



January 4, 2017

**TO:** CBHDA Members  
**FROM:** Mary Adèr, Deputy Director, Legislative Affairs  
**SUBJECT:** Affordable Care Act (ACA) Update

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***Congress Moves to Repeal ACA.*** The 115th Congress convened earlier this week. Congressional Republicans, who hold majorities in both the Senate and House, moved aggressively to repeal ACA. A major first step in the repeal process was the introduction of a Senate budget resolution. The resolution contains reconciliation instructions for Congressional Committees to address federal spending. Reconciliation is the method by which Congress plans to repeal the ACA, including the elimination of the Medicaid expansion. The reconciliation maneuver requires a simple majority of support and only addresses spending.

Repeal of ACA will lead to five million Californians losing coverage, including 3.7 million people newly covered under Medi-Cal. Under current law most single adults who earn up to \$16,400 can get Medi-Cal. Prior to January 2014 single adults without children were excluded from Medi-Cal. County-specific Covered California and Medi-Cal caseload figures are available [here](#).

***Reconciliation Timeline.*** The reconciliation instructions require Congressional Committees to submit their budget legislation repealing ACA provisions by Friday, January 27<sup>th</sup>. In addition, stakeholders indicate a fully fleshed out repeal bill is intended to be available for the President's signature by late February. We note the timing remains fluid, subject to both politics and legislative procedure.

***Repeal and Replace?*** Congressional Republicans have not specified what will replace ACA. While some reform proposals have been put forward in recent years, no agreement has been struck between Congress and the President-Elect. Republicans indicate they may delay the effective date of the repeal for several years to avoid disrupting coverage for 20 million Americans. With no ACA replacement, many fear the health care market will face major disruptions, including insurers dropping out of the ACA commercial market.

***Likely Additional Changes to Medicaid.*** In addition to the repeal of the Medicaid expansion, Congressional Republicans will likely move to reduce federal Medicaid budgets. The two main approaches to converting Medicaid from an uncapped entitlement to a program with limited federal funding are block grants and per capita capped funding. Block grants establish a fixed statewide pool of funding. The per capita approach fixes the amount of funding per person. Per capita proposals set spending levels by group like children and disabled adults.

Please do not hesitate to contact me with any questions at (916) 556-3477, ext. 1152, or [mader@cbhda.org](mailto:mader@cbhda.org).