

## Healthcare 2017 - Talking Points Updated February 1, 2017

**The people of California will suffer if the ACA is repealed and members of Congress need to know that before they vote. Their health of their constituents, and communities will suffer, we can't forget that.**

**General Theme:** The Affordable Care Act worked in California and cannot be repealed without a viable replacement that ensures coverage, affordability, and access to care for all Californians.

California's most vulnerable and underserved communities have the most to lose if healthcare coverage programs are rolled back or eliminated. Congress and the state legislature cannot allow that to happen. Community health centers are a local, innovative, cost-effective, and bi-partisan solution that ensures access to excellent healthcare for everyone.

**Current Status:** The United States Senate and House of Representatives have taken the first procedural steps to begin the budget reconciliation process, which will be used to repeal the financial elements of the Affordable Care Act. President Trump has issued an executive order that outlines his intent to repeal. Republicans are currently in Philadelphia at a policy retreat where they are likely developing their ACA repeal legislation.

### 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 It should not be repealed but if it is, it certainly cannot be repealed without a viable alternative ready and in place.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 retreat, we have to protect the successes 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.
- 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.

- The Medicaid numbers are even more astounding - [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.
- 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.

### ***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.
  - o 5 million Californians will be uninsured if the Medicaid Expansion is repealed.
  - o More than 1.2 million of those patients are served by community health centers. (Medicaid and Covered CA)
  - o ACA repeal would eliminate an estimated 209,000 California jobs (135,000 in healthcare). (UC Berkley Labor Center)
  - o California's GDP would take a \$20 billion hit and the state would lose 1.5 billion in tax revenue. (UC Berkley Labor Center)
  - o 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:
  - o 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 be 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.

### **Health Centers Are a Bipartisan Solution**

- There is an issue on which both Republicans and Democrats can and do agree: that health centers represent a model of care that offers a [\\*“bipartisan solution to the primary care access problems”](#) that millions of people experience.
- With the support of both Democratic and Republican leaders, Health Centers have grown from a small demonstration project under President Johnson, to a fully authorized program under President Ford, to the centerpiece of a successful Presidential expansion initiative under President George W. Bush.
- Presidential administrations on both sides of the political aisle have been architects of expanding health centers for the past 16 years because they know health centers save lives and tax dollars. Health centers generate \$24 billion in savings to the health care system every year by efficiently managing and treating chronic disease, even among the most economically challenged populations.

### **Investing in Expanding Health Centers is Critical**

- Some 62 million Americans lack access to [primary care](#) because of a variety of factors, including long distances from health care facilities, affordability of care and a shortage of available doctors and other providers. People from all walks of life are affected. Nearly half (42%) are low-income and 28% live in rural communities. Surprisingly, the vast majority of the people without access to primary care actually *have* insurance, but just have few or no options in terms of where they can get care locally.
- Health centers have been and remain the front line responders in addressing emerging public health challenges, such as the nationwide opioid addiction epidemic, and the Zika virus, and lead contaminated water in Flint, Michigan
- Insurance premiums may rise, and insurers may leave the market, but health centers are committed to remaining anchored in their communities and providing affordable preventive and primary care. That is why we need to invest in their future.

### **Health Center Savings and Economic Impact**

- Nationally, health centers generate \$24 billion in savings to the health care system every year by efficiently managing and treating chronic disease. On average, health centers save \$2,371 (or 24 percent) in total spending per Medicaid patient when compared to other providers (American Journal of Public Health).
- In California, community health centers have an \$8 billion economic impact, supporting 58 thousand direct and indirect jobs, and contributing \$1 billion in tax revenue. (Capitol Link)
- ACA repeal would eliminate an estimated 209,000 California jobs (135,000 in healthcare). (Berkley Labor Center)
- California's GDP would take a \$20 billion hit and the state would lose 1.5 billion in tax revenue. (UC BLC)
- 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 BLC)

### Insurance and Coverage

- 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](#).
- 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)
- 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.

### Policy Briefs

#### *Medicaid Block Grants*

- Currently in Medicaid, the state and federal government partner on the cost of the program, with the federal government covering a fixed percentage of a state's Medicaid costs.
  - This provides the Medicaid program the flexibility it needs to meet the unique healthcare needs of local communities and the people who live there.

