How the MacArthur Amendment Impacts Cancer Patient Protections

On April 25, 2017, the text of an amendment to the American Health Care Act (AHCA) to be offered by Representative MacArthur (R-NJ) was released. The amendment could undo several key protections that are critical for cancer patients and survivors – including the prohibition on pre-existing condition exclusions.

The MacArthur Amendment Could Make Pre-Existing Condition Exclusion Prohibition Meaningless for Some Cancer Patients

The amendment would enable states to apply for a waiver that would allow insurers to rate individuals based on their health status in some instances. States that have established a high-risk pool, use state stability funds (provided in the AHCA) or have adopted a state reinsurance program could allow insurers to impose health status underwriting for individuals who have a gap in coverage of at least 63 days.

While health insurers would be required to sell a plan to an individual with pre-existing condition like cancer, the premium charged could be so high that it would be unaffordable. Compounding this is the fact that the tax credits offered under the AHCA would be significantly lower than those provided under current law and the AHCA would allow plans to increase premiums for older Americans.

Higher Age Ratios Could Also Price Older Cancer Patients Out of the Market

Current law allows an age rating of 3:1 and the AHCA proposes to expand this to 5:1 – this means older Americans could be charged five times as much as younger Americans in premiums. The MacArthur amendment would allow a state to specify an even higher age ratio in a waiver.

No Guarantee of Consistent Coverage

Current law requires insurance plans to offer ten categories of essential health benefits – including hospitalizations, physician care, prescription drug coverage, and other services. Under the MacArthur amendment, beginning on or after January 1, 2020, states could apply for a waiver to create their own state version of essential health benefits. This could mean that a state could choose not to cover specific kinds of benefits, including certain cancer drugs. A state could also decide that an insurance plan no longer has to cover preventive services, leaving patients in one state with access, but patients in a different (even neighboring) state without access to prevention.

Another serious problem is the potential loss of key patient protections. The cap on out-of-pocket costs, and the prohibition on lifetime and annual limits – are applied only to essential health benefits. That means if a state decides that prescription drugs are no longer an essential health benefit, a plan could cap the amount it covers for cancer drugs – or decide to not cover cancer drugs at all – leaving patients to pay the entire bill. Finally, depending on the state law, a plan may not have to cover services that a cancer patient may need, which is another way to discourage individuals who need those services from enrolling in the plan.

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