

Senate Republican Bill: Main Points

Senate Republican bill would have devastating effects in California and nationwide.

1. War on the poor

- Tens of millions would lose coverage to pay for tax cuts for the richest Americans.

2. Guts Medicaid

- Ends federal-state partnership on Medicaid. Millions kicked off Medicaid and states crushed financially. California would have to pay \$24 billion more a year by 2027.

3. Attacks women's health

- Defunds Planned Parenthood.
- Essential health benefits like maternity coverage, mammograms, contraceptives are optional

4. Guts pre-existing conditions

- Allows states to let insurance companies not cover essential health care like hospitalizations, this means people with pre-existing conditions like cancer may not get the care that they need.
- Substance abuse treatment and mental health services could become optional again- creating a disaster for the opioid crisis.

Solution isn't to repeal the Affordable Care Act, it's to make it better.

California Effects

- The impact of the Republican Health Care bill would be devastating on California. It would:
 - Put 3 – 4 million Californians at risk of losing their health care;
 - Cause California to lose \$24 billion annually in federal Medicaid funding;^[1] and
 - An analysis of an earlier version of the House repeal bill's CBO score by the Center on Budget and Policy Priorities found that in every county in California, health costs rise and premium tax credits would fall, on average.
 - Health care costs – premiums, deductibles, copays, and coinsurance – would increase by \$2,800 on average in 2020.
 - Premium tax credits would fall by \$1,500 (33%) from about \$4,500 to \$3,000 in 2020.
- In 2015, nearly 1 in 10 veterans nationwide had Medicaid coverage, including 183,000 in California. Their coverage is at-risk due to the cuts and phase out of the Medicaid expansion. NOTE: There was an additional provision in the House Republican plan that also negatively affected veterans, but this was not included in the Senate version.

Medicaid

Key point on Medicaid: Ends Medicaid as we know it; deeper cuts than House bill.

- **Senate bill ends Medicaid partnership between the federal government and states.** California would be on the hook for billions of dollars in additional health care costs.
- **Options for California:** Kick millions of people off Medicaid, cover less health care, or divert billions of dollars from other priorities—education, transportation, etc.
- **Deeper cuts to Medicaid than the House bill.** California will pay MORE than \$24 billion per year to cover Medicaid beneficiaries. It just happens a few years later.

Medicaid in California

- **1 in 3** people covered by Medi-Cal (14 million)
- **1 in 2** children covered by Medi-Cal (more than 5 million)
- **3 in 5** nursing home residents are covered by Medi-Cal.
- **1 in 2** people with disabilities are covered by Medi-Cal.

Medicaid by County

- Los Angeles: 40% (4.1 million people)
- San Diego: 28% (909,000 people)
- Sacramento: 37% (560,000 people)
- Fresno: 50% (500,000 people)
- San Francisco: 27% (230,000 people)

Individual Market

Key point on the individual market: Pay more for less health care; makes problems WORSE, not better.

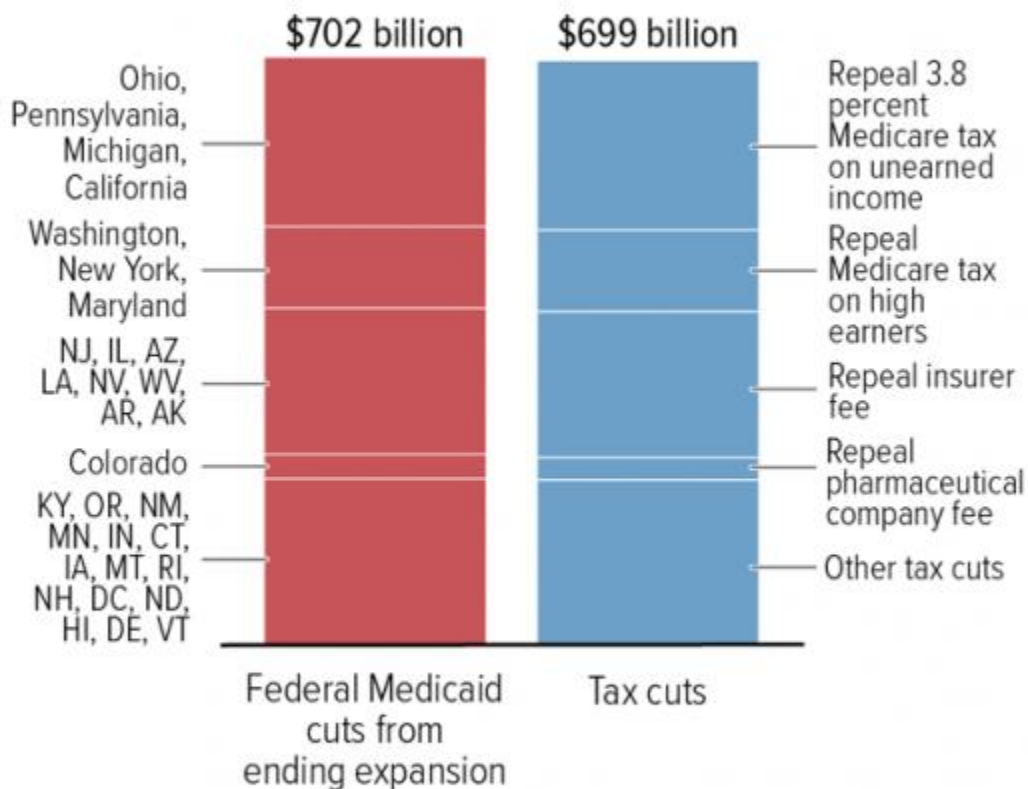
- **Senate bill includes a steeper “cliff” than current law. This means less help for low and middle-income families.**
 - Abrupt cut off at **350% of poverty (\$41,580)** instead of **400% of poverty (\$47,520)**.
 - Older people will get significantly less (pay 16.2% of income) to help with premiums.
- **Senate bill means higher deductibles and increased out-of-pocket costs because everyone’s tax credit subsidy is based on a skimpier plan than current law- regardless of age.**
 - **Current Law:** The current tax credit subsidy is based on the Silver plans, which are required to cover **at least 70%** of health care costs.
 - **Senate bill:** The tax credit subsidy is based on plans that would **only cover 58% of health care costs**, 42% out-of-pocket. This means that out-of-pocket costs and deductibles will be **HIGHER**.
- **Insurers can charge older people five times more based on age. Current law allows charging three times more.**

