

Health Reform Update: Work in Congress and by the Administration

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Health Reform Activity in Washington: The American Health Care Act

- Major provisions of the House-approved American Health Care Act (AHCA)
 - Medicaid
 - Imposes per capita caps and gives states the option for a block grant
 - Allows states to impose work requirements
 - Phases out the Medicaid expansion
 - Estimated \$880 billion in federal Medicaid cuts
 - With anticipated funding cuts, states could seek to change their Medicaid program by limiting benefits, capping enrollment, charging some enrollees premiums, and/or imposing work requirements, etc

Health Reform Activity in Washington: The American Health Care Act

- Commercial insurance
 - Eliminates income-based tax credits and subsidies, replaces with less generous age-based subsidies
 - Ends individual mandate, uses continuous coverage requirements
 - If there is a gap in coverage during the calendar year lasting at least 63 continuous days, insurers can impose a 30 percent increase in premiums for one year
 - Allows states to waive EHB requirements
 - Continued requirements to cap out-of-pocket expenditures and prohibit lifetime or annual limits?
 - Allows states to waive community rating protections for people with pre-existing conditions
 - Stability funds for high-risk pools, etc.
 - Eliminates \$839 billion in taxes currently helping to finance the ACA

Health Reform Activity in Washington: Scoring the AHCA

- Anticipating today's CBO score: key to next steps in the Senate
 - How many would lose insurance under the AHCA?
 - CBO estimated previous version of the AHCA would result in 24 million people losing coverage
 - What is the cost?
 - Complexity of this score given the many state options in the AHCA
 - Do all of the AHCA's provisions comply with the rules of the budget reconciliation process?
 - Provisions must have a direct impact on the federal budget by either adding to or reducing federal spending
 - Senate must save as much or more than the House bill
 - What are the implications for employer-based coverage?

Health Reform Discussions in the Senate

- Landscape and recent activity
 - Budget reconciliation rules allow for a simple majority vote
 - Republicans can only lose two votes; huge range of views within the caucus about repealing/replacing the ACA
 - Senators from states that have expanded Medicaid and those that have not
 - For provisions that don't meet the budget reconciliation rules, would need 8 Democratic Senators' support
 - “Third bucket” bills
 - Not expecting regular order/a committee hearing process
 - Several working groups are convening, mostly only Republicans
 - Majority Leader McConnell is expected to work with Senate leadership to draft a bill
 - A vote could happen in June or July
 - Want to turn to tax reform and spending bills

Health Reform Discussions in the Senate: Issues Being Considered

- How should health care be financed? How can costs be addressed?
 - Is it the federal government's role to finance health care?
 - If yes, continued use of taxes and other mechanisms used by the ACA?
- Should it be a priority for insurance to be affordable?
 - Continued expanded eligibility of Medicaid funded mostly by the federal government? If not, how to phase out the expansion?
 - Continued premium and cost-sharing subsidies to make private insurance more affordable? What should be the basis of these subsidies?

Health Reform Discussions in the Senate: Issues Being Considered

- Should states and plans be given more flexibility about what to cover/how to manage benefits?
 - Will the structure of Medicaid be changed with per capita caps and block grants?
 - Will this actually grant states more flexibility or is this only a federal funding cut and cost shift to states?
 - Will consumer protections be maintained?
- Is it possible to retain the parts of the law people like and replace those they don't?
 - Will the Medicaid expansion be continued?
 - If the individual mandate is repealed, what will be the mechanism to get healthy people into the risk pool?
 - Use of auto enrollment? Use of continuous coverage requirements? Ability to include enough funding for high-risk pools?

Health Reform Activity through the Administration

- Future of the cost-sharing reduction subsidies
 - Another 90-day delay; close to deadline for plans to decide their participation for 2018 plan year
 - \$7 billion, 7 million people
 - Significant uncertainty and concern from insurers, providers, state regulators, and consumers
- Eliminating or amending ACA regulations
- Work through CMS
 - Promoting state flexibility through waivers and other mechanisms
 - Proposals to impose work requirements and drug testing
 - Continued recognition of the opioid crisis
 - Work to improve MAT coverage and access?
 - IMD waivers
 - Implementation of the Medicaid/CHIP rule for MH/SUD parity
- The White House Opioid Commission

CWH Recommendations

- Protecting and building on the gains we've made
 - Work in coalition with our allies
- Continue requiring coverage of SUD and MH services and medications and requiring that the coverage be at parity with other health care benefits.
- Continue expanded Medicaid coverage and mechanisms that make private insurance coverage more affordable for and accessible to people with or at risk for MH and SUD.
- Maintain the current structure of the Medicaid program, a critically important safety net program for adults and children with SUD and MH care needs.

CWH Recommendations (*cont'd*)

- Maintain requirements for insurers to have adequate networks of MH and SUD care providers.
- Retain protections for people with pre-existing conditions.
- Strengthen service delivery of quality MH and SUD care.
- Continue to support integration of MH/SUD care with the broader health care system.
 - Regardless of the federal framework, we will continue working to ensure there is good coverage for and access to SUD and MH care
 - This will require continued work in Washington and around the country

Questions and Discussion

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