

REPEAL & REPLACE ACTIVITY REPORT **FOR THE WEEKS PRIOR TO AUGUST 31st, 2017**

ACA Repeal and Replace

What to expect for the ACA after the August recess is over^{1,2,3,4,5}

Congress will return from its August recess after the Labor Day weekend with a number of items on their agenda, including dealing with the ACA and the Republican promise to repeal and replace the law. The Senate HELP Committee has bipartisan hearings scheduled for September 6th and 7th. These hearings will include testimony from insurance commissioners and governors on ways to attract and keep insurers in the insurance marketplaces and how to lower premiums. Colorado Gov. John Hickenlooper (D) is scheduled to testify on a proposal he has put together with Ohio Gov. John Kasich (R) and which was signed on to by six other governors. The governors' proposal includes a number of recommendations for stabilizing the market, lowering premiums, and encouraging state-level innovation, including: a) funding greater outreach to young adults, b) more comprehensive verification of special enrollment periods, c) paying for care based on quality rather than quantity, d) fixing the ACA's family glitch and basing affordability calculations on the cost of coverage for a family rather than an individual, e) exempting insurers from a health insurance tax if they are the only one left in a market, f) funding cost sharing subsidies through 2019, g) creating a stability fund to help insurers with expensive patients, h) streamlining the waiver process to allow states greater flexibility, and i) allowing states to change the essential health benefit requirements in their state.

There is also one more GOP health care plan that has yet to be voted on by Congress: the Cassidy-Graham proposal. Cassidy-Graham would repeal the ACA's premium subsidies, cost-sharing reductions, and Medicaid expansion in 2020. These programs would be replaced with a grant program that would give states lump sums of money for them to put towards health care. States could then choose to use the money to fund high-risk pools, to pay insurers to stabilize premiums, to directly pay health care providers, to fund programs that reduce out-of-pocket costs for individuals with individual market coverage, to establish a program to help individuals purchase coverage, or to provide wrap-around coverage for those already in a state medical assistance program. The Center on Budget and Policy Priorities estimates that there would be 34 percent (or \$83 billion) less funding available by 2026 under Cassidy-Graham than under the

¹ <http://www.politico.com/tipsheets/politico-pulse/2017/08/23/nih-site-drops-mentions-of-climate-change-222024>

² https://www.washingtonpost.com/graphics/2017/politics/kasich-aca-fixes/?utm_term=.6f7ecb57740f

³ <https://www.congress.gov/crec/2017/07/26/CREC-2017-07-26-pt1-PgS4312.pdf>

⁴ <https://www.cbpp.org/research/health/cassidy-graham-would-deeply-cut-and-drastically-redistribute-health-coverage-funding>

⁵ <http://www.politico.com/tipsheets/politico-pulse/2017/08/17/clock-may-be-winding-down-for-senate-gop-to-use-reconciliation-on-health-care-221922>

ACA. States would also be required to provide some of the funding on their own, matching 3 percent of their grant in 2020 and 5 percent by 2026. The proposal would also convert the Medicaid program to a per capita cap model. Finally, the funding included in the bill would end altogether in 2026. The proposal would need to gain support from both more conservative and centrist Republicans in order to pass the Senate.

There is still some debate, however, as to how much longer Republicans will be able to use the reconciliation process to pass health reform. Democrats argue that a 2017 budget bill cannot be passed after the 2017 fiscal year is over on September 30th, while Republicans argue that the reconciliation instructions are valid until a bill passes or a new budget is approved. The Senate Parliamentarian will have to make the final decision on the matter if a bill comes up for vote after September 30th.

All counties will have at least one insurer for ACA marketplace in 2018⁶

Over the course of the summer insurance commissioners have been hard at work to get insurance companies to step up and sell coverage in the nearly 50 counties across the country where there threatened to be no insurers willing to sell coverage through the ACA's marketplaces for 2018. But by late August the last two empty counties in Ohio and Wisconsin found insurers who would offer coverage.

Trump administration authorizes cost sharing reduction payments for August^{7,8,9}

In mid-August, the Trump administration confirmed that the cost sharing reduction (CSR) payments would be sent to insurers for August. This announcement came after a CBO report on the potential effects of terminating payments for the CSRs found that ending the payments would increase the deficit by \$194 billion between 2017 and 2026. The report also estimated that 2018 premiums for silver plans would increase by 20 percent above 2016 baseline projections, and by 25 percent for 2020 premiums. These premium increases would largely be covered by increases to the premium tax credits received by subsidy eligible individuals. Individuals who are not eligible for subsidies could purchase coverage outside of the exchange with no premium increase. However, these estimates assume that insurers would load the entire cost of the CSRs onto premiums of silver plans through the exchanges. This is something that Covered California has required of insurers, but not all states have followed suit. It is still unclear whether the Trump administration will continue to make the CSR payments past August.

