
Health Care For All New York

What does ACA “Repeal and Replace” mean?
How would it work?



Who Are We?



The **Actors Fund**,
for everyone
in entertainment.



Children's Defense Fund-New York
A strong, effective, independent voice for all children



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ACA Accomplishments

- ACA is a 3-legged stool (Medicaid expansion; premium assistance; individual & employer mandate)
- ACA has great consumer protections for most people
 - Free preventive care, MOOP, eliminated caps
 - Small business tax credits
 - Improves Medicare Rx benefit (closing the doughnut hole)
- National uninsurance rate decreased by 43%
 - Uninsurance rate went from 18% to 11%
 - 12.7 million in the Marketplace
 - 10 million in Medicaid
 - 5.7 million covered by age 26 provision

WHAT'S THE REPUBLICAN PLAN?

AMERICAN HEALTH CARE ACT



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Key provisions of the American Health Care Act

- Radically cuts Medicaid
- Individual market changes
 - Eliminates the individual & employer insurance mandates
 - Repeals system of Advance Premium Tax Credits & CSRs
 - Coverage rule changes
- Sets up Patient & State Stability Fund
- Tax cuts for wealthy people & corporations
- What AHCA does not do
- Review of Congressional Budget Office analysis of AHCA

Medicaid (MA) Per Capita Cap

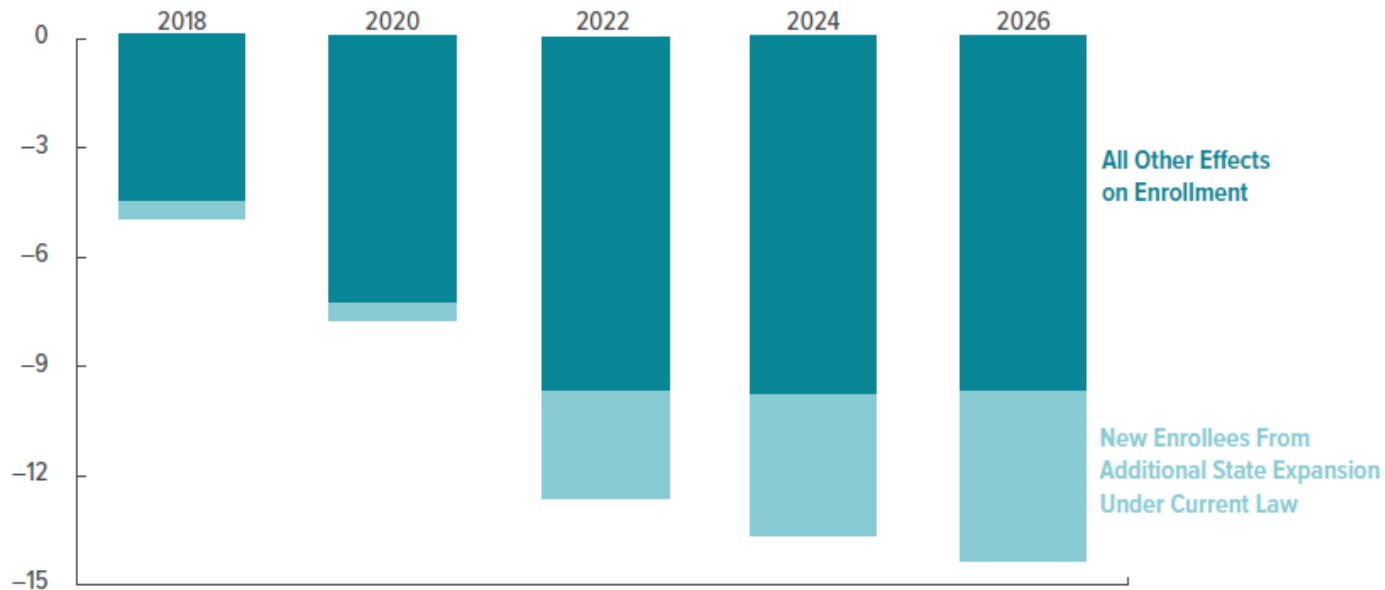
- Repeals Medicaid expansion for new enrollees after 1/1/20
 - Back to 50% match rate
 - Keep enhanced match if enrolled before 1/1/20 and no break in coverage
 - Converts MA entitlement to per capita cap
 - Spending based on 5 target eligibility groups (CPI-M)
 - Eligibility changes
 - Repeals expanded income eligibility for children
 - Repeals 3 month retro eligibility & hospital-presumptive eligibility
 - Eliminates reasonable opportunity rule for immigrants to submit documents
 - Terminates Community First Choice option
 - Terminates essential health benefits in MA
 - Massive cut to Medicaid: \$880 billion means 14 million people will lose coverage
-

Massive Medicaid enrollment decline over 10 years

Figure 1.

