

# HEALTH CARE FOR AMERICA NOW!

## Key Points on the Republican Bill to Gut the ACA and Slash Medicaid

**One Sentence:** The Republican bill to gut the Affordable Care Act and slash Medicaid takes health coverage away from millions of Americans – from seniors to children – will force people to pay much, much more for, high-deductible insurance and blows a huge hole in state budgets, while giving massive tax cuts to the very wealthy and drug and insurance corporations. And it defunds Planned Parenthood.

### Key Points:

- The Republican bill guts the Affordable Care Act and slashes Medicaid.
- The Republican bill takes coverage away from millions of Americans by drastically cutting tax credits to buy coverage and by making enormous cuts in state funding for Medicaid.
- The Republican bill will hike the cost of health insurance for millions of Americans, with the biggest increases for seniors and moderate-income working people.
- The Republican bill hike premiums by 30% for people with pre-existing conditions if for any reason – such as losing a job – they don't have coverage for 63 days.
- The Republican bill pushes people into high-deductible insurance plans and ends the ACA program that limits out-of-pocket costs to many working families.
- The Republican bill ends Medicaid expansion and slashes state funding for the regular Medicaid program by radically changing the way Medicaid is funded. States will be forced to end coverage and eliminate health care services for seniors, people with disabilities, children and working families.
- The Republican bill gives huge tax cuts to the wealthiest Americans and to drug, insurance and medical-device companies – it even has a special tax break for health insurance CEOs.
- The Republican plan defunds Planned Parenthood.

### Key provisions:

- ***Ends the ACA's tax credits, which were based on income, starting in 2020 and replaces them with tax credits that only go up with age.***
  - Tax credits are reduced to \$2,000 for people under 30 to \$4,000 for people over 60.
  - Phases out the tax credits for incomes above \$75,000.
  - Tax credits are not adjusted by local cost of living.
  - At the same time, allows insurance companies to charge seniors up to 5 times as much as young people – current law is 3 times.
  - *Bottom line: most people will get much lower tax credits and so have to pay more themselves for coverage – with moderate-income families, older people, and people who live in high medical cost areas seeing the biggest increases.*

- **Immediately eliminates the ACA's requirement that individuals have insurance coverage and that employers with more than 50 employees pay for coverage.**
  - Ending the individual mandate, combined with keeping coverage for pre-existing conditions and lowering tax credits, **will start an insurance market death spiral.** People who are the sickest will scrape to find a way to buy coverage while others drop out, leading to higher premiums and more people dropping out.
- **Ends Medicaid expansion and cuts coverage for children and adults in Medicaid.**
  - Ends Medicaid expansion beginning in 2020, with some transition for people already enrolled.
  - Only requires states to cover children in Medicaid who are under the poverty level, reducing the requirement from 133% of the poverty level.
  - Ends federal funding for adults in Medicaid who are over 133% of poverty.
- **Replaces Medicaid's funding of actual health spending by capping at a cost per person, starting in October 2019.**
  - Instead of states getting a fixed percentage of payments from the federal government (which varies by state), the federal government would cap the amount that it pays per person at the medical CPI.
  - Capping Medicaid will result in hundreds of billions of dollars in cuts to states.
  - In a public health crisis – the opioid crisis, Zika, etc. – the federal government will not increase funding for state Medicaid programs.
- **Pushes people into high-deductible health plans,** through several provisions.
  - Allows insurance companies to sell catastrophic plans, ending the requirement that plans cover a set percentage of medical costs – the ACA's platinum, gold, silver and bronze plans.
  - Ends the ACA's plan that limits out of pocket costs for people with moderate incomes.
  - Increases tax benefits of health savings accounts, which are usually high deductible plans that only work if you are rich enough to save money out of your paycheck.
- **Hikes health care costs for people with pre-existing conditions.**
  - Insurance companies must charge anyone who has not been insured for 63 days a 30% surcharge on their premiums.
  - Sets up a "Patient and state stability fund," which can fund state high-risk pools, for people who need costly medical care. The 35-year history of states attempting high-risk pools resulted in high-premiums, high-deductibles and long-waiting lists.
- **Huge tax breaks – \$525 billion over 10 years – for the wealthy and for drug, insurance and medical device corporations.**
  - Ends the ACA's taxes on unearned income for people with high incomes. The top 0.1% of households—those with income of at least \$3.7 million a year—would receive a tax cut of about \$197,000 in 2017, on average.
  - Ends the ACA's taxes on insurance, drug and medical device corporations.
  - Even ends an ACA provision that limited insurance companies from writing off high executive salaries.
- **Defunds Planned Parenthood.**