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Congress, President Must Protect Indiana Hospitals and Patients

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Later this month, the U.S. Supreme Court will issue a decision in the *King v. Burwell* case that could leave thousands of Hoosiers without health insurance and vulnerable to a medical and financial catastrophe.

Indiana is one of approximately three dozen states that does not operate a state-based health insurance exchange under the Affordable Care Act (ACA). As such, the tax credits and subsidies made available to millions of Americans with moderate to lower incomes have been called into question. Without these credits, health insurance will become unaffordable for most Hoosiers who have purchased coverage through healthcare.gov, the federal exchange.

If the Supreme Court rules against the tax credits for residents of Indiana and more than 30 other states, patients and the entire health care system will face an uncertain future.

According to the Robert Wood Johnson Foundation, 225,000 Hoosiers could lose eligibility for tax credits immediately. The out-of-pocket costs of health insurance would increase sharply for this group, which includes some with serious and chronic conditions for whom a lapse in coverage is a frightening prospect. However, most would simply drop out of the exchange altogether. Although Indiana is fortunate to have the innovative Healthy Indiana Plan, HIP 2.0, these individuals earn too much to qualify for that coverage.

As a result, the foundation's study projects the net increase in the uninsured population in Indiana would be 195,000. This spike in the number of uninsured patients would ripple through the system, impacting consumers and health care providers across the state.

A recent article by John Ketzenberger of the Indiana Fiscal Policy Institute accurately suggests that premiums could also spike for plans outside the Marketplace as a result of the feared "death spiral" in the insurance market – drawing more Hoosiers into this pending crisis.

Our member facilities across the state are watching this case closely because of the tremendous implications for our patients and the potential impacts on the financial stability of providers. Indiana hospitals saw their Medicare payments cut by nearly \$4 billion as part of the ACA – cuts intended to pay for the very tax credits the Supreme Court could now take away. The timing of a decision against the credits would be particularly frustrating, as many hospitals report that they are just now beginning to see a substantial number of patients with exchange-purchased coverage seeking long-needed treatments.

But the sudden rise in uncompensated care that would result from an adverse *King v. Burwell* decision could force many providers to consider reducing services or even closure. This is especially a concern for our safety net hospitals in rural and urban areas.

The stakes are incredibly high in Indiana and the entire country. While there may be some state actions to be considered down the road, we hope that Congress and the Obama administration will move quickly to prevent the potential chaos and immediately stabilize the insurance market. If not, the spillover effects could swamp millions more with private health insurance and providers, while leaving hundreds of thousands of Hoosiers without affordable options for coverage.