

## **Speak Out Call – Monday, March 20, 2017 - American Health Care Act Overview**

Based on the Congressional Budget Office Report, the federal government will save about \$337 billion over the next 10 years, mainly by curtailing Medicaid expansion, changing how federal Medicaid dollars are allocated to states, and eliminating the ACA's individual and business insurance mandates.

### **Refinances Medicaid into Per Capita Caps**

- Currently, the federal government picks up a fixed percentage of states' Medicaid costs; about 64%.
- Caps mean federal government would provide a set dollar amount based on its number of enrollees. Caps would begin in 2020 and use each states spending from FY 2016 as the base amount.
- Spending would be different for different categories such as elderly, disabled, children, expansion adults, etc.
- This will shift the cost burden to the states. They will be faced with cutting benefits, raising taxes or limiting enrollment in order to meet the annual growth of costs they will face. States would be responsible for 100% of costs above the cap on federal funds.
- It will decrease the period when Medicaid benefits may be covered retroactively from up to 3 months before a recipients application to the first of the month in which a recipient makes an application

### **Repeal of the EHB requirement for Medicaid Expansion Enrollees**

- As of 2020, Medicaid Expansion enrollees are no longer entitled to have essential health benefits such as mental health and addiction treatment.
- Since 29% of the expansion enrollees have mental health and/or substance use disorders, this will leave another subset of the population without the needed treatment they deserve.

### **Enhanced federal financing for Medicaid expansion ends in 2020.**

- 32 states expanded Medicaid providing coverage to over 11 million adults. 29% of whom have MH and/or SUD.

### **Growth of Uninsured**

- Currently there are approximately 10 million people without insurance. It is estimated that there will be approximately 14 million people uninsured by 2018. The **CBO estimates** the AHCA would leave 58 million people uninsured by 2026.

### **Other key provisions:**

- The AHCA will maintain the EHB requirements for those who purchase insurance or receive insurance through an employer
- The AHCA will maintain the ability to carry children up to the age of 26
- Out of pocket limit on cost sharing is not changed. Prohibition on lifetime and annual dollar limits is unchanged.
- Tax penalty for large employers that do not provide health benefits is reduced to zero immediately
- Insurers will be allowed to charge older persons up to 5 times more for insurance than younger persons starting in 2018. States can pass legislation to disallow this.

- No changes were made to the mental health and addiction parity requirements for group and individual health plans
- Removes the requirement in 2020 for insurance companies to offer plans that cover at least 60 percent of the cost of covered benefits
- Persons who have been uninsured for more than 63 days within the past year are able to be charged a 30 percent surcharge on premiums.