- This formula ensures that patients get the care they need in a primary care setting where disease can be prevented and/or managed rather than emergency rooms reacting to a catastrophic event like diabetic shock.
- It also recognizes the changing geographic and care landscape of healthcare. Funding goes to where the care is needed – homelessness in Los Angeles - county hospital closure in the bay area – opioid epidemic in rural north – migrant workers.
- Under a block grant, the federal government would pay only a fixed dollar amount each year. The state, if funding allowed, would be responsible for all costs that exceed the allotted amount.
  - **Block grants are a financial solution -- not a healthcare solution.** We have to be very careful that we do not balance the budget on the backs of our poorest and most vulnerable communities.
  - Block grants don't provide local communities with the flexibility that healthcare demands. They can include sharp cut-offs for anyone whose care falls outside the parameters of the block grant.
  - If Medicaid moved to block grants, there is a strong possibility that coverage programs would be cut, care would be rationed, and the health of our patients would suffer.

#### *Tax Credits and Health Savings Accounts*

- Tax credits and Health Savings Accounts have been floated as well. While these may be a reasonable solution for some families, they are not feasible for people who struggle to put food on the table every day.
  - Tax credits assume that a family can pay the up-front cost of healthcare premiums, which is not realistic for millions of Americans.
  - Health Savings Accounts assume that very low-income families have room in their budget to save enough money to cover the cost of premiums.
- Beyond Medicaid, other health center funding is at risk. Traditional health center funding, like grants that provide funding for important programs like Healthcare for the Homeless, are set to expire in September with CHIP. We are encouraged that right now, there is bipartisan support for keeping this funding in place.
- We expect policymakers will continue to look at community health centers as a solution – they've looked to us every time there's been a major health care need (e.g. veterans choice, opioid epidemic, Zika, Flint) and if disruption to insurance markets is coming, people still need access to care.

### ***Immigration Policy (General)***

- Community Health Centers are committed to their mission of improving the health of their communities by serving everyone who walks through their doors.
- California has spent decades developing programs that ensure access to care for all Californians. Most recently, they passed Health for All Kids, which allows hundreds of thousands of children from low-income families to enroll in Medi-Cal regardless of their immigration status.
- We remain committed to providing care to everyone and will fight for policies that ensure community health centers are safe places to receive care and support.

### ***Immigration Executive Orders***

- President Trump's recent Executive Orders on immigration will have a detrimental impact on community health center's workforce.
- As a health system that is committed to speaking our patients language, honoring their traditions, and valuing their experience, we rely on healthcare providers and staff who themselves are immigrants. Any executive order that limits their ability to serve their community will hurt community health centers.
- Nationwide, more than 2 million health care workers — including more than 200,000 nurses — are foreign-born. A quarter of practicing physicians are graduates of foreign medical schools and 17 percent of trainees right now are from foreign countries. (Politico)
- AAMC, which has repeatedly warned of a U.S. doctor shortage, has identified 260 current applicants to residency programs from the seven countries alone.

### ***DACA***

- DACA is still in place so we cannot provide definitive information at this time about any changes to the program. For individual concerns, it is advisable to obtain legal advice from an immigration law specialist.
- The president could amend or rescind DACA at any time. Rescission could immediately suspend an individual's DACA status or could be spelled out in a way that provides for a transition. For example, a rescission might be accompanied by steps that allow current eligible workers to continue working until their authorization (EAD) expires.
- One possibility is a grandfather provision to allow existing DACA employees to continue working. There has been no indication this will occur but there is much speculation about both Trump and the Republican Congress not wanting to appear too harsh. With Congress, this has a lot to do with the Latino vote.
- If an employee received work authorization because of DACA, and the authorization expires or the program is rescinded, the employer must be very careful about being in a position of ***knowingly*** hiring a person without authority to work in the United States. In general, an employer

is not supposed to ask if an employee has authorization through DACA and the employee is not obligated to tell the employer.

- An employer with specific issues should seek advice from an immigration law specialist, especially if there are particular concerns about I-9 audits or E-Verify.
- A person on deferred status who has received work authorization has already provided information to ICE. This could put the worker at great risk if DACA is rescinded.
- President Trump's quote about DACA in his recent ABC news interview: "They shouldn't be very worried," Trump told ABC News. "I do have a big heart. We're going to take care of everybody. ... Where you have great people that are here that have done a good job, they should be far less worried."
- House Speaker Ryan has made similar statements about DACA recipients, though he has not suggested the program should or would continue.

