



Achieving a Culture of Health Coverage

Creating Seamless Insurance Coverage

Peter Harbage and Hilary Haycock August 2009

Executive summary

There is a broad agreement that all Americans will probably have to obtain health insurance under a reformed health system. This individual responsibility will make the system more efficient and help ensure health coverage for all. But implementing this system can only be done once insurance has been made affordable and accessible, as the Center for American Progress first wrote in 2005.

This means making insurance as easy as possible to acquire—and maintain. Yet it is often disenrollment that is automatic in today’s health insurance system, and there are many barriers for those seeking to enroll or stay enrolled in insurance. Indeed, the current system is far too costly and far too fragmented to truly enable individuals to take responsibility to purchase insurance—let alone create a culture where coverage is the norm.

For this reason, an individual responsibility for purchasing insurance must be coupled with shared responsibility—the equal participation of individuals, employers, industry and government in reforming the system. This would make the requirement to purchase insurance both a responsibility of individuals to obtain coverage, and a promise to individuals to create a working health insurance system.

The two most critical steps that the federal government needs to take for individual responsibility to work are making insurance affordable and making it accessible. This paper focuses on understanding the changes needed to make the health insurance system more accessible. The conversation around individual responsibility focuses too often on the penalties for being uninsured. This focus is misplaced. Individual responsibility is necessary to maximize enrollment and achieve universal coverage, but a well designed enrollment system will minimize the need for enforcement.

The vast majority of Americans want health insurance, but the designed system is against them. Consider, for example, primary school education where enrollment is easy, schools are accessible, and it is a requirement for parents to ensure that their children attend. Just as we have a culture of education for children, health reform should seek to create a culture of coverage, where being insured is the norm for everyone.

An insurance exchange, or gateway, is at the heart of a well-designed system. The exchange would connect Americans with the health coverage that meets their needs. The exchange

is an opportunity to remedy the failings of the current, fragmented health care system while building on what works in today's system. Reform plans under discussion today would limit the exchange to individuals and small businesses, while a more robust exchange would include all Americans.

Two auto-enrollment design characteristics will ensure that individuals are able to obtain and keep coverage. First, the exchange must create an open door to health insurance and provide the government resources to help families obtain coverage. Families should be able to submit a single application to the exchange and be enrolled in the coverage that best meets their needs whether that is private coverage, the public plan option, or public programs such as Medicaid. Second, the exchange must empower families to stay covered, even through job changes or loss of income.

Policymakers must keep several considerations in mind as they design an exchange to perform these functions. Americans must have the option to enroll in a public health insurance plan. Patient privacy must be strongly protected. And enrollment practices must be seamlessly linked with affordability reforms. These characteristics will help create an exchange system of seamless coverage that over time will develop a culture of coverage for America.

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