Biden Wants States to Ensure Obamacare Plans Cover Enough Doctors and Hospitals

Proposal addresses “network adequacy,” or whether insurers’ doctor and hospital networks are large enough to meet demand.

December 15, 2023 By Julie Appleby and KFF Health News

The Biden administration plans to push states to boost oversight of the number of doctors, hospitals, and other health providers insurers cover in Obamacare plans, under rules proposed in November.

The annual regulatory proposal, known as the payment parameters rule, also seeks to expand access to adult dental coverage in Affordable Care Act marketplaces and would require states to hold open enrollment periods for Obamacare plans at the same time of year. It’s likely one of the last major ACA policy efforts of President Joe Biden’s first term — and, if he loses reelection, could represent his final touches on the landmark health program created when he was vice president.

Biden has been a staunch supporter of Obamacare and has taken steps during his own first term in the White House to expand the program through rules and legislation, including measures that increased premium subsidies. In part because of those subsidies, enrollment has increased steadily and hit records under his watch.

The proposal for 2025 would continue administration efforts to expand coverage, making it easier for states to offer plans that include adult dental care. The rules also set additional guardrails on the growing number of states that have chosen to run their own ACA marketplaces.

The rules need to be finalized in the spring and would affect plans starting in January 2025, not long before Inauguration Day.

So expect some controversy.

Already, the ACA has entered the political debate, with the current GOP front-runner, former President Donald Trump, taking to his Truth Social site on Thanksgiving weekend to call the failure of the GOP to repeal the ACA “a low point for the Republican Party.”

Trump also said he was “seriously” considering alternatives, which harked back to his presidency when he frequently promised an Obamacare replacement was soon to be revealed. It never was.

Biden quickly seized on Trump’s comments, saying on November 27 that “my predecessor has once again — God love him — called for cuts that could rip away health insurance for tens of millions of Americans.”

Many of the changes made during Biden’s term, especially to rules that spell out how the law is to be implemented, could be altered if a Republican wins the White House — just as occurred in the transition from the Obama administration to the Trump term and, again, when Biden took office.

When Trump came into office, for example, he made a number of moves to roll back ACA rules set by the program’s namesake, President Barack Obama, including sharply reducing funding for enrollment assistance, shortening the annual sign-up period, and allowing less expensive but less protective short-term plans to cover longer periods of time. Biden’s team, in turn, expanded funding for enrollment, added special enrollment periods, and has a proposal awaiting final approval that would restore restrictions on short-term plans, which don’t cover many of the benefits included in ACA plans and are often called “junk insurance” by critics.

“If the past is any guide, and the next administration is different, the first thing they will do is roll things back,” said Sabrina Corlette, a research professor and co-director of the Center on Health Insurance Reforms at Georgetown University.

Politics may be one reason the administration’s latest proposal doesn’t include larger changes to the ACA. Doing anything more aggressive in an election year “might disrupt a program that Biden fully supports,” said Joseph Antos, senior fellow at the American Enterprise Institute, a right-leaning think tank.

But the proposal from the Department of Health and Human Services does respond to concerns about “network adequacy,” or whether insurers’ doctor and hospital networks are large enough to meet demand. The rules would require states to set numerical standards, such as a maximum “time and distance” that patients must travel to access in-network care, that are at least as rigorous as federal limits that kicked in this year.

The proposal would affect the 18 states, plus the District of Columbia, that run their own ACA marketplaces.

While many of them already set some network parameters, the standards vary. The administration’s latest proposal notes that 25% of existing state rules fail to set any quantitative requirements, such as how long or far a patient might have to drive to find a participating provider, or the acceptable ratio of the number of enrollees in a plan to the number of covered medical providers.

Requiring standards at least as tough as federal exchange rules across all states “would enhance consumer access to quality, affordable care,” the document says.

Some states “may not be doing enough to ensure compliance,” said Corlette. “States will have to step up their game.”

States would also have to review insurer networks to see if they meet the standards before giving the go-ahead to sell their plans. While the federal marketplace will, beginning in 2025, require insurers to meet new rules aimed at limiting patients’ wait times for appointments, especially for primary care and behavioral health, state marketplaces won’t yet have to impose similar standards.

More prescriptive state requirements for ACA insurers might draw some pushback during the public comment period for the rules, which runs through January 8. They could also be a target for change if the GOP wins the White House, said Chris Condeluci, a health law attorney who worked as counsel to the Senate Finance Committee when the ACA was drafted.

“On the one hand, it makes sense to have standardized rules so everyone is working off the same song sheet,” said Condeluci. But he said there’s support for the idea that state marketplaces were not “to be nationally run or overly prescriptive from a federal government regulatory perspective.”

The HHS proposal also seeks to expand access to routine adult dental coverage by eliminating a prohibition against states including the care as an “essential health benefit” in their benchmark plans. The rules would also standardize open enrollment periods across all states, requiring them to begin Nov. 1 and run through at least January 15. Most states already do that, although Idaho’s period currently begins October 15 and ends December 15, and New York’s begins November 16 and ends January 31.

The payment parameter notices, though dryly named, are a big deal not only for insurers, who plan their benefits and set their rates based in part on such rules, but also for consumers.

The ACA marketplaces “cover millions of people and it’s very important to make sure they are working and people understand what they are buying,” said Bethany Lilly, executive director of public policy at the Leukemia & Lymphoma Society.

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