

AHCA - Talking Points



Updated May 4, 2017

The American Health Care Act (AHCA) (TrumpCare)

- The American Health Care Act passed through the House of Representatives with a vote of 217-213.
- House Republican Leadership held a vote on the bill when the final language was released less than 24 hours in advance and was not scored by the Congressional Budget Office (CBO). It is unconscionable that Members of Congress voted on a bill without analyzing the text or fully understanding how devastating this would be for their constituents.
- California Republicans Denham, Valadao, Knight, Cook, Issa, Nunes, Walters, McClintock and McCarthy are among those who voted in favor of the AHCA, even though it negatively impacts people in their districts.
- The Affordable Care Act works in California and cannot be repealed without a viable replacement that ensures coverage, affordability, and access to care for all Californians. The American Health Care Act is not a viable replacement.
- The American Health Care Act abandons California's most vulnerable communities and rolls back foundational safety-net programs like the Medicaid Expansion. This is not a good bill for California or the low-income people we have vowed to protect.
- MacArthur Amendment: The MacArthur Amendment was added to appease some of the more conservative members of the house. This amendment allows states to apply for self-executing waivers of some of the private-market ACA regulations. The amendment further weakens protections for people with preexisting health conditions - the people who need health care the most.
- DHCS Analysis: The state's analysis confirms that the American Health Care Act will devastate the health care safety-net and that it is not a viable replacement for the ACA. President Trump and Congress are forcing low-income communities to foot the bill for their cost cutting measures and eliminating healthcare coverage for millions of Californians.

Major AHCA Changes

- Establishes a per capita cap for Medicaid based on 2016 Medicaid enrollment.
- Medicaid Expansion states will no longer receive the enhanced Federal Medicaid Assistance Program (FMAP) for newly eligible Medicaid Enrollees after December 31, 2019. In California, it would drop from 95% to 50%.
- The MacArthur amendment allows states to apply for self-executing waivers of some of the private-market ACA regulations.

- Requires expansion states to re-evaluate eligibility every 6 months and shortens retroactive coverage from three months to the month of application. Requires citizenship or lawful presence documentation to be provided at time of enrollment, eliminating the ACA's 'reasonable opportunity' period.
- Prohibits Medicaid and other federal funding to go to Planned Parenthood for one year. The one year funding, estimated to be \$422 million, will be reallocated to Federally Qualified Health Centers.
- Repeals the employer and individual mandates. Also repeals the Prevention and Public Health Fund.
- Removes the individual market protections that made health care coverage affordable under the ACA, including guaranteed issue and the 3-to-1 ratio for premium variation, which ensured that sick and elderly individuals were not priced out of the market.
- Requires insurers to charge a 30% surcharge on policies for a year when coverage lapses for 63 days or more.

Per Capita Cap

- The foundation of the AHCA is a healthcare rationing formula called "per capita cap," which imposes a cap on the funds that the federal government contributes to states for each Medicaid beneficiary with a growth rate that cannot keep up with inflation.
- If Medicaid moved to a per capita cap, there is a strong possibility that coverage programs would be cut, care would be rationed, and the health of our patients would suffer.
- Per capita cap is a financial solution -- not a healthcare solution. We should not balance our nation's budget on the backs of the working poor and our most vulnerable communities.

Medicaid Expansion and Healthcare Exchanges

- The Medicaid Expansion has proven to be one of the most important aspects of the ACA, providing comprehensive coverage to some of the most chronically ill people who have no other healthcare options.
- The AHCA may make the Medicaid Expansion prohibitively expensive. In California, it will cost taxpayers billions of dollars if federal assistance drops from 95% to 50% of program costs.
- High Risk Pools are not the answer either. They are very expensive and provide low-quality care to people who suffer from the gravest of illnesses and disease. Before the ACA, they were often closed to new enrollment, leaving people with serious disease unable to access any coverage at all.
- The AHCA will effectively dismantle the nation's most successful healthcare exchange, Covered California, by eliminating healthcare subsidies that provide the working poor real options on the open market.

