

## **REPEAL & REPLACE ACTIVITY REPORT** **FOR THE WEEK OF APRIL 28<sup>th</sup>, 2017**

### **ACA Repeal and Replace**

#### **ACA repeal and replace back on the table with new amendment to the AHCA<sup>1,2,3,4</sup>**

A renewed effort to repeal and replace the ACA is underway with adjustments being made to the American Health Care Act, the bill that was previously pulled before it could be voted on in the House in March. [Under a new amendment to the bill](#), states could apply for waivers that would allow them to opt out of some of the ACA's standards. States could request three kinds of waivers. The first kind of waiver would apply to plan years on or after January 1, 2018, and would allow states to set higher age rating ratios than the 5 to 1 included in the original AHCA language. The second type of waiver would be available to states starting plan year 2020 and would allow them to specify their own set of essential health benefits. The third type of waiver would allow states to let insurers engage in health status underwriting if an individual does not maintain continuous coverage. To obtain one of these waivers, the state must use the AHCA's Patient and State Stability Fund to provide assistance to high-risk individuals getting coverage in the individual market or as a reinsurance program, or the state must participate in the federal high risk pool. This type of waiver could begin in plan year 2019. States would be automatically granted the waivers for which they apply 60 days after submission if the Secretary of Health and Human Services does not deny the application. In the application, states must attest that the waiver would lead to a reduction in average premiums for health insurance coverage in the state, increase enrollment, stabilize the state's market, stabilize premiums for individuals with pre-existing conditions, or increase the choice of health plans in the state.

The Freedom Caucus, previously one of the strongest opposition groups to the AHCA, has endorsed the bill with the new amendment, a huge win for Republicans and the Trump administration who hope to pass the bill through the House in the next few weeks. Although President Trump is rumored to have wanted the vote to happen prior to his 100<sup>th</sup> day in office, there was still too much opposition to the bill for that to be accomplished. Moderate Republicans are worried about the number of people who would lose coverage under the new law and the increased vulnerability of constituents with pre-existing conditions. At least 15 Representatives have stated outright that they will not vote for the legislation, and as many as 20 more were leaning against it. No Democrats support the bill and Republicans can only lose 22 votes in the House.

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<sup>1</sup> <http://www.politico.com/story/2017/04/26/new-obamacare-repeal-plan-republicans-trump-237625>

<sup>2</sup> <http://thehill.com/policy/healthcare/330575-house-gop-circulates-new-changes-to-health-bill>

<sup>3</sup> <http://www.politico.com/tipsheets/politico-pulse/2017/04/trumps-had-99-days-but-his-bill-aint-done-220031>

<sup>4</sup> <http://healthaffairs.org/blog/2017/04/25/the-macarthur-amendment-language-race-in-the-federal-exchange-and-risk-adjustment-coefficients/>

### **Uncertainty around cost sharing reduction funding finally cleared up, for now<sup>5,6</sup>**

After weeks of uncertainty around whether the Trump administration would continue to pay insurers cost sharing subsidies for low-income enrollees, the White House finally confirmed on Wednesday that it would continue the payments. However, it is unclear how long the White House will continue these payments. President Trump had seemed prepared to use the cost sharing subsidy payments as leverage against Democrats in budget showdowns and in the battle to repeal and replace the ACA. Speaker Ryan, on the other hand, had made it clear that the House's spending bill would not include the payments and that these would need to come from the White House. The fight surrounding the cost sharing subsidies is ongoing in the courts in the case *House v. Burwell*.

The continued uncertainty around the CSR payments has insurers still nervous. According to an analysis by Covered California, if the state lost federal cost-sharing reductions funding and the individual mandate is not enforced, premiums could increase by 28-49% and up to 340,000 Californians could drop their coverage.<sup>7</sup>

## **Medicaid**

### **Wisconsin requests ability to impose new Medicaid restrictions<sup>8</sup>**

Wisconsin's Department of Health Services has said that it is planning to submit a waiver request to CMS in late May that would allow the state to require Medicaid beneficiaries to pay insurance premiums and undergo drug testing. Childless adults would have to pay premiums ranging from \$1 to \$10 a month, depending on income, and beneficiaries who engage in healthy behaviors would see their premiums reduced. There would also be co-pays for using the emergency room. Medicaid eligibility would be limited to 48 months under the waiver, unless the beneficiary is employed or in a work training program. Finally, beneficiaries would have to undergo drug tests to be eligible for the program. Wisconsin has not expanded its Medicaid program under the ACA but covers adults up to 100% of the federal poverty level.

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<sup>5</sup> <http://www.politico.com/story/2017/04/26/nancy-pelosi-mick-mulvaney-clash-budget-237630>

<sup>6</sup> <http://www.politico.com/story/2017/04/26/paul-ryan-budget-obamacare-payments-237631>

<sup>7</sup> [http://hbex.coveredca.com/data-research/library/CoveredCA\\_Impact\\_to\\_CA\\_ind\\_market\\_4-27-17%20\(1\).pdf](http://hbex.coveredca.com/data-research/library/CoveredCA_Impact_to_CA_ind_market_4-27-17%20(1).pdf)

<sup>8</sup> <http://www.modernhealthcare.com/article/20170417/NEWS/170419880>