REPEAL & REPLACE ACTIVITY REPORT
FOR THE WEEKS PRIOR TO JUNE 30th, 2017

ACA Repeal and Replace

Timeline of recent events surrounding the Senate bill to repeal and replace the ACA
Thursday, June 22nd

- Senate releases draft legislation of the Better Care Reconciliation Act (BCRA), their version of the House’s bill to repeal and replace the ACA. Key components of the legislation include: 1, 2, 3
  - Premium tax credits for individual market coverage available for those with incomes below 350% of the federal poverty level (starting in 2020)
    - Subsidy levels would be tied to a benchmark plan with a 58% actuarial value
    - Subsidies based on income and age

More affordable or less?

<table>
<thead>
<tr>
<th>Income as % of poverty line</th>
<th>ACA 2017</th>
<th>BETTER CARE RECONCILIATION ACT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Up to age 29</td>
</tr>
<tr>
<td>Up to 100</td>
<td>No cap</td>
<td>2</td>
</tr>
<tr>
<td>100-133</td>
<td>2.04</td>
<td>2 - 2.5</td>
</tr>
<tr>
<td>133-150</td>
<td>3.06 - 4.08</td>
<td>2.5 - 4</td>
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<tr>
<td>150-200</td>
<td>4.08 - 6.43</td>
<td>4 - 4.3</td>
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<tr>
<td>200-250</td>
<td>6.43 - 8.21</td>
<td>4.3 - 4.3</td>
</tr>
<tr>
<td>250-300</td>
<td>8.21 - 9.69</td>
<td>4.3 - 4.3</td>
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<tr>
<td>300-350**</td>
<td>9.69</td>
<td>4.3 - 6.4</td>
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</tbody>
</table>

*The Affordable Care Act defines a midlevel plan as one that covers, on average, 70 percent of enrollees’ costs. The Senate bill defines it as a plan that covers 58 percent of the average enrollees’ costs. **350-400 in ACA.

SOURCES: Kaiser Family Foundation,

- Tax credits cannot be used for plans that cover abortion (starting in 2018)
- Did not include a continuous coverage provision, but did zero out the individual mandate (as of 2016), leading many to question how many Americans would

choose to stay uninsured until sick (as the ACA’s guaranteed issue provision
would still be in effect)
- Repeals ACA’s cost-sharing subsidies starting in 2020
- Zeroes out the employer mandate (as of 2016)
- Establishes State Stability and Innovation Program to provide $112 billion in
funding over nine years to states to use to stabilize their markets, including $50
billion for a reinsurance program for 2018-2021
- Eases the process for states to get 1332 waivers to amend or eliminate various
ACA requirements (e.g., essential health benefit categories)
- Phases out enhanced funding for the Medicaid expansion population beginning
in 2021, decreasing it to the level of the state’s traditional match by 2024
- Converts federal Medicaid funding to a per capita allotment (starting in 2020)
and allows states to include work requirements for nonelderly Medicaid adults
who are not disabled or pregnant
- Repeals ACA taxes, many of which are on high-income Americans
  - Four conservative GOP Senators, Ted Cruz (TX), Ron Johnson (WI), Mike Lee (UT), and
Rand Paul (KY), came out in opposition to the BCRA in its current form because it did not
go far enough with repealing the ACA\(^4\)
  - Former President Barack Obama came out in strong opposition to the BCRA\(^5\) while
President Trump tweeted support for the bill in the evening\(^6\)

**Friday, June 23\(^{rd}\)**
- Senator Dean Heller (NV) became the fifth Republican Senator to announce that he
would not vote for the Senate bill in its current form, largely because he opposes the
bill’s large cuts to Medicaid.\(^7\)

**Monday, June 26\(^{th}\)**
- New version of Senate bill released that includes a continuous coverage provision (as
was seen in the House’s AHCA) and a six-month waiting period for individuals looking to
enroll in coverage who are unable to demonstrate 12 months of continuous creditable
coverage
- Congressional Budget Office (CBO) releases score of the BCRA (including amendment to
include the continuous coverage provision)\(^8\)
  - 22 million more uninsured individuals by 2026 under the BCRA as compared to
current law
    - The increase in the number of uninsured is expected to be predominately
among older people with low-incomes and those with Medicaid.

\(^4\) [http://politi.co/2sEEDZ5](http://politi.co/2sEEDZ5)
\(^5\) [https://www.facebook.com/barackobama/posts/10154996557026749](https://www.facebook.com/barackobama/posts/10154996557026749)
\(^6\) [https://twitter.com/realDonaldTrump/status/878019881353871360](https://twitter.com/realDonaldTrump/status/878019881353871360)
o $321 billion reduction to the federal deficit over 2017-2026, coming primarily from a $772 billion decrease in Medicaid funding and a $408 billion decrease in tax credits balanced with $541 billion less in tax revenues and $210 billion less in penalty payments from individuals and employers

- Senators Lisa Murkowski (AK) and Susan Collins (ME) joined Republican opposition to the BCRA and announced that they were not ready to vote on the legislation

Tuesday, June 27th
- Senate Majority Leader Mitch McConnell delays vote on the BCRA until after the July 4th recess
- Four more Republican senators came out in opposition to the bill following the announcement that the vote had been delayed, including Sens. Jerry Moran (KS), Ben Sasse (NE), Rob Portman (OH), and Shelley Moore Capito (WV)

Thursday, June 29th
- Following a request from Senate Democrats for a longer term analysis of the BCRA on Medicaid, the CBO released an estimate that the bill would reduce Medicaid outlays 35% over 20 years

Friday, June 30th
- Senate Republican leaders hoped to have a new draft of the BCRA to send to the CBO for scoring in order to get a vote the week of July 10th, following the July 4th recess. However Senators left on Thursday without coming to a consensus. CBO may look at a series of proposals including:
  o Maintaining some of the ACA’s taxes in order to spend more on low-income individuals
  o Allowing pre-tax HSA dollars to be used to pay for insurance premiums
  o Spending billions more money to fight the opioid epidemic
- Sen. Bob Sasse and President Trump showed support for Republicans repealing the ACA in total and worrying about replacing it later if they could not come to a consensus in July.

