



## **California Hospitals Alarmed About Expected Loss of Coverage Under the Proposed American Health Care Act**

### **Talking Points**

**March 16, 2017**

*Earlier this week, the Congressional Budget Office (CBO) released its analysis of the proposed American Health Care Act (AHCA). According to the CBO report, the AHCA as currently written would result in 14 million Americans losing their existing health care coverage next year, mostly stemming from the repeal of penalties associated with the individual mandate. By 2026, when changes to the Medicaid program would be fully implemented, the number of uninsured Americans would rise to 24 million people, according to the CBO. At that point, an estimated 52 million people — roughly 16 percent of Americans — would be without health care coverage.*

- California hospitals have long supported the goal of universal health care coverage. Over the past several years, California has made great strides in expanding health care coverage, with 91 percent of all Californians now covered. Having health care coverage helps individuals get the appropriate care they need, when they need it. Getting the proper treatment in a timely manner helps reduce health care costs.
- California's efforts to expand coverage are now at risk of being undone under the proposed AHCA. Using the CBO report and other statewide data, CHA estimates that at least 3 million Californians will lose their health care coverage if the AHCA is enacted. The people who will be most affected are our most vulnerable residents — low-income families, seniors and children.
- CHA's analysis shows that California will lose at least \$12 billion annually in Medicaid financing under the proposed AHCA, and hospitals could see their bad debt and charity care increase by more than \$3 billion a year.
- Hospitals know all too well how an increase in the number of uninsured patients will impact their ability to provide essential health care services to their community. Not that long ago, California had one of the highest uninsured rates in the nation, driving up health care costs for all, putting health care resources at risk and reducing access to necessary care for everyone. Returning to that scenario is not good for patients, communities or providers.

- California has the highest poverty rate in the nation. An estimated 6.3 million Californians, including 1.9 million children, live in poverty. These are the people who have the greatest needs and will be most impacted by the loss of health care coverage.
- Just as was the case when the Affordable Care Act (ACA) was enacted in 2010, CHA's priority today is to protect the health care safety net. Under the ACA, nearly 4 million people have gained coverage through expanded Medicaid (Medi-Cal). Additionally, 1.4 million Californians — most of whom receive premium subsidies — now have coverage through the state-based exchange, Covered California.
- As Congress moves to repeal portions of the ACA, including Medicaid expansion and premium subsidies, it is vital that a viable replacement plan be implemented to ensure that millions of Californians continue to have access to the health care safety net they need and deserve. The current version of the AHCA does not meet that test.
- California is a leading example of health care delivery system reform, and our progress toward coordinated, cost-efficient care is a model for the rest of the country. Our efforts to make measurable improvements in the quality of care provided to all patients and to dramatically reduce the number of uninsured demonstrate that a better health care system for all Californians is possible.
- As the effort to repeal and replace the ACA continues to unfold, CHA urges the members of the California congressional delegation to support a viable and affordable path to optimal coverage for all Californians.