Changes in Medicaid Enrollment Under the AHCA, Selected Years

(Millions of people)



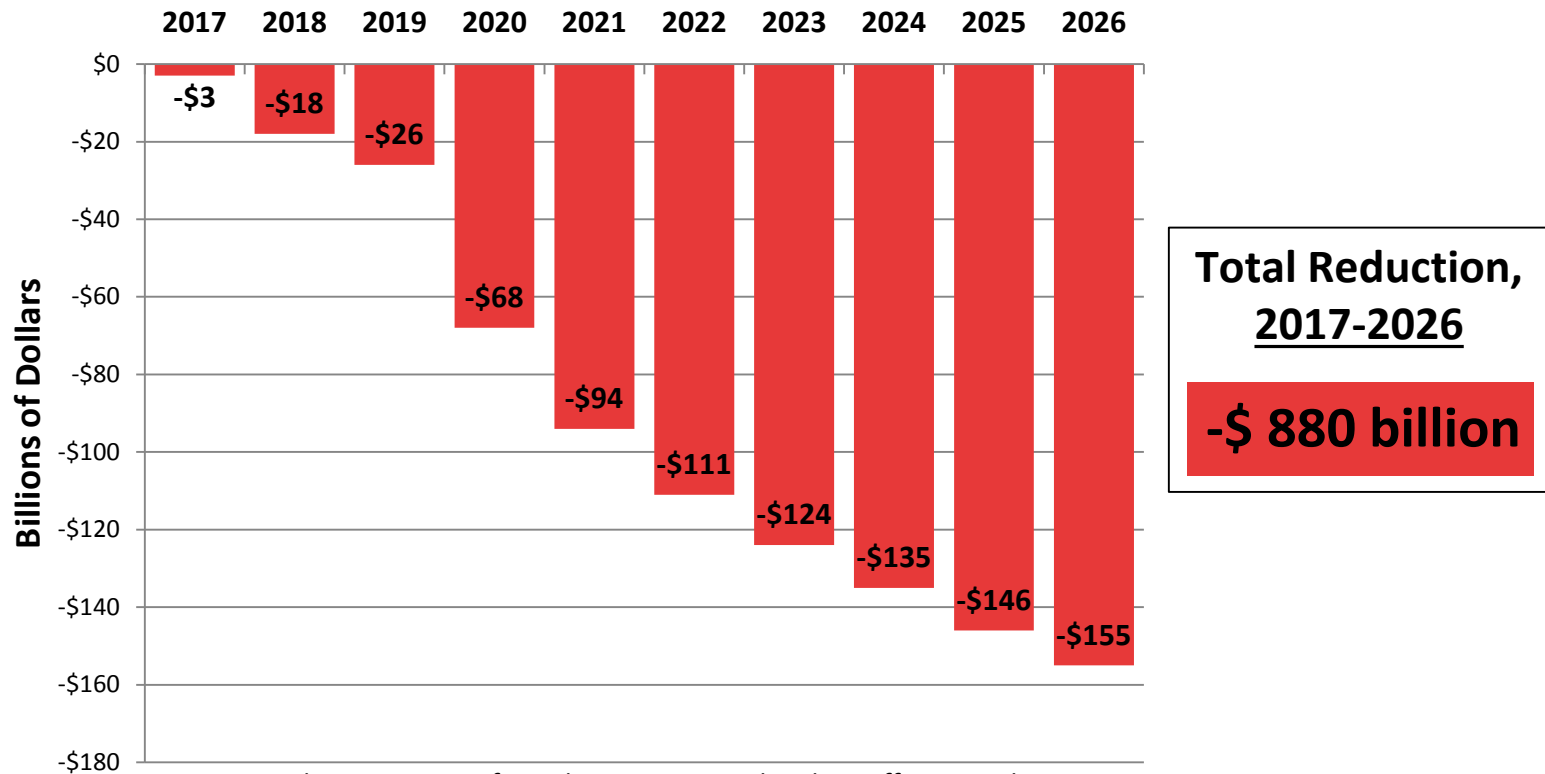
Source: Congressional Budget Office.

Estimates are based on CBO's March 2016 baseline, adjusted for subsequent legislation. They reflect average enrollment over the course of a year. Under CBO's current-law projections, additional states would expand Medicaid eligibility to people who are made newly eligible under the Affordable Care Act (adults under the age of 65 whose income is below 138 percent of the federal poverty level). Enrollment estimates associated with those future expansions are separated in the figure to highlight the change in Medicaid enrollment under the AHCA because CBO anticipates that states that would expand coverage in the future under current law would not do so under the AHCA.

AHCA = American Health Care Act.

