

The Better Care Reconciliation Act

Presentation by:

**Champaign County Health Care Consumers
(CCHCC)**

**Champaign Public Library
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About Health Care Consumers

- Grassroots consumer health advocacy organization that has been fighting for health care access and justice since 1977.
- Unique organization that does *both* direct services and community organizing.
- CCHCC is a 501(c)(3) non-profit organization.
- CCHCC is non-partisan. We advocate based on policy, not politics.



The Senate GOP health care bill:

The Better Care Reconciliation Act* (BCRA)

****Also known as “WealthCare” or “How to Murder Medicaid”***

ACA “repeal and replace”

What was the “health policy” language you heard about the ACA “repeal and replace”?

- Cover more people.
- Make coverage more affordable (reduce premiums and deductibles).
- *The most significant impact of all these replacement bills including BCRA was not discussed during the campaign – cutting and capping Medicaid by \$800 billion to pay for a tax cut.*

BCRA: What does it do?

BCRA (the Senate bill)

- On June 22, 2017, GOP Senators revealed the draft of their healthcare law.
- Sen. McConnell hopes to vote on this by the end of this week- June 29th or 30th.
- The bill would have only 20 hours of debate.

BCRA (cont.)

- Phases out Medicaid Expansion and cuts Medicaid program as a whole.
- Allows waivers for Essential Health Benefits.
- Allows insurers to charge older people 5 times as much as younger people.

BCRA (cont.)

- Repeals individual mandate.
- Less generous subsidies on the Marketplace.
- Lowers plan standards on the Marketplace.
- Cuts taxes for wealthy.
- Defunds Planned Parenthood for one year.

BCRA and Medicaid

- Many complaints about the ACA including high premiums and deductibles do not apply to the Medicaid program.
- Expanded Medicaid was introduced by the ACA. However, Medicaid as a whole has been around for 52 years.
- BCRA moves beyond just repeal and replace of the ACA, it attacks the entire Medicaid program.

BCRA and Medicaid

- Year 2021 – Switches Medicaid and Medicaid Expansion funding to per capita or block grant.
 - Some states would choose not to expand Medicaid because of reduced funding.
 - Effectively ends Expansion in trigger states like IL, without legislative intervention.
 - States would have to make up for holes in budgets left by reduced funding for both Medicaid and Medicaid Expansion.

BCRA and Medicaid

- Year 2025 – Reduced growth rate.
 - Instead of tethering rate of growth to medical inflation, BCRA ties it to the general inflation rate, adding further cuts to the program.
 - Healthcare spending increases quickly and usually does not keep up with traditional growth rates. A reduced growth rate would mean Medicaid costs outpace funding even faster.
 - States would have to decide whether to cover less services or fewer people.

BCRA and Taxes

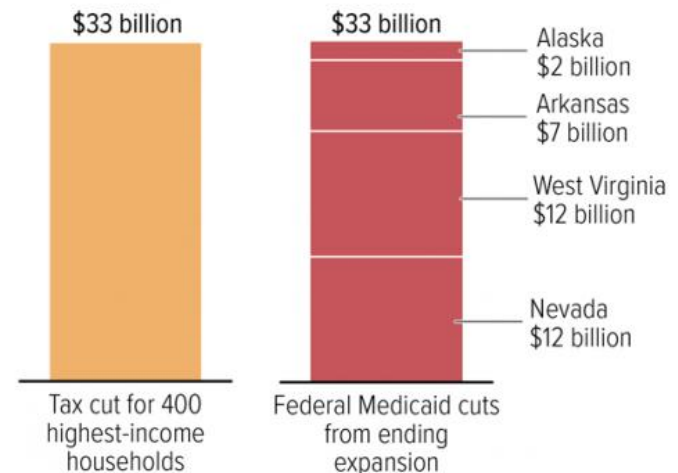
- BCRA is a tax break paid for by cuts to Medicaid.
- Repeals taxes on
 - Wealthiest
 - Investment income
 - Tanning salons
 - Health Insurance Industry
 - Medical device industry

FIGURE 1



Tax Cuts for Top 400 Roughly Equal Federal Spending Cuts from Ending Medicaid Expansion in Nevada, West Virginia, Arkansas, and Alaska

2019-2028



Note: Based on tax cuts and Medicaid spending cuts in the House-passed version of the American Health Care Act. Tax cut estimates based on the elimination of two Medicare taxes that only high-income filers pay. 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 Internal Revenue Service Statistics of Income and Urban Institute data.

