

## **REPEAL & REPLACE ACTIVITY REPORT** **FOR THE TWO WEEKS PRIOR TO JUNE 12<sup>th</sup>, 2017**

### **ACA Repeal and Replace**

#### **Senate aims to vote on ACA replacement bill by end of June<sup>1,2,3,4,5,6,7</sup>**

After weeks of closed door discussions the Senate has signaled that it hopes to vote on their version of the American Health Care Act (AHCA) before the July 4<sup>th</sup> recess. In order to do this, however, the Senate has about a week to finish drafting their legislation. The draft needs to be sent to the CBO about two weeks before the planned vote as the Senate cannot vote without a score. Senate approval of a bill on the 30<sup>th</sup> would give Congress one month to merge the House and Senate bills before the August recess.

Although the Senate Budget Committee announced that the AHC complies with the Senate's budget rules, indicating that the bill qualifies for reconciliation in the Senate and can finally be sent from the House to the Senate, it is still not clear that the Senate will be able to pass a bill. There are a number of Senate Republicans who may not agree to vote for the bill, including Sen. Susan Collins of Maine and Sen. Rand Paul of Kentucky. Sens. Rob Portman of Ohio, Cory Gardner of Colorado, and Shelley Moore Capito of West Virginia are all fighting to soften the cuts to Medicaid included in the House bill. Senate Republicans have indicated that they will hold a vote on the bill even if they do not think they can get the 50 votes needed for it to pass. This failure would allow them to move on from ACA repeal to other legislative priorities.

According to senior GOP aides, the content of the legislation that the Senate is considering includes state waivers for 1) the ACA's essential health benefits; 2) the Medical Loss Ratio (or how much of insurers' premium revenue must be spent on medical claims; 3) age rating band that restricts charging older adults premiums that are no more than three times as much as younger people. Unlike the House version of the AHCA, the Senate bill may not include waivers for the ACA's pre-existing condition protections, including guaranteed offer of coverage and community rating. For Medicaid, the Senate is looking at adjusting the House bill's per capita cap policy so that the spending caps are reevaluated every two to three years rather than being

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<sup>1</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/06/senate-health-bill-could-be-ready-by-end-of-week-220691>

<sup>2</sup> <https://www.axios.com/senate-health-bill-is-beginning-to-take-shape-2434844765.html>

<sup>3</sup> <https://www.vox.com/policy-and-politics/2017/6/6/15741986/senate-republicans-obamacare-repeal-vote-show-em-a-body>

<sup>4</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/07/where-obamacares-most-vulnerable-220710>

<sup>5</sup> <https://www.vox.com/policy-and-politics/2017/6/8/15764938/voxcare-medicaid-gop-portman-capito-tom-price>

<sup>6</sup> <https://www.vox.com/health-care/2017/6/12/15771872/obamacare-is-in-real-danger>

<sup>7</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/09/dont-count-on-white-house-to-fund-obamacare-subsidies-220759>

set based on 2016 spending and not reassessed. The legislation would still end the ACA's Medicaid expansion, although perhaps using a longer timeline (a seven- or five-year rather than a three-year phase out) than the House version of the bill. The bill may also include funding for the ACA's cost-sharing subsidies, a source of a lot of uncertainty for insurers in the individual market.

For continued up to date information, the Center on Budget and Policy Priorities has created a [website](#) to track developments in the Senate Bill.

### **KFF: Recent poll finds most Americans want changes to AHCA or for it to not pass the Senate**<sup>8</sup>

The Kaiser Health Tracking Poll from May 2017 found that only 8 percent of Americans want the Senate to pass the House version of the AHCA without changes. 24 percent want the Senate to make "minor changes," 26 percent want to see "major changes," and 29 percent do not want the Senate to pass the AHCA. Overall, 31 percent of Americans favor the AHCA, compared to 49 percent who support the ACA. A majority of Americans do not have a favorable view the AHCA with 40 percent reporting that they have a very unfavorable opinion of the AHCA and 15 percent reported having a somewhat unfavorable opinion of the bill. 76 percent of the public also thinks that the AHCA does not fulfill all or most of the promises that President Trump made about health care. Support for the AHCA breaks down heavily along party lines with two-thirds of Republicans supporting the bill compared to only 8 percent of Democrats and 30 percent of independents. Finally, 45 percent of Americans believe that the cost of health care for themselves and their family will be worse under the AHCA.

### **State health insurance marketplace updates**<sup>9,10,11</sup>

Anthem announced that it would not sell plans in Ohio's ACA health insurance marketplace in 2018. The company blamed the uncertainty of the market and the role of the federal government moving forward for their decision to leave the state. At this point, Anthem's exit will leave residents in as many as 20 counties in Ohio without access to any health plans in the individual market where they could use their federal premium subsidies.