Medicaid spending cuts over 10 years

Federal Medicaid Outlays under Proposed AHCA

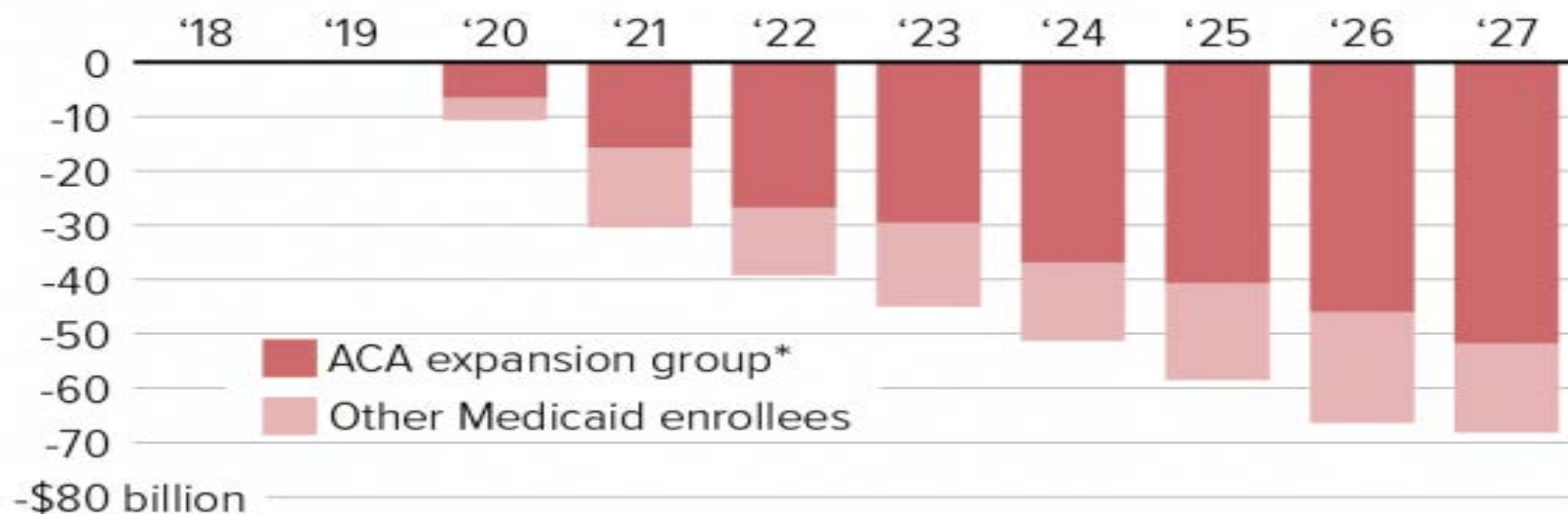


Based on projections from the Congressional Budget Office, March 2017

Medicaid costs shifted to the states

Medicaid Cost Shifts in House GOP Plan Would Total an Estimated \$370 Billion Over 10 Years and Grow Over Time

Cost shifts to states, relative to current law



*Enrollees under the Affordable Care Act's Medicaid expansion

Source: CBPP analysis using Jan. 2017 Congressional Budget Office Medicaid baseline and inflation estimates from CBO and the Centers for Medicare and Medicaid Services



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Individual market insurance changes

- Repeals the individual and employer mandates
 - President Trump's 1/20/17 executive order effectively eliminated the individual mandate already
 - But they need a stick to encourage people to get covered or the individual insurance markets will tank
- Continuous Coverage Incentive
 - People with coverage gaps greater than 63 days will pay 30% surcharge for 1 year
 - Starts in 2018
 - Problematic incentive
 - People may find it cheaper to go bare & pay surcharge
 - Augments individual market death spiral?

Repeal of income-based Marketplace subsidies

- Repeals Advance Premium Tax Credits and Cost Sharing Reductions based on income & geography
- Replaces them with age-based flat premium tax credits
 - \$2000-\$4000 per individual
 - Can be used to buy:
 - catastrophic plans, off-Exchange plans & COBRA premiums
 - Permits higher income individuals (up to \$75,000) to get PTCs
 - PTCs will be 40%-50% lower on average than under the ACA
 - PTCs are payable to carriers, excess can be invested in HSAs
- Replaces \$673b in APTCs/CSRs with \$361b in PTCs
- CBO says 2 million people will lose coverage

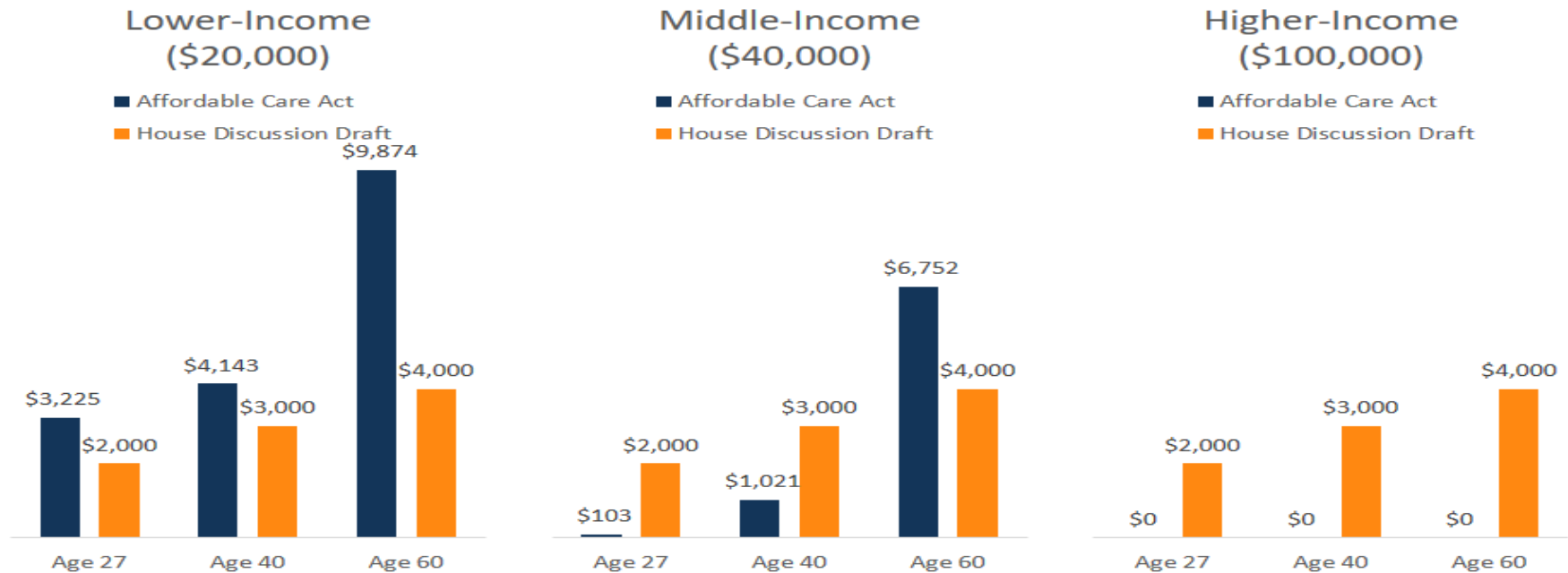
Other bad coverage rules

- Expands age rating to 5:1
- Eliminates actuarial value rules as of 12/31/19
- Defunds small business tax credits
- Defunds Basic Health Plan (NY's Essential Plan)
- Encourages Health Savings Accounts
 - Increases HSAs amounts to encourage purchases of HD insurance
 - Allows for withdrawals for non-health-related reasons at discounted tax rate
 - Only rich can set aside this amount (70% have annual incomes over \$100,000)
- Repeals limits on flexible spending accounts

