

## **REPEAL & REPLACE ACTIVITY REPORT** **FOR THE WEEK OF FEBRUARY 17<sup>th</sup>, 2017**

### **ACA Repeal and Replace/Repair/Delay/Repeal-plus**

#### **House Republicans plan for hearing on repeal legislation on February 28<sup>th</sup>**<sup>1</sup>

The House Energy and Commerce Committee has tentatively scheduled a hearing on ACA repeal legislation for February 28<sup>th</sup>. Three House committees would need to mark up the legislation, then it needs to be combined and sent to the House floor for a vote. The legislation would be passed under the reconciliation process. Paul Ryan announced that the House will introduce legislation on repeal and replace in the weeks following the President's Day recess. CBO is currently scoring a House reconciliation bill that would repeal large portions of the ACA.

#### **HHS released proposed set of rules for ACA marketplace insurers**<sup>2,3,4</sup>

A newly released proposed rule from HHS:

1. Requires greater proof of eligibility for individuals requesting a special enrollment period to enroll in coverage;
2. Requires up front proof of eligibility for ACA coverage;
3. Shortens the annual enrollment period starting in 2018 from three months to six weeks (November 1 – December 15);
4. Eliminates federal checks on whether health plans have adequate provider networks (passing this role on to the states);
5. Allows insurers to deny new coverage to people who are late in paying their premiums;
6. Lowers the actuarial value requirement to four percentage points below the standard value for each metal tier except for Silver (allowing insurers to sell plans with higher deductibles).

#### **House Republicans release talking points on ACA Repeal and Replace**<sup>5,6</sup>

On Thursday, House Republicans released a 19-page brief detailing the talking points for their plan to repeal and replace the ACA, including:

1. State per capita caps for Medicaid;

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<sup>1</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/02/humana-breaks-up-with-the-aca-218756>

<sup>2</sup> [https://www.washingtonpost.com/national/health-science/trump-health-officials-propose-rule-to-shore-up-affordable-care-act-marketplaces/2017/02/15/1f69bd7c-f307-11e6-b9c9-e83fce42fb61\\_story.html?utm\\_term=.46017f651466](https://www.washingtonpost.com/national/health-science/trump-health-officials-propose-rule-to-shore-up-affordable-care-act-marketplaces/2017/02/15/1f69bd7c-f307-11e6-b9c9-e83fce42fb61_story.html?utm_term=.46017f651466)

<sup>3</sup> <https://www.nytimes.com/2017/02/15/us/politics/affordable-care-act-obamacare-trump.html>

<sup>4</sup> <https://www.balloon-juice.com/2017/02/15/distributional-consequences-of-widening-av-bands/>

<sup>5</sup> [https://gallery.mailchimp.com/301a28247b80ab82279e92afb/files/5c7c3226-a149-4842-ab43-707b7b4720fc/Healthcare\\_Policy\\_Brief.pdf](https://gallery.mailchimp.com/301a28247b80ab82279e92afb/files/5c7c3226-a149-4842-ab43-707b7b4720fc/Healthcare_Policy_Brief.pdf)

<sup>6</sup> <http://www.cbpp.org/research/health/house-republicans-would-reverse-aca-coverage-gains-and-radically-overhaul-medicaid>

2. States that expanded Medicaid under the ACA would freeze their enrollment and begin to wind down over the course of a to-be-determined timeline;
3. States that did not expand Medicaid would get supplemental funding to address their higher uninsured rate;
4. An advanced refundable tax credit to consumers to help them buy insurance. The credit would be based on age, not income, with the amounts to be determined.
5. Insurance policies would face few federal regulations, but would have to be approved by state regulator. Tax credits could not be used to buy elective abortion insurance.

### **House Freedom Caucus endorses Reps. Sanford and Paul's ACA replacement plan**<sup>7</sup>

The House Freedom Caucus has endorsed the legislation put forth by Rep. Mark Sanford (SC) and Rep. Rand Paul (KY) to repeal and replace the ACA. The plan uses the 2015 budget reconciliation bill as a base and then builds on it by:

1. Repealing the ACA's Medicaid expansion;
2. Separating health insurance from employers;
3. Offering a tax credit of up to \$5,000 to fund Health Savings Accounts;
4. Eliminating most of the insurance benefit regulations;
5. Allowing insurers to sell policies across state lines; and
6. Repealing regulations requiring birth control coverage.

### **Humana leaving ACA individual market**<sup>8</sup>

Humana has become the first major insurer to announce that it will fully exit the ACA marketplaces. Last July the insurer left 8 states' marketplaces, but for 2018 the company will completely leave the marketplace in the remaining 11 states where it was participating. The company said that they are seeing an unbalanced risk pool and expect to lose \$45 million on business through the ACA. KFF researcher Cynthia Cox notes that this will leave 50,000 ACA customers without an insurer lined up for next year in the marketplace. These consumers live in 16 counties in Tennessee where Humana was the only insurer.

### **IRS accepting tax returns that do not indicate if individual had health insurance**<sup>9,10</sup>

The IRS had planned to begin rejecting "silent returns" (tax returns that did not indicate if the taxpayer owed the individual mandate penalty) this year, but instead will continue processing these returns as they have done in previous years. This move follows President Trump's Executive Order to minimize the economic burden of the ACA and further weakens the individual mandate penalty which has already been criticized for not being forceful enough to get young and healthy individuals into the market.