Patient Protections, Tax Credits, and Health Savings Accounts

- The AHCA severely weakens key ACA patient protections like 'guaranteed issue,' which prohibits discrimination by insurance companies against sick and elderly people with pre-existing conditions.

- The AHCA's tax credits, being much smaller than the ACAs, are not likely to cover the cost of insurance on the open market, especially for the sick and elderly who will see dramatic cost increases due to increased premium variations and a 30% cost increase if someone has a temporary lapse in coverage.
- Health Savings Accounts are a plan for bankruptcy, not healthcare. For the low-income communities we serve, who are struggling to provide their family with food and shelter, they cannot afford to set thousands of dollars aside each year in a Health Savings Account to cover their share of medical expenses before their high-deductible insurance kicks in. Saying they can shoulder this financial weight is misleading at best.

The Affordable Care Act

- In California, the Affordable Care Act is working! It should not be repealed but if it is, it certainly cannot be repealed without a viable alternative ready and in place.
- Thanks to our work, people are healthier. Communities are healthier. Parents can go to work, children can go to school, and tens of thousands of healthcare workers have good jobs that provide for their families.
- We cannot abandon the progress and success of the Affordable Care Act.

Success

- The [uninsured rate in California fell](#) from 17.2% in 2013 to a historic low of 8.6% in 2015. (CHCF). For community clinics, it dropped from 35% in 2012 to 24% in 2015.
- In California, the uninsured rate dropped across all racial/ethnic groups, with the greatest gains seen among Latinos. Between 2013 and 2015, 1.5 million additional Latinos gained coverage, and the uninsured rate in this population fell from 23% to 12%.(CHCF)
- Over 5 million Californians have insurance as a result of the ACA — roughly a quarter of all Americans covered under the law. (CHCF)
- 3.7 million Californians enrolled in Medi-Cal under the ACA expansion — representing more than a quarter of the 13.6 million Californians now covered under Medi-Cal. 1.4 million bought insurance on Covered California. 1.2 million received federal subsidies.
- Community health centers saw a 63% increase in the number of Medi-Cal insured patients from 2013-2015. According to a study by the California HealthCare Foundation (CHCF), safety-net clinics are providing care to 54 percent, or 1.3 million, new patients enrolled in California's Medicaid managed care plans after expansion.
- Covered California, the state's health insurance marketplace, built a competitive marketplace that puts 1.2 million consumers in the driver's seat, giving them the power to select plans and providers.
- Last month, Covered California [reported](#) that 60 percent of consumers receiving tax credits can get a Bronze plan for less than \$10 per month that provides free preventive care and protection for high-cost medical events. Consumers who are changing their plan during their renewal are saving on average, \$38 per month.

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Repeal

- If the ACA is repealed, 5 million people will lose their insurance coverage, 200,000 jobs will be lost, and the state's gross domestic product will take a \$20 billion hit.
- Counties with high Medi-Cal enrollment, like those in the central valley and rural areas would be particularly hard hit.
- ACA repeal would eliminate an estimated 209,000 California jobs (135,000 in healthcare). (UC Berkley Labor Center)
- California's GDP would take a \$20 billion hit and the state would lose 1.5 billion in tax revenue. (UC Berkley Labor Center)
- Fresno, Kern, San Bernardino, San Joaquin, Stanislaus, and Tulare County would be especially harmed due to their community's high level of reliance on Medi-Cal expansion and above average unemployment rates. (UC Berkley Labor Center)

Replacement

- If there is repeal, we cannot delay the replacement. It invites unnecessary stress and chaos for communities who already struggle to make it through the day and put food on the table.
- A viable alternative must include:
 - Coverage: Broad coverage programs that provide access to care for all Californians. We cannot abandon the five million Californians who received coverage through the Medi-Cal expansion and Covered California.
 - Affordability: The coverage programs have to be affordable. For a family of four who earns \$30,000 a year, seemingly insignificant premiums can derail their coverage hopes. (Medicaid expansion family income for family of four)
 - Access: Coverage doesn't guarantee access to care. As a nation, we need to remain committed to strengthening our safety-net healthcare infrastructure and training healthcare professionals who reflect the communities they serve.