

REPEAL & REPLACE ACTIVITY REPORT **FOR THE WEEK OF FEBRUARY 24th, 2017**

ACA Repeal and Replace/Repair/Delay

Leaked House reconciliation bill¹

On Friday, February 24th, a draft of the House's reconciliation plan for repealing and replacing the ACA was leaked. The draft, obtained by Politico, is two weeks old, and largely aligns with proposals from Speaker Ryan and Secretary of HHS Tom Price. It is currently unknown which committee the draft came from or which legislators are backing it. While Republicans seem committed to a number of reform concepts they have outlined over the year, including age-based tax credits, a continuous enrollment requirement instead of an individual mandate, and a scaling back of Medicaid, compared to other GOP repeal and replace bills, the leaked legislation has more generous financial support for those who purchase their own health insurance and lower penalties for consumers who do not maintain continuous insurance coverage. This may indicate some willingness among Republicans to change the details of their most often referenced policies. Some key components of the leaked draft include:

1. Tax credits based on age:
 - a. Under 30: \$2,000
 - b. 30 – 40 years old: \$2,500
 - c. 40 – 50 years old: \$3,000
 - d. 50 – 60 years old: \$3,500
 - e. Over 60: \$4,000
2. Restrictions on insurance companies discriminating against people with preexisting conditions, unless they do not maintain continuous coverage
 - a. Individuals with a lapse in coverage would have to pay 130% of the standard rate of original coverage for 1 year before re-gaining access to the standard rate
3. \$100 billion over 10 years for state efforts to cover high-risk individuals
4. Eliminates essential health benefits package, leaving it up to the states to decide what benefits are essential
5. Changes age-rating ratio from 3:1 to 5:1
6. Repeals Medicaid expansion without a replacement (although states could continue the expansion just without much federal support)
7. Changes Medicaid funding into a per capita cap model, with possibility for states to keep extra money if they do not spend it on beneficiaries
8. Cap the tax exclusion for employer-sponsored insurance at the 90th percentile of current premiums (similar to the Cadillac tax)

¹ <http://www.vox.com/policy-and-politics/2017/2/24/14726916/leaked-republican-obamacare-replacement-plan-explained>

Trump: ACA Repeal Plan Coming in March^{2,3}

On Wednesday, Feb. 22nd, Trump stated that a repeal plan would be announced in March. It is unclear if this will be new plan or a joint plan that has already been introduced. Trump's timeline, though, matches up with the one put forward by Republican leaders in Congress. Speaker Paul Ryan (R-Wis.) said recently that an ACA repeal and replace bill would be introduced after this week's break. House committees are looking to markup legislation in early March. Pressed by The Associated Press on Monday on whether an ACA replacement plan would come from the White House, chief of staff Reince Priebus said, "We don't work in a vacuum."

Furthermore, Republican senators who hosted HHS Secretary Tom Price earlier this month said his message was that the administration wants to work with lawmakers on the replacement plan. The details of the Republican replacement plan remain unclear. House Republicans last week circulated an outline, though, with elements like a tax credit to help people afford coverage.

Senate Majority Leader Mitch McConnell has also said that Republicans plan to repeal and replace the ACA without help from the Democrats.

Trump administration pauses ACA subsidy case⁴

The Trump administration and House Republicans have requested an additional three months to decide what to do in the court case challenging the ACA's cost-sharing subsidies, *House v. Burwell*. The Obama administration had been adamant in pursuing an appeal of the original ruling in favor of House Republicans, but the Trump administration is trying to decide about dropping the case. House Republicans also have been thinking of continuing the cost-sharing subsidies if the executive office drops the case, as they do not want to destabilize the health system before repealing and replacing the ACA.