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<sup>7</sup> <https://www.washingtonpost.com/news/powerpost/wp/2017/02/15/freedom-caucus-ready-for-obamacare-replacement-that-expands-hcas-bans-abortion-funding>

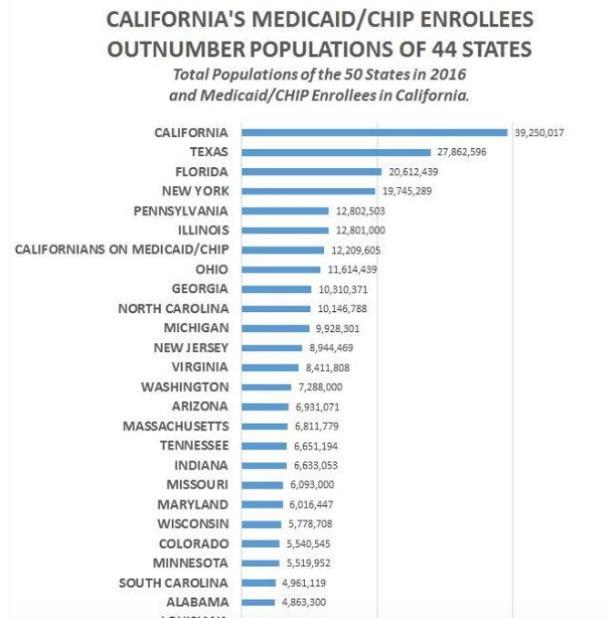
<sup>8</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/02/humana-breaks-up-with-the-aca-218756>

<sup>9</sup> [https://www.washingtonpost.com/national/health-science/trump-health-officials-propose-rule-to-shore-up-affordable-care-act-marketplaces/2017/02/15/1f69bd7c-f307-11e6-b9c9-e83fce42fb61\\_story.html?utm\\_term=.46017f651466](https://www.washingtonpost.com/national/health-science/trump-health-officials-propose-rule-to-shore-up-affordable-care-act-marketplaces/2017/02/15/1f69bd7c-f307-11e6-b9c9-e83fce42fb61_story.html?utm_term=.46017f651466)

<sup>10</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/02/humana-breaks-up-with-the-aca-218756>

## Medicaid

### **Medicaid monthly enrollment report finds California's Medicaid/CHIP enrollees outnumber 44 other states**<sup>11</sup>



### **GOP unclear on how to handle Medicaid in ACA repeal**<sup>12</sup>

Republican governors who expanded the Medicaid program under the ACA have been lobbying Congress to not repeal the expansion. The House has been focusing on changing the Medicaid program to a per capita cap system, but it is unclear if this would be approved by Senate reconciliation rules. And while House Energy and Commerce Committee Chairman Greg Walden pointed to the 2015 repeal bill as a blueprint for what is to come, he would not say if Medicaid expansion repeal would be in the reconciliation bill, instead saying that they hadn't "finished that piece yet."

### **Medicaid exposes rifts within the GOP over the program's future after the ACA**<sup>13</sup>

As congressional Republicans are faced with decisions regarding the repealing of the ACA, they face delicate trade-offs. Several lawmakers wish to preserve the federal money their states have received under the expansion, while others argue the funds should be shifted to states that didn't broaden their programs. At the Senate confirmation hearing for Seema Verma, two GOP senators whose states expanded Medicaid pressed Verma for her views. When asked point blank about supporting block grants, she did not speak in favor or against them, just referred to her belief that states should be freer to redesign their programs without having to undergo the waiver process. 16 of the 31 states that expanded Medicaid were Republican lead, and those

<sup>11</sup> <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/monthly-reports/index.html>

<sup>12</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/02/humana-breaks-up-with-the-aca-218756>

<sup>13</sup> [https://www.washingtonpost.com/national/health-science/2017/02/16/4d2b2ade-f45b-11e6-a9b0-ecce7ce475fc\\_story.html?utm\\_term=.f33c83e3d860](https://www.washingtonpost.com/national/health-science/2017/02/16/4d2b2ade-f45b-11e6-a9b0-ecce7ce475fc_story.html?utm_term=.f33c83e3d860)

states are particularly keen on keeping the federal funding they receive to support their programs. A policy brief distributed Thursday at the GOP caucus describes that expansion states could continue to receive federal funds for a limited period of time where after the federal government would no longer reimburse states at higher ACA levels but at the same level of costs for standard Medicaid beneficiaries, which hinges on individual states' wealth. The brief also solidified the move toward block granting Medicaid, changing it from an entitlement program to a fixed amount based on previous Medicaid spending.

## Other news

### **NHIS: Uninsured rate reaches record low**<sup>14</sup>

The National Health Interview Survey released its early estimates of health insurance coverage for January – September 2016. Nationally, the uninsured rate is down to 8.8%, from 9.1% in 2015 and 14.4% in 2013. The uninsured rate is much lower in states that have expanded Medicaid (9.3%) than those who have not expanded (17.5%). In California, the uninsured rate is down to 7.1% among all ages. 40.1% of Californians have public coverage and 57.6% have private insurance.

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<sup>14</sup> <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201702.pdf>