



HIT Think How tinkering with the ACA puts health IT investment at risk

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Laws put in place over the past 70 years typically are done so with a delicate balance in mind—a bull in a china shop approach can do much damage in often unforeseen ways.

However, it's apparent that recent events portend myriad challenges for providers throughout the country, and risk negating some of the benefits the country had hoped to derive from efforts to implement health information technology in the last 10 years.

For example, in 1946, the 79th Congress passed and President Truman signed the Hill-Burton Act, a federal law that required any facility receiving federal funds to treat any person with life-threatening injuries without concern for their ability to pay. Although rarely enforced for almost 30 years, the law was amended in the 1970s to include provisions to test compliance and impose penalties when indicated.



Then, in 2010, the 111th Congress passed and President Obama signed the Affordable Care Act (ACA), a federal law that represented the most significant expansion of access to healthcare services since the passage of Medicare and Medicaid in 1965. Since 2014, when the provisions of the ACA came into force, the number of uninsured Americans decreased by more than 20 million people.

Last week, President Trump signed executive orders rolling back funding for insurance companies that offer discounts to low income families. In addition, his order increased the ability for individuals to purchase insurance with limited benefits at a lower cost. Although these orders only direct specific federal agencies to consider possible new regulations that could help achieve certain goals, the orders disrupted health insurance company planning less than 30 days before the 2018 open enrollment period beginning on November 1.

A 70-year march

For more than 70 years the American people witnessed the gradual march of the federal government towards universal healthcare coverage, culminating in the significant decrease in the uninsured in 2017. With a single pen stroke, the current president reversed this bipartisan

effort to provide healthcare for all and created havoc for insurance companies participating in the 2018 healthcare market exchanges.

Although we do not know what the new rules will be and how they will impact insurance markets, the wording of the executive order clearly indicates that the agencies are directed to promulgate rules that segment individuals into higher and lower risk pools. This creates populations of patients with higher costs—older, sicker, pre-existing conditions—and lower costs—younger, healthier, no pre-existing conditions.

While the ACA created broader population-based risk pools that included all types of people so that the cost of care was shared equally, Trump 's orders reverse this approach, creating high-cost, high-risk, high insurance premium groups and low-cost, low-risk, low insurance premium groups.

Evidence from programs done by various states over the last 40 years shows that the creation of high-risk pools creates a cost-prohibitive cohort that makes premiums unaffordable and government subsidies unacceptable.

Newly covered benefit from HIT

With passage of the ACA, provider organizations saw an increase in revenue because of an expanded population of patients with insurance and a decrease in demand for uncompensated care. These organizations utilized their investment in healthcare information technology (HIT) to create millions of new electronic medical records for these formally underserved patients. For the first time, many of these patients received regular, coordinated care supported by HIT rather than episodic care from disparate providers who had little or no access to their medical history.

If these new orders are realized, millions of patients may lose coverage because insurance companies will pull out of specific markets, and subsequent unaffordable premiums subsequently will become unaffordable. Rather than continuing on a path of expanding coverage and spreading risk, the country will reverse course, returning to a time where healthcare was unavailable to the working poor and those with pre-existing conditions, and often unaffordable to the working middle class.

As for costs, these orders do not repeal the Hill-Burton Act, so providers will continue to provide free care to those in urgent need, thereby passing the costs on to the rest of us through higher premiums.

The underpinning of insurance is to spread the risk among the largest group of people possible to make premiums affordable for all. Insurance protects us from catastrophic economic events. Trump's latest effort to destroy the ACA runs counter to this basic insurance concept and reveals his total lack of understanding of healthcare markets, economics and public health.

On February 27, 2017, President Trump said, "Nobody knew healthcare could be so complicated." Well, Mr. President it is complicated, and yes, we all knew.

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