providers will be important in Illinois, as Gov. J.B. Pritzker has encouraged medical professionals who live out-of-state or recently left the field to help out as an influx of cases threatens health system capacity.

Meanwhile, as businesses have closed due to COVID-19, the number of unemployment insurance claims has soared. People who lose their job-based insurance qualify to sign up for Obamacare plans outside of open enrollment in the fall. But high numbers of uninsured residents have led some states to offer a special enrollment period for people to get coverage under the ACA.

Unlike New York and Washington, which run their own ACA health insurance marketplaces, Illinois and the other 31 states that use the federal government's marketplace can't reopen without approval from the Centers for Medicare & Medicaid Services.

CMS says in an emailed statement that it's considering offering a special enrollment period due to COVID-19 and that it's "looking closely at all of its policies, and across all of its programs, to see where we can strengthen the nation's response to the coronavirus outbreak."

The Illinois Primary Health Care Association, which represents 51 community centers that treat patients regardless of their ability to pay, is among groups advocating for a special sign-up period. The proportion of uninsured patients treated at its centers has dropped to 20 percent from 30 percent as a result of the ACA, says Amber Kirchhoff, director of state public policy and governmental affairs for the association.

But while the Trump administration ponders using the ACA to expand coverage, Texas and 17 other states are moving forward with a lawsuit that aims to abolish the health care law.

A lower court late last year ruled that the ACA's individual mandate, which initially required people without health insurance to pay a financial penalty, is no longer constitutional since the fee was eliminated by the 2017 Tax Cuts & Jobs Act. The U.S. Supreme Court has agreed to review the case later this year.

House Speaker Nancy Pelosi on March 23 called on Trump to "abandon his lawsuit seeking to strike down the Affordable Care Act" and, instead, urge the 14 states that haven't expanded Medicaid to do so.

"Now we find ourselves in the depths of one of the most serious health and economic emergencies our nation has ever faced," Pelosi said. "The protections of the Affordable Care Act are more important now than ever."

Other ACA provisions that advocates say protect patients—regardless of their insurer and not solely in the fight against COVID-19—include protections for people with pre-existing conditions, coverage for mental health care and the ability for people under 26 to remain on their parents' insurance.

"After 10 years, this law is so woven into almost every aspect of" the health care system, Epstein says. "It's crazy to think about having to unwind it without having a replacement."