

## **REPEAL & REPLACE ACTIVITY REPORT** **FOR THE WEEK PRIOR TO MAY 26<sup>TH</sup>, 2017**

### **ACA Repeal and Replace**

#### **CBO report released**<sup>1,2,3,4</sup>

Three weeks after the House passed the American Health Care Act (AHCA), the Congressional Budget Office released its analysis of the legislation. According to the CBO, the AHCA would lead to 23 million more people being uninsured compared to the ACA by 2026. The CBO also estimates that the bill would reduce the federal deficit by \$119 billion over the next ten years. These savings come from a \$1.11 trillion reduction in spending (through massive cuts to federal Medicaid funding and a sizeable decrease to the amount of funds available for premium tax credits for individuals looking to purchase coverage on the individual market) that outweigh the \$991 billion cut in revenues (including \$664 billion from repealing or delaying taxes on high income people, fees imposed on manufacturers, and excise taxes enacted under the ACA).

To score the bill, the CBO had to make assumptions about how states would respond to the availability of waivers to change current market regulations. The CBO assumed that half of the U.S. population resides in states that would not request waivers, one-third reside in states that would make moderate changes to market regulations, and one-sixth reside in states that would obtain waivers involving both the essential health benefits and community rating. The effect of the AHCA on insurance premiums in the nongroup market differs by state decisions on these waivers. For those that do not pursue any waivers, the CBO estimates that premiums would be about 4 percent lower in 2026 than under current law, but that the changes in premiums would vary for people of different ages (see chart below). In states that make moderate changes, average premiums would be 20 percent lower in 2026 compared to current law, but coverage would provide fewer benefits and therefore out-of-pocket costs would likely be higher and again there would be differences based on age (see chart below). For those states that get more extensive waivers, the CBO estimates that average premiums would be lower than current law but would vary by age and health status. The nongroup insurance market in these states would also become unaffordable for less healthy people over time.

Senators were quick to comment on the CBO's report, including Sen. Dean Heller who said that the House bill "does not do enough to address Nevada's Medicaid population or protect Nevadans with pre-existing conditions," and Sen. Bill Cassidy who criticized the bill for its lack of

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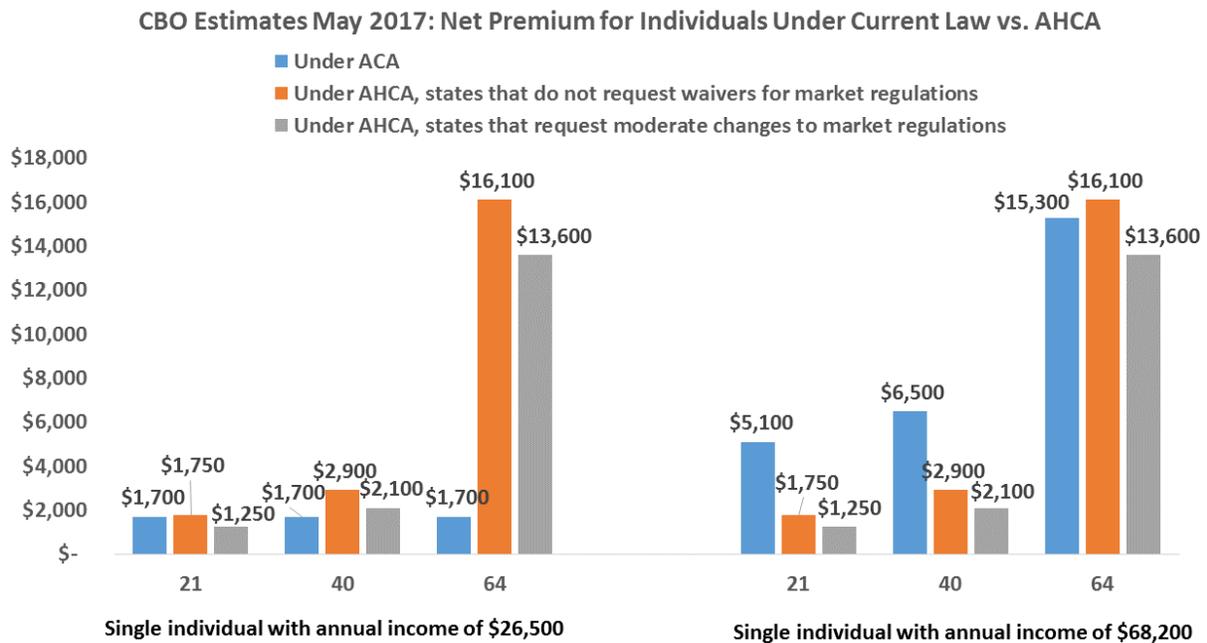
<sup>1</sup> <https://www.cbo.gov/publication/52752>

<sup>2</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/05/25/gops-last-minute-changes-to-health-bill-may-have-worsened-it-220505>

<sup>3</sup> <http://www.politico.com/story/2017/05/24/cbo-report-on-healthcare-reform-238786>