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10 [http://www.politico.com/story/2017/06/27/republicans-key-repeal-vote-delay-240010](http://www.politico.com/story/2017/06/27/republicans-key-repeal-vote-delay-240010)
13 [https://www.cbo.gov/publication/52801](https://www.cbo.gov/publication/52801)
After Senate vote on BCRA delayed, negotiations continue[^16][^17][^18]

Negotiations on amending the Senate’s bill to repeal and replace the ACA, known as the Better Care Reconciliation Act (BCRA), continued following the announcement by Senate Majority Leader Mitch McConnell that the vote had been delayed until after the July 4th recess. A number of ideas have since been floated. Senator Ted Cruz proposed allowing insurers to sell non-ACA-compliant plans in a state as long as they also offer at least one ACA-compliant plan in the same state. The idea behind this plan is to offer comprehensive coverage to those who need it and still offer skimpier plans to those who do not need as much coverage, essentially turning the ACA’s exchanges into a high-risk pool. The Center for American Progress, on the other hand, released legislative text that it touted as bipartisan for helping to fix the ACA. The CAP plan includes three main parts: 1) guaranteeing the ACA’s cost-sharing reductions, 2) $15 billion for a reinsurance fund, and 3) giving tax incentives to insurers who participate in markets with zero or one insurer. Another option that was being discussed for amending the BCRA is to keep some of the ACA’s taxes in order to have more money to spend on helping lower income Americans purchase coverage.

Polls indicate low support for the BCRA[^19][^20][^21]

Quick polls conducted by NPR/PBS Newshour/Marist, USA Today/Suffolk University, and Quinnipiac University found very low support for the Senate’s BCRA legislation. The USA Today poll found that only 12 percent of Americans support the bill. The NPR poll found only 17 percent of Americans approve of the proposed legislation. The Quinnipiac poll found that only 16 percent of Americans approve of the Republican health care plan.

2018 ACA marketplace update[^22][^23][^24]

The deadline for insurers to decide about participating in the 2018 health insurance marketplaces has passed, but prior to the deadline insurers both exited and entered states’ markets. Anthem announced that it would leave the markets in Wisconsin and Indiana, again citing uncertainty in the market. Oscar, on the other hand, has expanded its business into five more states: California, New Jersey, Ohio, Tennessee, and Texas.

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A recent report from CMS shows that the number of enrollees in the ACA marketplaces fell in 2017. The report showed that, as of mid-March, 10.3 million Americans were covered through the ACA’s marketplaces, down from 12.2 million who selected plans during the open enrollment period. The reason for this decline is unclear, although CMS reported that individuals cited high costs and a lack of affordability most often as their reason for dropping coverage.

**Commonwealth Fund: New study estimates one million job loss under House’s health bill**
A new study from researchers at George Washington’s Milken Institute estimates that there would be 942,000 in the United States in 2026 under the House’s American Health Care Act than there would be under current law. The researchers estimate that some of the taxes that the AHCA would repeal would boost the economy in the short term, but that the cuts to Medicaid and the reduction in coverage benefits would lead to job lock and a sicker workforce. The health care sector and states that expanded Medicaid would be hit the hardest, according to lead researcher Leighton Ku. The report includes a state-by-state analysis and found that the states that would lose the most jobs by 2026 would be New York (86,000), Pennsylvania (85,000), Florida (83,000), Michigan (51,000), and Illinois (46,000). California is expected to lose 32,000 jobs by 2026 under the AHCA.

**Medicaid**

**Nevada’s governor vetoes state’s Medicaid buy-in bill**
Nevada Governor Brian Sandoval vetoed the Medicaid buy-in bill that the state’s congress passed earlier in June. The bill, known as Sprinklecare, would have allowed people not eligible for Medicaid to buy-in to the program by paying premiums. The governor cited the already uncertain nature of the health care market as a large reason why he vetoed the bill.

**California health leaders worry about large cuts to Medicaid under Senate bill**
The extensive cuts to Medicaid included in the Senate’s bill to repeal and replace the ACA would have huge consequences for California. The state stands to lose $114 billion in federal funds in the first decade of the program, should the Senate bill be enacted. The Medicaid program covers 13.5 million Californians, including about 3.8 million who only became eligible for coverage under the ACA. A report issued by Avalere Health found that federal funding would drop 26 percent in California over 10 years.

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Other news

California single-payer bill tabled indefinitely
State Assembly Speaker Anthony Rendon decided to table the proposed legislation to turn California’s health care system into a single-payer system by holding the bill in committee. The speaker said that the bill did not have enough information on how the system would be set up to properly function. The California Nurses Association, who strongly supported SB 562 were angered by the decision.