The Ryan plan transfers wealth from poor and middle-income people to the wealthy

Figure 1

How House Republicans' health reform plan might shift average health insurance tax credits, based on income and age, in 2020



Source: Kaiser Family Foundation analysis. Note: Data for Affordable Care Act represent the average tax credit available across all counties in the United States, at a given age.

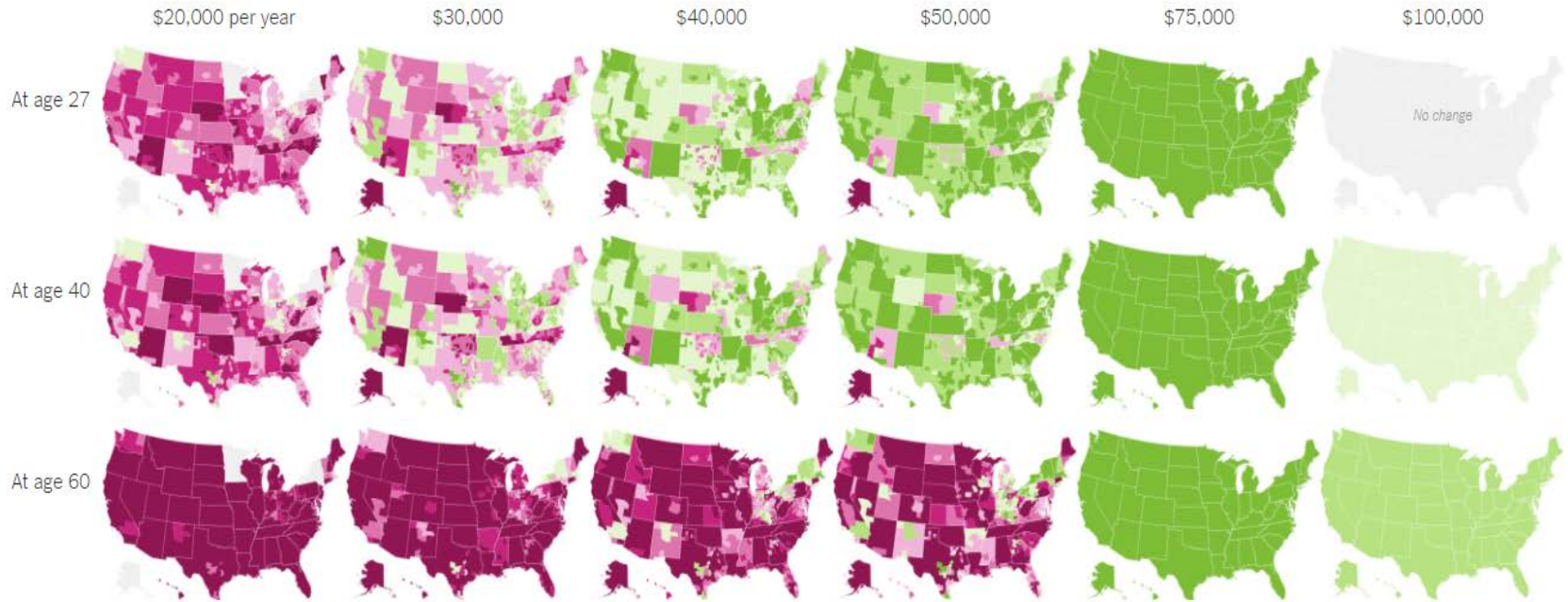
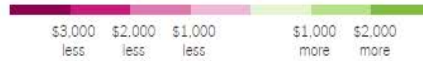


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Who Wins and Who Loses Under Republicans' Health Care Plan

By KEVIN QUEALY and MARGOT SANGER-KATZ MARCH 8, 2017

Tax credits in the Republican plan compared with Obamacare



Note: At \$20,000 income in 2020, residents of Alaska would be eligible for Medicaid, and residents of Minnesota and New York would be eligible for the Basic Health Program.

Patient and State Stability Fund

- Grants to states to help: high risk people; stabilize premiums; promote preventive care; offer cost-sharing subsidies; other
- \$100 billion over 9 years
 - State match starts in 2020 at 10% rising to 50% by 2024
- If no state election, HHS will set up a reinsurance program to pay for 75% of claims between \$50,000-\$350,000 beginning 2020

Other provisions to watch

- Disproportionate Share Hospital Funding Cuts
 - Repeals FY20-25 DSH cuts, but leaves them for expansion states for FY18-19
 - Provides \$10b to non-expansion states for safety net providers
- Reproductive rights
 - Defunds Planned Parenthood for 1 year
 - No PTC for plan that covers non-Hyde abortions
- Provides \$422m for community health centers for FY17 (already half over?)
 - They're supposed to take care of PP's patients?