### ***Planned Parenthood***

- Planned Parenthood currently operates 115 health centers in California and serves nearly 800,000 patients through 1.5 million encounters annually. Nationally, they serve 2.5 million.
- Any policies that eliminate or diminish Planned Parenthood's role in our state's comprehensive network of care would put untenable stress on remaining health centers. We do not have the capacity for such an increase in care.
- Putting that aside, their role as a comprehensive provider of care cannot be understated. They are a provider of choice to hundreds of thousands of women and men who seek out a variety of essential healthcare services like breast examinations and cervical cancer screenings, testing and treatment for sexually transmitted diseases and infections, contraception and family planning, urinary tract infection treatments, and other primary care services.
- In addition to access to care, such action would eliminate patient's ability to choose the provider with which they feel most comfortable. Planned Parenthood is seen by many as women's health centric, which provides their patients with a level of comfort that cannot be easily replicated.
- Question: If they were defunded and the funding was shifted to your health center, could you absorb the patients?

*That's not the right question to be asking. Planned Parenthood is a network of comprehensive care for people nationwide. Health centers cannot absorb that loss, and neither can patients. Patients need the right to choose their provider and Planned Parenthood offers an array of comprehensive services, including breast examinations, cervical cancer screenings, testing and treatment for sexually transmitted diseases, and in culturally competent manner.*

- Question: What is your position on abortion?  
*The vast majority of our funding is from the federal government which doesn't permit abortion services. Our mission is primary care.*
- Question: If you get Planned Parenthood's funding, can't you hire their staff?  
*We can't make such broad assumptions when it comes to the health of our patients. The healthcare workforce landscape is very competitive and there is no guarantee that Planned Parenthood staff, who have a strong commitment to their mission, will move simply because the money moved.*

**Health Center ACA Investment**

- California has received \$1.2 billion in ACA funding since 2010. Many of these programs will be significantly diminished or lost if the ACA is abandoned.

○ Capacity Grants (40)	\$	36,805,680
○ Quality Improvement Grants (135)	\$	8,585,505
○ Expanded Services Grants (281)	\$	83,181,166
○ Quality Improvement Grants (163)	\$	13,072,002
○ Health Infrastructure Investment Program Awards (21)	\$	18,143,303
○ Information Technology (168)	\$	12,435,669
○ PCMH Funding (43)	\$	1,505,000
○ PCMH Facility Improvement (21)	\$	5,229,046
○ Behavioral Health Funding (32)	\$	7,990,619
○ Teaching Health Center (8)	\$	9,750,000
○ Outreach and Enrollment: (125)	\$	25,056,657
○ Nap Funding (163)	\$	99,905,529
○ Capitol Development (81)	\$	<u>208,282,746</u>
○ Total:	\$	1,239,934,322

**Primary Care Funding Cliff**

- For 50 Years, America's Health Centers have provided high quality primary care in more than 9,000 underserved communities across the nation thanks to essential federal funding. Today, California's CCHCs serve more than 6.2 million patients each year, including nearly 2 million children. Key services include primary medical care, behavioral health, oral health, pharmacy, vision, health education, care coordination, enrollment counseling, and other services are all delivered under one roof.
- With the support of both Democratic and Republican leaders, Health Centers have grown from a small demonstration project under President Johnson, to a fully authorized program under President Ford, to the centerpiece of a successful Presidential expansion initiative under President George W. Bush.

- Policymakers have long recognized Health Centers' value on a bipartisan basis, and have made investments through Republican and Democratic administrations. As recently as December of 2014, Congress voted on a bipartisan basis to expand Health Centers, specifically requiring new sites and services – investments that require sustained support.
- A key source of funding for CCHCs is the Health Center Trust Fund, which is comprised of both discretionary and mandatory funding. The mandatory funding is currently scheduled to expire in September 2017.
- If Congress does not take action to restore the Health Center Trust Fund to previous levels, grants will be cut by more than \$160 million, which may force health centers to close some sites, eliminate services, and even lay off health care providers and staff.
- One forecast predicts that more than 300,000 patients may lose access to care in California alone.

### **Presidential Appointment**

#### **Representative Tom Price and Sameen Verma**

- They understand healthcare well and we are optimistic that they will see health centers as a valuable resource in ensuring access to healthcare for millions of Americans.
- With that being said, we are committed to providing excellent healthcare to everyone who walks through our doors and we will shy away from anyone who challenges such core beliefs.

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