KFF Health Tracking Poll: More Americans are favorable to the ACA⁵

Kaiser Family Foundation's monthly health tracking poll from February 13-19, 2017, finds that 48% of Americans report having a favorable opinion of the ACA, compared to 42% who have an unfavorable opinion. This is the highest level of favorability for the law over the more than 60 polls from Kaiser since 2010. The change comes mostly from independents, among whom 50% now report having a favorable opinion of the ACA. When it comes to what to do about the ACA, the public is still divided with 47% saying they want lawmakers to repeal the law and 48% saying lawmakers should not repeal the law. The majority of individuals who want to see the ACA repealed do not want repeal to come without an accompanying replacement (about 60%). Across all political affiliations, a majority of Americans said it was important for ACA replacement plans to continue to give federal funding to states that have expanded their

² <http://thehill.com/policy/healthcare/320661-trump-healthcare-plan-coming-in-march>

³ <http://www.pbs.org/newshour/rundown/mcconnell-intends-replace-obamacare-without-democrats>

⁴ <http://www.politico.com/tipsheets/politico-pulse/2017/02/obamacare-supporters-confront-republicans-218859>

⁵ <http://kff.org/health-reform/poll-finding/kaiser-health-tracking-poll-future-directions-for-the-aca-and-medicaid/>

Medicaid programs (84% overall, 95% among Democrats, 84% among independents, and 69% among Republicans).

Trouble for Republican repeal efforts^{6,7}

The Alaskan Senator, Lisa Murkowski, who is a key swing vote to repealing the ACA, has said she will not vote against the bill or support legislation to pull funding from Planned Parenthood as part of efforts to repeal the law. These comments are signs of trouble in Congress where Republicans are under growing pressure to come up with a replacement for the ACA. In the House, there are also 24 representatives in Republican congressional districts that went to Hillary Clinton in the presidential election. Along with 25 conservative hard-liners who might oppose a robust replacement plan for the ACA, this group of representatives could put passage of a House bill in jeopardy.

GOP ACA repeal ad campaigns increase pressure on Republican lawmakers⁸

Ads will run in Missouri, Florida, Wisconsin, Ohio, Maine, Arizona, Alaska, Utah and Nevada over the next 10 days as part of a campaign from One Nation, a group aligned with Senate Majority Leader Mitch McConnell (R-Ky). In the next wave of radio and digital ads, the group will target Michigan and Tennessee. These ads are part of an existing \$3 million campaign. One Nation's ads target vulnerable Democratic senators up for reelection in 2018, especially in states President Trump carried in 2016. The spots criticize Democrats for voting for ACA and urge voters to tell their lawmakers to support its repeal. The ads will also air in states with GOP senators, like Dean Heller (Nev.) and Jeff Flake (Ariz.). The two men are considered the most vulnerable GOP senators in 2018. The ads commend Senate Republicans for backing the healthcare law's repeal and tell them to follow through on their promises to nix it. American Action Network (AAN), a political group aligned with House GOP leadership, also unveiled a \$2.2 million TV and digital ad campaign on Wednesday targeting 21 districts. The ads will be aimed at vulnerable Republicans sitting in swing seats, as well as first-term lawmakers and GOP members in leadership. The ads will air for two weeks nationally on Fox News, MSNBC and CNN, as well as online.

Medicaid

Judge blocks Medicaid cuts to Planned Parenthood in Texas⁹

A federal judge in Texas temporarily blocked the cutting off of Medicaid funding to Planned Parenthood, ruling that the state had not presented credible evidence to support the claims that the organization violated medical or ethical standards concerning abortion procedures. As of now the 30 health center serving 12,500 Medicaid patients will continue to receive funding from Medicaid.

⁶ <http://www.politico.com/tipsheets/politico-pulse/2017/02/more-trouble-for-republican-repeal-efforts-218883>

⁷ <https://www.nytimes.com/2017/02/23/us/politics/obamacare-affordable-care-act-house-republicans.html>

⁸ <http://thehill.com/homenews/campaign/320658-gop-groups-ramp-up-pressure-on-lawmakers-over-obamacare>

⁹ https://www.nytimes.com/2017/02/21/us/texas-planned-parenthood-medicaid.html?_r=0

Other news

Single payer health care legislation introduced into California Senate¹⁰

Legislation that would start the process of creating a single-payer health care system in California was introduced into the state Senate. The bill is just a preliminary step, but would set the intention for the California Legislature to draft and enact a law to create a single-payer health care program for all California residents. The legislation, Senate Bill 562, was introduced by Sen. Ricardo Lara.

¹⁰ <http://khn.org/news/single-payer-health-care-bill-introduced-in-california-senate>