What AHCA does not do

- Does not repeal Marketplaces
 - But you can use the PTC for off-Marketplace coverage
- Left unchanged:
 - Pre-existing condition ban
 - Gender rating ban
 - Age 26 coverage
 - EHB in commercial market
 - Free Preventive care
 - The bar on annual and life-time caps
 - MLR rules
- Does not allow interstate sales of insurance (yet)
- Does not change Medicare benefits

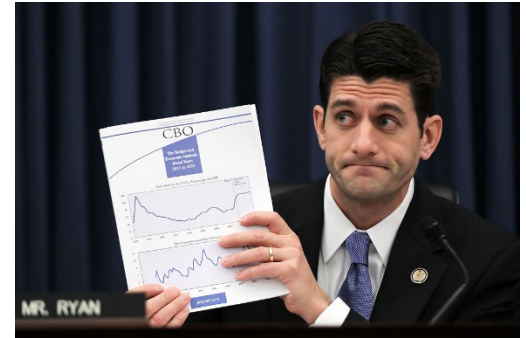
Tax cuts for wealthy people and corporations

- \$592b tax cut for the wealthy and corporations
- For example:
 - Repeals financial penalties on individuals and employer who don't get/offer coverage (\$210b)
 - Repeals taxes on high earners & investment income (over \$250,000 per year) (\$157b)
 - Repeals taxes on:
 - Over the counter Rx
 - Suntan tax
 - Medical device tax
- Cadillac health coverage tax suspended FY20-24



What the Congressional Budget Office “score” said

- By 2018, 14 million will lose coverage
 - By 2026, 24 million people will lose coverage (total uninsured will be 52 million)
 - 14 million Medicaid
 - 2 million individual market
 - 7 million employer sponsored insurance
 - 1 million (Basic Health Plan in NY + MN)
 - CBO says premiums set to increase by 15-20% (FY 18-19)
 - Cuts Medicaid by \$880b; cuts subsidies from \$673b to \$361b
 - Deficit reduced by \$337b between FY ‘17-26
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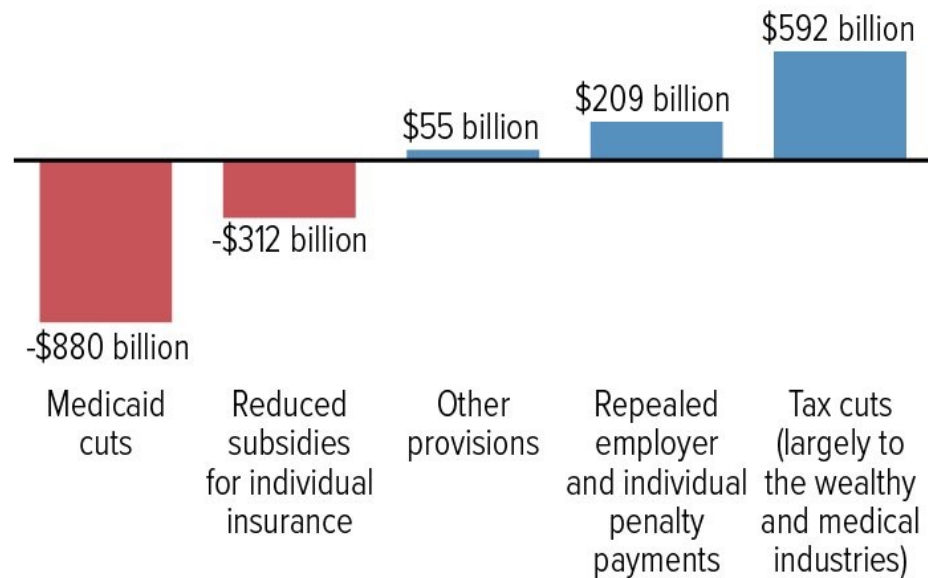


CBO's financial analysis

House GOP Health Plan: Cuts Assistance for Low- and Moderate-Income People; Cuts Taxes for the Wealthy and Medical Industries

2017-2026

■ Net savings
■ Net cost



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CBO's examples

- For people at 175% of FPL
 - Under ACA, 21-year-old and 64-year-old **both pay \$1,700**
 - Under AHCA
 - 21-year-old pays \$1,450
 - 64-year-old pays \$14,600
- For people at 450% of FPL
 - Under ACA, 21-year-old and 64-year-old **both get \$0**
 - Under AHCA
 - 21-year-old pays \$1,450
 - 64-year-old pays \$14,600

WHAT'S THE REPUBLICAN PLAN MEAN FOR THE PEOPLE WE CARE ABOUT?



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Per Capita Cap

- Ends Medicaid as an entitlement
- Caps federal Medicaid spending per enrollee
- Limits growth in Medicaid spending to health care inflation
 - Does not address changes in health care technology or treatments, epidemics or natural disasters
- Divides Medicaid beneficiaries into five enrollment categories
 - Each category has its own cost base
 - Elderly
 - Blind and Disabled
 - Children
 - Expansion
 - “Other nonelderly, nondisabled, nonexpansion adults”

Medicaid Expansion

- ACA expanded Medicaid eligibility to include all adults up to 138 percent FPL
- Expansion population received an enhanced federal match
- Funding changes (effective January 2020)
 - Eliminates enhanced federal match
 - Drops “expansion” designation to any beneficiary whose Medicaid coverage lapses for more than one month
 - Prohibits states from expanding Medicaid to non-pregnant adults over 138 percent FPL

Other Changes to Medicaid

- Requires 6 month renewal for expansion population (effective October 2017)
- Repeals mandatory coverage for children ages 6 – 18 above 100 percent FPL
- Eliminates retroactive coverage
- Repeals funding for Community First Choice Option
- Ends “essential health benefits” for expansion population