BCRA and Marketplace

- Keeps Marketplaces established by ACA
 - Changes tax subsidy structure to be less generous by capping assistance at 350% of FPL vs. 400% FPL.
 - Lowers benchmark actuarial value to 58% vs. the 70% under ACA. Subsidy amounts will be tied to plans that cover less of your expenses.
 - Ends cost-sharing reductions in 2020
- Repeals individual and employer mandates
 - No individual mandate means no incentive for healthy people to buy health insurance.

BCRA and Essential Health Benefits

- Allows states to opt-out of Essential Health Benefits requirement through waivers.
- Insurers could offer plans in waiver states without maternity care, mental health, lab services, prescription drug coverage, ER, etc.
- This opens the door for the return of lifetime caps and limitations on services— plans could offer those things, but only cover up to a certain amount.

Who is affected?

BCRA – Who is affected?

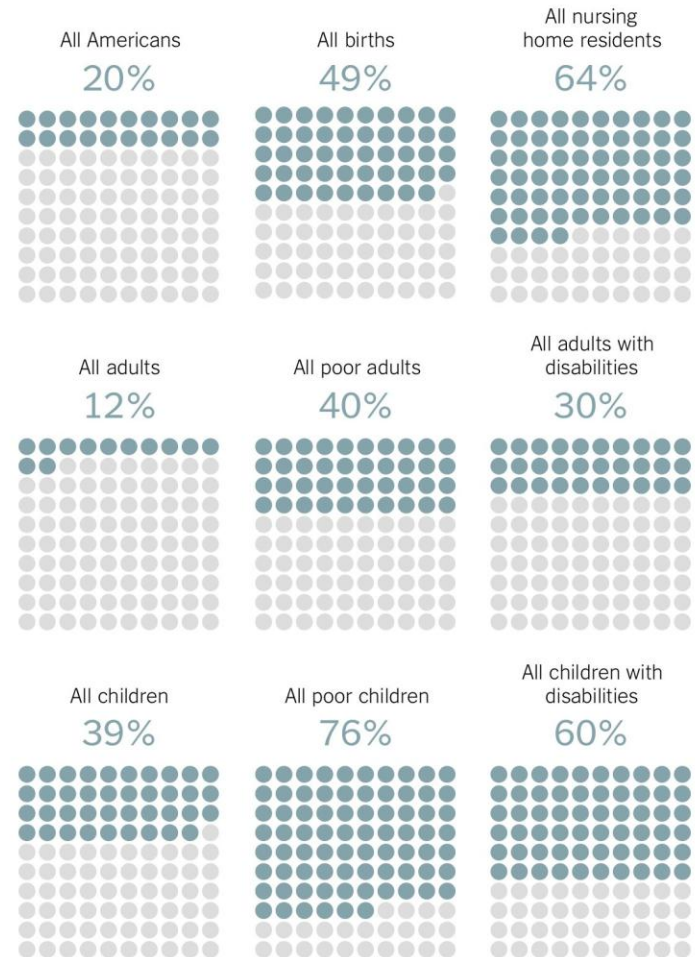
- All Medicaid beneficiaries
 - Seniors
 - Children
 - The working poor
- Those with pre-Existing conditions
- Those with employer insurance
- Those with private insurance

Medicaid Beneficiaries

- Medicaid pays for
 - 64% of all nursing home care
 - 49% of all births
 - 39% of all children

CAPS = CUTS

Percentage of People Medicaid Covers



Sources: Kaiser Family Foundation; Medicaid and CHIP Payment and Access Commission | Percentages for adults are for ages 19 to 64.

By Haeyoun Park/The New York Times

BCRA and Pre-Existing Conditions

- Unlike the House GOP bill, the Senate bill does not allow insurers to charge higher premiums to those with pre-existing conditions. However, they are still hurt by this bill.
- By allowing states to apply for waivers to the EHBs, someone with a pre-existing condition could end up with a plan that does not cover services they need.

BCRA and Employer/Private Coverage

- Employers could choose to offer plans with reduced benefits and coverage from any of the states that choose to waive EHBs.
- Costs would also increase for everyone with coverage since fewer insured means more unpaid medical bills-- the costs of which are passed onto those with coverage.

What does the CBO say?

Long Term Impacts of BCRA

- More people will live sicker and die younger from preventable and treatable conditions.
- BCRA would destabilize health insurance markets.
- Cripple states' budgets.
- Drive medical clinics and hospitals to breaking point.

What are the next steps?

Next Steps in Legislative Process

- CBO Score just released.
- Debate for 20 hours (10hrs/party)
- Vote planned for Thursday PM or Friday.
- If Senate passes bill, House will have opportunity to pass the same bill as is.