Cut taxes for the wealthy

Key point: Senate bill takes hundreds of billions of dollars from providing health coverage to vulnerable and working people and uses it to cut taxes for the rich.

House GOP Bill's Tax Cuts Roughly Equal Federal Spending Cuts from Ending Medicaid Expansion

2019-2028



Note: Based on House-passed version of the American Health Care Act. Federal Medicaid spending cuts are only cuts related to the Medicaid expansion and do not include the bill's cuts to other parts of Medicaid.

Source: CBPP calculations based on Joint Committee on Taxation and Urban Institute estimates.

Women's Health

Key point: Senate bill is terrible for women's health, rolls back progress made under the *Affordable Care Act*.

- One year defunding Planned Parenthood.
 - Planned Parenthood clinics in California saw **748,000** patients in 2016.
- No plans that cover abortion services are eligible. This means that no individual or small business in California could use the tax-credit subsidies because plans are required to cover abortion care in California.
- Essential health benefit protections are eliminated. Services like maternity care, contraceptive coverage, and mammograms would be no longer be protected federally. States could opt to keep these protections.

Planned Parenthood Statistics

| Service | CA Statewide Patient Count |
|------------------------------|-----------------------------------|
| Total Unique Patients | 748,424 |
| Total Unique Visits | 1,399,107 |
| Patients Under 200% FPL | 650,195 |
| Contraception Patients | 582,885 |
| Emergency Contraception Kits | 321,669 |
| Pregnancy Tests | 449,053 |
| Cervical Cancer Screenings* | 78,139 |
| Breast Exams | 79,688 |
| STI Tests & Treatments** | 1,524,667 |
| Education & Training | 205,322 |

Essential health benefits

Key point: Plans don't need to cover comprehensive, essential health care after 2019.

- Prescription drugs
 - Maternity care
 - Substance use disorder and mental health services
 - Rehabilitative services
 - Pediatric services (oral and vision)
 - Laboratory services
 - Emergency services
 - Ambulatory patient services (doctor visits)
 - Preventative care (including mammograms and contraception)
 - Hospitalization
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- This means insurers can drop coverage such as maternity care and mental health services (or any other categories listed above). They could also carve out other types of expensive care, such as cancer treatment.
 - **This will also affect employer-sponsored coverage because the ban on yearly and lifetime limits is tied to essential health benefits.** Insurance companies can impose limits on coverage not considered essential.
 - For example, if hospitalization isn't "essential," insurance companies don't need to cover the hospitalizations required for cancer treatment.

Health care: ACA is working

- Republicans say Affordable Care Act is “imploding.” **That’s wrong. It’s a political rouse.**
- Marketplace to buy health coverage functions at a high level. Enrollments have been stable and there has been no uptick in healthy people leaving insurance market.
- Majority on exchange plans (80%, or 10 million) don’t feel effects of rising premiums. Subsidies shield them from the effects of premium increases.
- General consensus among experts is that the federal health care market is **not collapsing**. Standard & Poor’s: “2016 results and the market enrollment so far in 2017 show that the ACA individual market is not in a ‘death spiral.’ “
- What could harm the bill is **Republican sabotage and a political rouse**. One example: Possibly withholding \$7 billion in payments that reduce co-pays for 6 million people.

Public health funding

Key point: The federal government and states will have less money to address public health crises—Zika, smoking, diabetes.

- The Senate bill repeals the Public Health and Prevention Fund—\$9 billion or 12% of the Centers for Disease Control and Prevention budget.
- California has received over \$298 million from this fund for public health programs. In 2016, California received around \$61.5 million from this fund.

Opposition to Republican Health Care Plan

Below is a sample of some of the key organizations opposed to the Republican Health Care plan:

- AARP
- SEIU
- American Lung Association
- American Cancer Society Cancer Action Network
- National Council for Behavioral Health
- American Hospital Association & Federation of American Hospitals
- Children's Hospital Association
- American Academy of Pediatrics
- American Psychiatric Association
- American College of Obstetricians and Gynecologists
- American Academy of Family Physicians
- California Academy of Family Physicians
- American Psychological Association
- American Federation of Teachers
- Council of Chief State School Officers
- Association of California School Administrators
- California School Board Association
- National Association of Area Agencies on Aging
- Consumers Union
- Planned Parenthood for America
- Trust for America's Health
- Lutheran Services of America
- NAACP
- National Council of la Raza