CMS Policy Directions

- Encourage incentives for employment – “meritorious innovations that build on the human dignity that comes with training, employment and independence.”
 - Work requirements:
 - Lead to loss of health coverage for substantial numbers of people who are unable to work or face major barriers to finding and retaining employment
 - Add to administrative complexity
- Align Medicaid and private insurance – “to help working age, non-pregnant, non-disabled adults prepare for private coverage.”
 - Reduce benefit package to look more like private coverage
 - Greater cost-sharing (both premiums and co-pays)
 - Lock-out for failure to pay premiums

Cuomo assessment on AHCA impact on NY

- Less money
 - Cuts \$240m in 2017 rising to \$2.4b by FY'20-21
 - NY FMAP *retroactively* (1/1/17) goes down from 90% to 85% for adults 0-100% of FPL
 - New enrollees after 1/1/20 are at 50% rate
 - DSH cuts \$1.07b between SFY17 and SFY20
- Over 1 million New Yorkers would face “significant loss of health care”
 - Eliminates the Essential Plan
- Over \$4.5 billion of costs shifted to states, counties, and safety net hospitals over 4 years
- \$400m in tax credits would be lost and replaced with PTCs which are unrelated to ability to pay

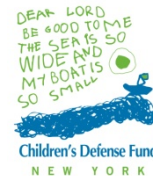
Immigrants & tax credits

- Exclusion of Certain Immigrants from ACA Tax-credits:
 - The proposal changes immigrant eligibility for tax credits from “lawfully present” to “qualified immigrants.”
 - Eligibility laid out in Personal Responsibility and Work Opportunity Act or Welfare Reform under Clinton
 - Cuts many immigrants who were eligible for tax credits under the ACA
 - Huge step backwards from the “lawfully present” category included in the ACA.
- Changing tax credits from income-based to age-based has a impact on low-income immigrant families who depend on affordable healthcare options

Immigrants, documentation & Medicaid

- States would be prevented from providing Medicaid coverage pending immigration/citizenship status verification
 - Applicants who attest to being a U.S. citizens or have lawful presence must provide documentation before obtaining coverage
 - Gathering immigration documents can be time consuming and challenging while navigating the health care and immigration system. This will cause delay in care or loss of coverage
- The changes to Medicaid funding will hurt low-income immigrants who rely heavily on New York's Medicaid program, especially impact immigrants who rely on fully state funded Medicaid
- The per capita cap limits the state's flexibility and ability to provide health care for immigrants who are excluded from coverage due to their immigration status

What's at stake for kids?



- **97% of New York kids currently have coverage**
 - 54% are covered by Medicaid and Child Health Plus
 - Medicaid covers all medically necessary care for kids on Medicaid . . . for now.
 - Child Health Plus is very similar to Medicaid in New York, but federal law allows New York to impose wait lists and ration care. New York doesn't do that . . . for now.
 - Remainder of kids are covered by employer insurance and non-group insurance (individual plans purchased on marketplace)
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What will happen to kids?



- Elimination of coverage mandates and reduction in subsidies means fewer kids will be covered by employer insurance and non-group plans
- Lack of employer insurance and job losses created by AHCA will increase number of kids eligible for Medicaid and CHP
- AHCA gives New York flexibility to reduce eligibility for 6 – 18 year olds to 100% FPL
- Other Medicaid eligibility reductions allowed after ACA provisions expire in 2019 (e.g. pregnant women and infants)
- Less federal funding available for children with disabilities (Community First Choice Attendant Supports)
- \$2.4 billion cut in federal funding for Medicaid in New York in 2020, with tens of billions more in cuts in following decades may require New York to:
 - Scale back CHP eligibility and benefits
 - Scale back Medicaid eligibility
 - Increase cost-sharing requirements for families



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Some of our top 10 issues for women and women's health

- Women would be unable to use their Medicaid coverage to get any services at Planned Parenthood.
- Women would be unable to buy private health insurance coverage that includes abortion, if they use federal tax credits to pay any portion of the premium.
- This would encourage insurers to drop abortion coverage.



Women especially harmed by skimpy subsidies and Medicaid cutbacks

- Because women are less likely to have insurance from our jobs, and also earn less, we will be hard hit by skimpy premium subsidies and loss of help with cost-sharing.
- Half of all births are paid for by Medicaid.
- Most recipients of long-term care paid for by Medicaid are women.



What's at stake for people with disabilities?



CID-NY

- The Affordable Care Act has enabled people with disabilities to enter the labor market with the security that they will be able to access and maintain the health coverage that they need.
- The changes to structure of the premium tax credits so that they are determined by age as opposed to income level is more likely to hurt people with disabilities who earn less.
- New Yorkers with Disabilities have one of the highest poverty levels of any population.
- People with disabilities are more likely to use Medicaid for their health coverage.

What's at stake for people with disabilities?



CID-NY

- A per capita cap on Medicaid payment to the states based on population will lead to drastic reductions in federal support over time.
- Over 2/3 of the dollars coming into New York State for Medicaid are spent on elderly and people with disabilities for health care and long term services and supports that maintain their health, function and independence in the community.
- The AHCA repeals the Community First Choice Option which will bring additional Medicaid matching funds of \$265 m. into the state this year.

