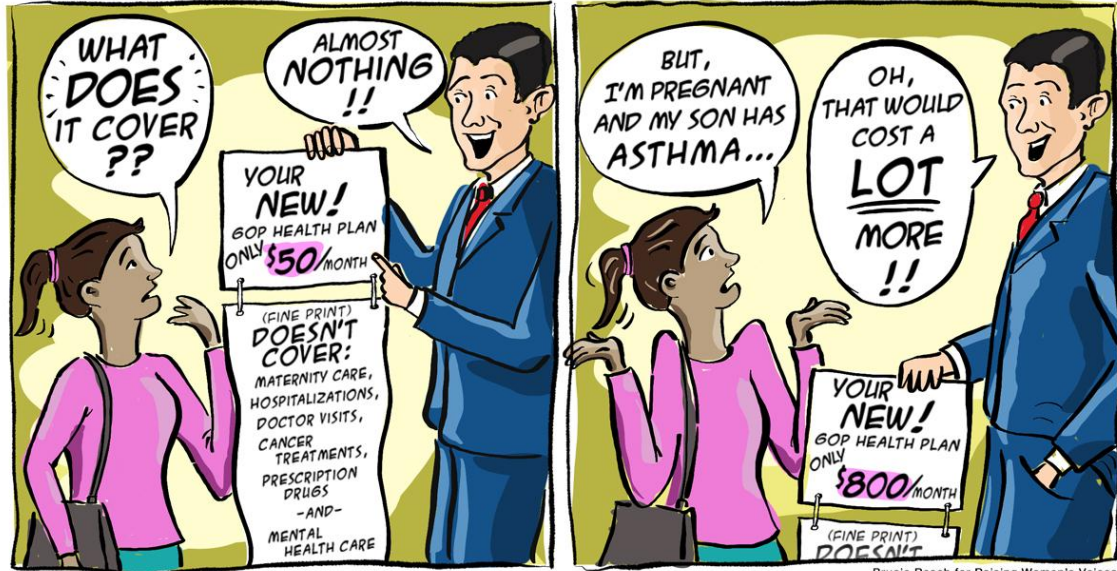


# New GOP health care plan would hurt people who need health care most!

APRIL 2017



Republicans in the U.S. House of Representatives gave up on their first attempt to replace the Affordable Care Act (ACA). That was after the Congressional Budget Office (CBO) predicted it would cause 24 million people to lose their health insurance, in order to fund a massive tax cut for the very wealthy. Now they are back with the same basic repeal bill, but with the addition of two terrible ideas that would further undermine the ACA's consumer protections, potentially stripping health insurance from millions more.

Under the new GOP plan, states would be allowed to drop two important provisions of the ACA: the requirement that insurance plans cover ten essential health benefits and provisions (known as "community rating") to prevent insurance companies from discriminating against sick people.

**The people who would be hurt are those who need good health insurance the most—like pregnant women and people with pre-existing medical conditions! Insurance companies couldn't refuse them coverage, but they could sell bare bones plans that don't cover the medical care that sick people need, or they could charge such expensive premiums that sick people couldn't afford coverage.**

---

## Why are Essential Health Benefits important?

One of the most significant things the ACA did was require insurance companies to cover 10 important types of health care called Essential Health Benefits. Examples include hospital stays, doctor visits, prescription drugs, maternity care and mental health services. Before the ACA, many insurance companies did not cover maternity care and mental health care and had skimpy coverage for other types of care.

If states are allowed to drop the Essential Health Benefits requirement, then insurance companies could sell plans that are cheaper, but don't cover very much. If we get sick, or become pregnant, we would have to pay out of pocket for anything that isn't covered—like cancer treatment or childbirth and newborn care. Comprehensive health plans would be significantly more expensive than they are now—or they might disappear altogether.

## Why is “community rating” needed?

Under the ACA, insurance companies can't charge sick people more for the same coverage that they provide to healthy people in the same insurance market. This principle is known as “community rating” (versus “individual rating”) because insurance companies charge one premium based on the shared risk of the insurance pool instead of charging each person based on his or her individual health status. This keeps coverage affordable for the people who need it most and eliminates the extensive paperwork and reporting requirements of the pre-ACA days when insurance companies could discriminate against us based on our health status.

If Republicans allow states to get rid of community rating, insurance companies will once again sort us based on how healthy or sick they think we are and charge millions of people substantially more for their insurance, pricing millions out of people out of coverage altogether. We will have to fill out lengthy questionnaires about whether health status and history, and could once again have our policies canceled if we forget to list even mild pre-existing conditions like acne. These policy cancellations were [common before the ACA](#).

---

## What would happen to people with pre-existing conditions?

People with pre-existing conditions, such as women with breast cancer, would be left without any affordable health plans that actually cover the care they need. This is exactly what happened in many states before the ACA.

Republicans in Congress say they would take care of people with pre-existing conditions by helping states to create what are called “high-risk pools.” A high risk pool is made up of people who have pre-existing conditions and can't afford health insurance that covers the care they need. When high risk pools were tried in the past, people with pre-existing conditions often had long waits (six to 12 months) before they could qualify. They needed to show documentation that they had a health condition, which could be difficult to do without insurance coverage to pay for the necessary tests. Not only that, even when people do get insurance through a high risk pool, it still might not cover all the care they need.

Republicans say they will subsidize the cost of health insurance for people in those pools with a “stabilization fund” of \$115 billion over 10 years. But people who have studied this plan say that wouldn't be nearly enough money. They estimate it will cost between \$200 billion to \$1 trillion, and that would only cover a small proportion of the uninsured people with pre-existing conditions.\*

\*Sources: Commonwealth Fund , Center on Budget and Policy Priorities, National Affairs