A number of other states also have thin coverage that could be further disrupted if Anthem decides to leave. In Missouri, Anthem is the only remaining insurer in 72 counties and 25 counties are already without a plan option in the marketplace since the exit of Blue Cross Blue Shield of Kansas City. 90 of Georgia's counties are served by Anthem subsidiary Blue Cross Blue Shield, which is also the last statewide insurer there. In Colorado, residents in fourteen counties depend on Anthem for coverage in the marketplace. Kentucky, Virginia, and Nevada could also have counties that would not have any plans available in the state marketplace if Anthem decides to leave.

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<sup>8</sup> <http://kff.org/health-reform/report/kaiser-health-tracking-poll-may-2017-the-ahcas-proposed-changes-to-health-care>

<sup>9</sup> <http://www.washingtonexaminer.com/anthem-to-exit-ohios-obamacare-exchange/article/2625094>

<sup>10</sup> <https://www.bloomberg.com/politics/articles/2017-06-05/cuomo-takes-steps-to-keep-new-york-insurers-in-obamacare>

<sup>11</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/07/where-obamacares-most-vulnerable-220710>

In New York, on the other hand, Governor Cuomo has taken steps aimed at shoring up competition in the state's marketplace and announced that the state would encourage insurers to stay in the marketplace by tying insurer's participation in the marketplace to their contracts for Medicaid, CHIP, and the Essential Plan.

### **Leaked rule would expand exemptions to the ACA's contraception mandate**<sup>12</sup>

Vox obtained a leaked regulation from the Trump administration aimed at expanding exemptions from the ACA requirement to offer health insurance that covers birth control. Currently religious houses of worship, religiously affiliated hospitals and universities, and private businesses with "closely held" religious beliefs are exempt from the requirement. The pending regulation, however, would allow any employer to request an exemption for moral or religious reasons. Insurers could also refuse to cover contraception for religious or moral reasons, and neither insurers nor employers would have to notify the government if they chose to implement the exemption. This new regulation could leave many workers with greater costs should they have to pay for contraception out of pocket. According to the Kaiser Family Foundation, the percent of US women of childbearing age who have had to pay money out of pocket for oral contraceptives has decreased to 4%, down from 20% prior to the implementation of the ACA's requirement.

## **Medicaid**

### **Nevada's legislature passes bill to allow any resident to enroll in Medicaid**<sup>13</sup>

On June 2<sup>nd</sup>, Nevada passed a bill that would allow anyone in the state without health insurance to buy into Medicaid. The coverage would be sold through the state's health insurance marketplace, which would allow individuals who qualify for premium subsidies under the ACA to use that financial support to buy their Medicaid coverage, much like the "public option" policy that was dropped from the ACA before it became law. It is unclear at this point what the cost would be to individuals interested in buying into Medicaid. The bill is waiting for Governor Brian Sandoval, a Republican, to sign it into law, and then would need approval from the federal government in order to enroll a new population into Medicaid.

### **Broad support for Medicaid expansion**<sup>14</sup>

According to a recent poll from the Kaiser Family Foundation, 93 percent of Democrats, 83 percent of independents, and 71% of Republicans expressed support for continuing funding of the Medicaid expansion to those states that have decided to expand the program under the ACA. UnitedHealth, the country's largest insurer, has also come out in support for maintaining the ACA's Medicaid expansion. The company sent a letter to Senate Finance Chairman Orrin

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<sup>12</sup> <https://www.vox.com/policy-and-politics/2017/5/31/15716778/trump-birth-control-regulation>

<sup>13</sup> <https://www.vox.com/policy-and-politics/2017/6/6/15731622/nevada-medicaid-for-all>

<sup>14</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/02/even-hhss-website-says-climate-change-is-a-major-public-health-problem-220630>

Hatch saying that “eliminating the Medicaid expansion and cutting funding will disrupt 14 million individuals by 2026, including nearly 11 million working adults, 3 million individuals with behavioral health conditions, and over 400,000 veterans.

## Other news

### **California bill for single-payer system moves forward**<sup>15,16</sup>

The California state Senate approved SB 562 on June 1<sup>st</sup>. The current version of the bill does not include a mechanism for paying for the single-payer health care system in the state, but will now move on to the Assembly. A recent study of the legislation, funded by the California Nurse Association, found that the bill would save the state 18 percent in health care costs and lower costs for middle-income families and businesses. The analysis estimated that the system would cost \$331 billion a year, a lower estimate than the legislative analysis estimate of \$400 billion. It also recommended a two-part tax structure for paying for the single-payer system that includes a 2.3 percent increase to the sales tax on all non-essential items and a 2.3 percent increase in taxes on businesses that take in more than \$2 million a year.

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<sup>15</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/02/even-hhss-website-says-climate-change-is-a-major-public-health-problem-220630>

<sup>16</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/06/01/house-democrats-blast-trumps-leaked-contraception-rule-220607>