AHCA – Effects on older adults

- CBO analysis of the AHCA estimates **24 million people would lose health coverage** over the next decade
 - Uninsured numbers increase most significantly among **low-income Americans ages 50 – 64**
 - Individual market premiums would spike under new “age rating”
- Additionally, AHCA **increases Medicare spending by \$43 billion**
 - Repeals a payroll tax on the wealthiest Americans, amounting to a **\$117.3 billion windfall that weakens the Medicare program**

AHCA Effects on NY's dual eligibles

- There are **over 700,000 people** eligible for both Medicare and Medicaid in New York
 - Seniors and people with disabilities that have low, fixed incomes or no income
 - **Over 190,000 individuals** in New York, including dual eligibles, **rely on Medicaid** for long-term services and supports
 - Cuts Medicaid spending by \$880 billion
 - Introduces *per capita caps* in Medicaid, resulting in fewer Medicaid dollars for states over time
 - Huge financial implications for beneficiaries, their families and caregivers
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WHAT'S OUR PLAN?



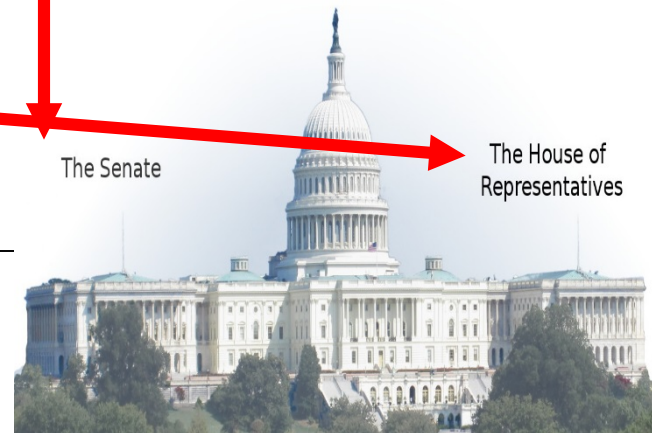
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So, what *is* the process to Repeal & Replace?

- “Repeal & Replace” requires 60 votes in the US Senate (Timing?)
 - Consumer protections
 - “Popular” parts of the law (e.g. age 26, pre-existing conditions)
- Budget Reconciliation
 - Only used for funding-related issues, like the subsidies, funding to run the Marketplaces, individual mandate
 - Can do lots of bad things
 - Only needs 51 votes
 - Too fast! April 2017

The Senate

The House of Representatives



Four-Step Process to “Repeal and Replace” ACA and “Reform” Entitlements (Medicaid, Medicare, CHIP)

1. HHS and CMS deregulation and waivers
 2. Budget Reconciliation Round 1 (for FY 2017): via AHCA
 - Deadline = Apr. 28 (when current “Continuing Resolution” expires)
 - AHCA, SCHIP, defund PP
 3. Budget Reconciliation Round 2 (for FY 2018):
 - Process begins in May, runs through Sept, deadline is Oct. 1 (start of new FY)
 - Comprehensive Tax Reform – could include Medicare privatization, capping tax exclusion of employer health benefits
 - Infrastructure spending – including Mexican border wall
 - Increase military/national defense spending
 - Restore budget sequester, and cut domestic and social spending even more
 4. “Fix It Before Collapse” bill (late 2017 into 2018):
 - Will require Democratic cooperation
 - Change/repeal non-financial aspects of ACA: Essential Health Benefits, Cross-state line products, stabilize individual markets
-

Legislative Process: now through end of April

- House leadership goal: AHCA vote on Thurs. Mar. 23 (ACA anniversary)
- Senate leadership goal: No committee hearings or mark-ups; floor vote before April Easter-Passover recess period (starts Apr. 7)
- Senate vote could be delayed by Supreme Court nominee hearing, floor debate, and vote – If so, AHCA vote likely in late April, after recess (Apr. 25).
- Advocates' goals: Slow everything down or stop; throw sand in the gears; call public and local media attention to every step of the process and what it means; shame lawmakers for abuse of legislative process; lift up personal stories of those who will lose out under the AHCA, along with impacts on states and local communities.

Main Advocacy Focus:

Members of the House and Senate Majorities

- Senators from NY:
 - Sen. Charles Schumer – Minority Leader
 - Sen. Kristen Gillibrand – Important voice on women's health and family issues
- Key Congressmembers in NY:
 - Rep. Lee Zeldin (NY-1) – East End of Long Island
 - Rep. Peter King (NY-3) – South Shore of Long Island
 - Rep. Dan Donovan (NY-11) – Staten Island and SW Brooklyn
 - Rep. John Faso (NY-19) – Mid-Hudson Valley and Catskills
 - Rep. Elise Stefanik (NY-21) – North Country
 - Rep. Claudia Tenney (NY-22) – Mohawk Valley, Eastern Southern Tier
 - Rep. Tom Reed (NY-23) – Southern Tier
 - Rep. John Katko (NY-24) – Syracuse and Central NY Region
 - Rep. Chris Collins (NY-27) – Western NY (except Buffalo and Niagara Falls)

Advocacy efforts nationally and in New York

- “Protect Our Care” coalition – national, (mostly) DC-based groups, working the Hill, engaging national media, engaging stakeholder allies www.familiesusa.org
- “Health Care for America Now” (HCAN) – field operation out in the states focusing on members of Senate and House Majorities
 - Coordinated days/weeks of action at strategic moments with unified messaging
 - Led in NY by Citizen Action (Mary Clark, Southern Tier Director)
 - www.newyorkersforhealthcare.org – calendar of events
 - www.hcfany.org – policy analyses and blog; story collection page
 - #becauseofMedicaid social media campaign
- New Medicaid Matters “Federal Issues Workgroup” – www.medicaidmattersny.org
- Local “pop-up” groups motivated by “Resistance” (MoveOn, Our Revolution, Indivisible)
- Hashtags: #protectourcare, #saveourcare, #carenotchaos, #becauseofMedicaid