<sup>4</sup> [https://www.nytimes.com/interactive/2017/05/24/us/cbo-score-ahca-amendments.html?\\_r=0](https://www.nytimes.com/interactive/2017/05/24/us/cbo-score-ahca-amendments.html?_r=0)

protection of people with pre-existing conditions. Although the release of the CBO report allows the Senate to move forward with the legislation, Senate majority leader Mitch McConnell has not offered a timeline for the AHCA's path through the Senate and admitted that he was not sure "how we get to 50" votes at this point. This comes after criticisms of the closed-door meetings of the Senate GOP health group by one of the members, Sen. Bob Corker, who called it "a very awkward process" and complained about the lack of experts and actuaries.<sup>5</sup> Others have indicated that there may be some legislative language from the Senate available after the Memorial Day week recess.<sup>6</sup>



**AHCA may not have support of many Trump voters<sup>7</sup>**

A recent poll from Fox News found that 53 percent of voters think that the ACA is a "good thing." This is an increase from 40 percent in the same poll conducted in October 2014. The poll also found that more than half (54%) of voters oppose the AHCA. Meanwhile the Washington Post has looked at Kaiser Family Foundation data and found that 42 percent of Trump voters say that Medicaid is very or somewhat important to them.

<sup>5</sup> <https://s.washingtonpost.com/camp-rw/?e=cGV0cmFzbXVzc2VuQGdtYWlsLmNvbQ%3D%3D&s=592579e27188507ce4e8fd27>

<sup>6</sup> <http://www.politico.com/story/2017/05/25/senate-gop-obamacare-repeal-bill-238836>

<sup>7</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/05/25/gops-last-minute-changes-to-health-bill-may-have-worsened-it-220505>

### **Blue Cross Blue Shield North Carolina requests higher rate increase following uncertainty around cost-sharing reductions<sup>8</sup>**

BCBS North Carolina had said that it would only raise premiums 8.8 percent if it could get assurances that the Trump administration would continue to fund the cost-sharing reductions. However, following continued uncertainty around the payments, the insurer has instead requested a 22.9 percent increase, indicating that the handling of the ACA by the Trump administration may be leading to rising premiums in the nongroup market.

### **Three other health care bills move forward in the House<sup>9</sup>**

Outside of the AHCA, Republicans in the House are advancing three health care bills as part of their larger ACA repeal and replacement strategy. Two bills were approved with no Democratic support. The first would allow veterans to retain their eligibility for subsidies under the ACA should the AHCA become law. The second requires individuals to verify their income eligibility and citizenship/immigration status before being able to access premium tax credits. The third bill, which garnered the approval of one Democrat, would allow the AHCA tax credits to be applied to COBRA plans.

### **Twenty-five Missouri counties have zero health plans in 2018 health insurance marketplace<sup>10</sup>**

Following the exit of Blue Cross Blue Shield of Kansas City from the Missouri marketplace, 25 counties in the state now face the prospect of having no plans sold to their residents through the health insurance marketplace. The insurer cited financial losses and the uncertainty of the market as reasons for their decision to leave the market. This could leave as many as 19,000 enrollees without access to a plan where they could use their federal premium subsidy. There is still time for another insurer to step in to offer coverage to these enrollees, but as of now no one has stepped forward.

## **Medicaid**

### **Indiana adds work requirement to Medicaid waiver<sup>11</sup>**

On Wednesday, Indiana added an amendment to its pending Medicaid waiver for renewing its Medicaid expansion model for another three years. The amendment would require Medicaid enrollees to be employed or searching for work. Under the Indiana Medicaid expansion program, beneficiaries already make premium contributions, receive incentives for healthy behaviors, have healthy savings accounts, and face a potential lock out from the program if they do not pay their premiums. Other states have indicated that they plan to add work requirements to their Medicaid programs, including Maine, Kentucky, Arizona, Florida, and Ohio.

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<sup>8</sup> <https://www.vox.com/policy-and-politics/2017/5/25/15693542/voxcare-senate-bill-north-carolina-raising-premiums>

<sup>9</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/05/25/gops-last-minute-changes-to-health-bill-may-have-worsened-it-220505>

<sup>10</sup> <https://www.vox.com/health-care/2017/5/24/15686072/obamacare-exit-missouri-blue-cross>

<sup>11</sup> <http://www.modernhealthcare.com/article/20170525/NEWS/170529942>

## Other news

### **Single-payer bill passes Senate Appropriations Committee in California**<sup>12</sup>

SB 562 cleared the state's Senate Appropriations Committee in a 5-2 vote along party lines. The bill will need to be voted on by the full Senate by June 2<sup>nd</sup> in order to stay alive. Following an analysis that put the cost of the system at \$400 billion a year, the bill's author, Sen. Lara, is planning to amend the bill to make the implementation contingent on revenue so as to not overtax people.

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<sup>12</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/05/26/senate-begins-crafting-health-bill-cautiously-220527>