After Trump administration shortens ACA enrollment period, some states decide to extend their own open enrollment¹⁰

The Trump administration announced in April that it would significantly shorten the open enrollment period for enrolling in coverage through the ACA's marketplaces from 90 days to 45

⁶ <https://www.vox.com/policy-and-politics/2017/8/24/16193682/obamacare-empty-counties-fixed>

⁷ <http://www.businessinsider.com/trump-will-fund-csr-payments-obamacare-for-august-2017-8>

⁸ <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53009-costsharingreductions.pdf>

⁹ <http://healthaffairs.org/blog/2017/08/15/terminating-csr-payments-would-increase-deficits-cbo-finds/>

¹⁰ <https://www.vox.com/2017/8/18/16170522/voxcare-longer-open-enrollment>

days (November 1 through December 15). Since then, a number of states have since decided that they would extend the open enrollment period for their residents. Colorado, Minnesota, Rhode Island, Washington, California, and DC have all extended their open enrollment into January. All six states run their own health insurance marketplaces rather than relying on the federal government and online platform. California is also spending an additional \$5 million on marketing for 2018 in order to counter the uncertainty surrounding the law's future.

Kaiser Health Tracking Poll: More than half of Americans have a favorable view of the ACA¹¹

The August 2017 Kaiser Health Tracking Poll found that 52 percent of Americans have a favorable view of the ACA, compared to 39 percent who have an unfavorable one. Since the 2016 presidential election, the favorability of Americans towards the ACA has increased nine percentage points. The poll also found that 60 percent of Americans think it is a "good thing" that the Senate did not pass a repeal and replace bill. 57 percent of the public want to see Republicans work with Democrats to make improvements to the ACA, and 78 percent think that President Trump and his administration must do what they can to make the ACA work, including 52 percent of Republicans and 51 percent of Trump supporters. A majority of Americans disapprove of actions to derail the ACA including stopping outreach efforts for the ACA marketplaces (80 percent) and no longer enforcing the individual mandate (65 percent).

Medicare

KFF: Many counties lacked Medicare Advantage insurers in 2017¹²

Although most of the focus regarding counties without insurers offering coverage has been on plans sold through the ACA marketplaces, a recent analysis from Kaiser Family Foundation found that this is also an issue for Medicare. 147 counties in 2017 had no Medicare Advantage insurer at all. Most of these counties are in rural areas with few people on Medicare and few health care providers. The authors concluded that "insurers' lack of interest in offering coverage in the ACA marketplaces of these 19 counties may have less to do with the ACA and more to do with the characteristics of those counties, more generally."

Other

Most recent data release from National Center for Health Statistics puts uninsured rate at 8.8 percent¹³

The National Center for Health Statistics released data from its annual National Health Interview Survey (NHIS). The survey found that 8.8 percent of Americans, or about 28.1 million people, were uninsured at the time of the interview in January-March, 2017. Minorities and

¹¹ <http://www.kff.org/health-reform/poll-finding/kaiser-health-tracking-poll-august-2017-the-politics-of-aca-repeal-and-replace-efforts/>

¹² <http://www.kff.org/medicare/issue-brief/some-counties-may-lack-an-aca-marketplace-insurer-next-year-but-many-more-lack-medicare-advantage-plans-today/>

¹³ <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201708.pdf>

low-income Americans have seen the greatest gains in coverage. For Latino Americans under age 65, for example, the uninsured rate has dropped from 30.3% in 2013 to 17.4% in early 2017. And the uninsured rate for Americans under age 65 with incomes below 100% FPL has decreased from 27.3% in 2013 to 16.3% in early 2017. Since 2010, when the ACA became law, 20.5 million Americans have gained coverage.

Analysis of recent polls finds most Americans support universal health coverage^{14,15}

A recent analysis of 27 national polls by 12 survey organizations found that 60 percent of Americans think it's the government's responsibility to provide universal health coverage, compared to only 42 percent in 2013. There is, however, a political divide with 85 percent of Democrats agreeing that it is the government's responsibility compared to 30 percent of Republicans. The researchers also found broad support for the Medicaid expansion with 72 percent of Americans preferring to keep Medicaid as it is now rather than returning enrollment numbers to pre-ACA levels.

¹⁴ <http://www.politico.com/tipsheets/politico-pulse/2017/08/17/clock-may-be-winding-down-for-senate-gop-to-use-reconciliation-on-health-care-221922>

¹⁵ <http://www.nejm.org/doi/full/10.1056/NEJMSr1710032>