

Policy Brief: American Health Care Act

June 19, 2017

- The American Health Care Act (“AHCA”) is the Republican plan to repeal and replace the Affordable Care Act (“ACA”).
- Under President Obama’s ACA, 20 million more Americans have access to health care.¹
- The nonpartisan Congressional Budget Office (“CBO”) estimates that repealing and replacing the ACA by passing the AHCA will result in loss of coverage for 23 million Americans.
- Equitas Health strongly opposes the AHCA and the non-transparent process by which it is moving through Congress.
- The Senate’s process completely lacks transparency.
 - Senate leadership invoked Senate Rule 14 to put the bill on a fast track, bypassing the committee process and ensuring no public debate. This is unconscionable, given the life or death consequences that this bill will have for Americans.
 - As a result, we are not really sure what provisions exist in the Senate version of the AHCA, but we can speculate based on the House’s version of the bill and some conventional wisdom floating around Washington.
- The AHCA will negatively impact vulnerable Americans, including those living with HIV.²
 - The most concerning aspects of the bill include the following:
 - Elimination or phase-out of the Medicaid expansion.
 - Elimination of Medicaid as an entitlement.
 - Assessment of a 30% penalty on premiums for people who are uninsured for more than 63 days within the past year.
 - Repeal of tax credits and reduction in cost sharing.

¹ <https://aspe.hhs.gov/system/files/pdf/187551/ACA2010-2016.pdf>

² Note that, because the Senate plan is unknown, the following information is based on the House-passed bill.

- Elimination of essential health benefits.³
- Higher premiums for older Americans.
- The impact on Ohioans of the AHCA will be devastating.⁴
 - 500,000 Ohioans will lose coverage mostly as a result of repealing penalties for not having insurance.
 - Average premiums will increase 15-20% in the non-group market before 2020.
 - In general, the AHCA is less generous than the ACA for individuals earning less than \$40,000. For example, a Franklin County, Ohio resident age 60 with income below \$30,000: ACA credit = \$6,550 and AHCA = \$4,000
 - 750,000 Ohioans will lose coverage if the AHCA phases out Medicaid expansion.
 - While the impact of transforming Medicaid from an entitlement to a program financed by a per capita cap allotment is unknown, it is certain that without flexibility to manage the financial risk that the AHCA shifts to the state, Ohio Medicaid spending will exceed the cap from 2025 forward. States will be forced to reduce coverage or pay for services out of their own pockets, which is unlikely given already constrained budgets.
 - Ending the entitlement also means: elimination of the requirement for Medicaid plans to provide “essential health benefits,” repeal of presumptive eligibility for non-pregnant adults, reduction of Medicaid retroactive coverage from three months to one month, and required eligibility redetermination every six months for expansion populations.
 - Older Ohioans will pay about four times more for health insurance than younger consumers.⁵

³ Items and services in the following ten benefit categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including oral and vision care.

⁴ <http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=R6ZfxgeoWvI%3D&tabid=160>

⁵ <http://www.aarp.org/politics-society/advocacy/info-2017/aarp-healthcare-act-costs-fd.html>

- The pervasiveness of poverty in LGBT communities, especially among transgender people and LGBT people of color, makes Medicaid a critical program for health and wellbeing.⁶
 - Nationwide, about one in five gay and bisexual men and one in four lesbian and bisexual women are living in poverty.
 - The 2011 National Transgender Discrimination Survey found that more than 25% of transgender people report an annual household income of less than \$20,000 and that transgender people are four times more likely than the general population to be living below the poverty line.
- Medicaid expansion is also critically important to LGBTQ people, and provides an opportunity for coverage.⁷
 - In a 2014 nationwide survey of LGBT people with incomes less than 400% of the federal poverty level (“FPL”), 61% of all respondents had incomes in the Medicaid expansion range.

⁶ <https://www.americanprogress.org/issues/lgbt/reports/2016/08/09/142424/the-medicaid-program-and-lgbt-communities-overview-and-policy-recommendations/>

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