Key dates

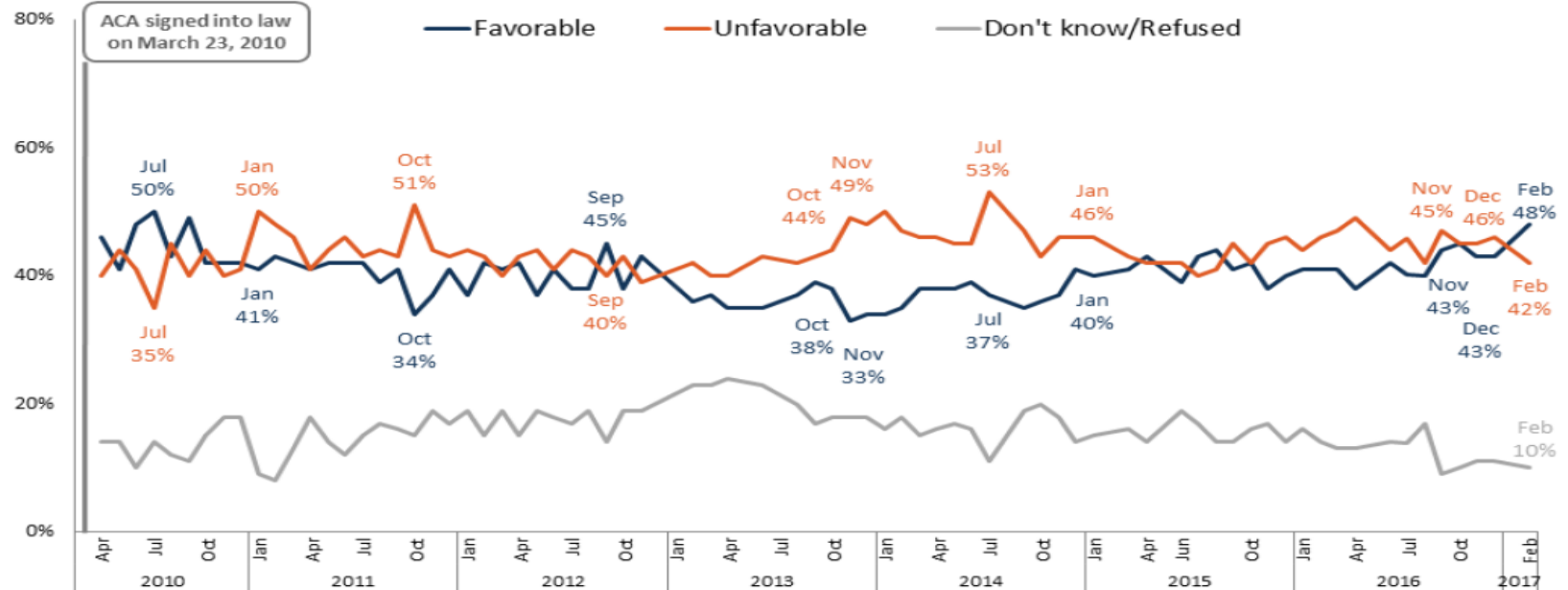
- KEY TACTIC ALWAYS! – Share personal stories about self, family, community
 - Thurs. March 23 – ACA 7th Anniversary:
 - “Emergency Room-in-the-Street”
 - “Funeral marches”
 - Media-genic events
 - Sat. April 1 – March(es) for Health Care
 - “We’re not fooled by the new health care bill.”
 - Fri. Apr. 7 thru Mon. Apr. 24 – Easter/Passover Recess Period
 - “Welcome Home” / “Thank or Spank” events (Apr. 7-10)
 - District Office meetings, press events, Town Halls (Apr. 17-21)
 - “Send Off” / “Get Back to Work” events (Apr. 22-24)
-

We can win this!

Figure 2

More Americans Now Have a Favorable View of the Health Care Law than Have an Unfavorable View

As you may know, a health reform bill was signed into law in 2010. Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?



NOTE: Data not collected for Dec 2012, Jan 2013, May 2013, Jul 2013, Aug 2014, Feb 2015, May 2015, Jul 2015, May 2016, and Jan 2017.
SOURCE: Kaiser Family Foundation Health Tracking Polls



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Thank you!

To keep up to date on ACA changes, please visit our blog at: www.HCFANY.org or www.newyorkersforhealthcare.org



Additional Resources

- AHCA (House) bill link: <https://housegop.leadpages.co/healthcare/>
 - Congressional Budget Office Score of AHCA link: <https://www.cbo.gov/publication/52486>
 - Cuomo/New York State DOH estimate of impact on New York: https://www.scribd.com/document/341427078/NYS-Department-of-Health-Aca-Repeal-Analysis#from_embed
 - Immigrants and health care: <https://www.nilc.org/issues/health-care/>
 - AHCA and impact on children: <http://www.childrensdefense.org/take-action/ProtectChildrensHealth/>
 - Repeal of ACA and women's health: http://static1.1.sqspcdn.com/static/f/2193553/27483804/1489078203137/What-we-could-lose-updated_3-08-17.pdf?token=%2BEHKL%2BttwrNTo9kGbHQVveM%2Ft5c%3D
 - Repeal of ACA and Medicare: <https://www.medicarerights.org/protect>
 - AHCA and Medicaid: <http://www.healthlaw.org/publications/browse-all-publications/top-10-changes-to-medicaid-under-house-republicans-aca-repeal-bill#.WMqvBUbyupo>
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