

UPDATE ON HEALTHCARE
Affordable Care Act
American Health Care Act
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Angela Johns RN MPA MSN ANP-c

LEAGUE OF WOMEN VOTERS

Position Statement

- The League is dedicated to ensuring access to affordable, quality health care for all Americans. We believe that all Americans should have access to a basic level of care, including disease prevention, primary care (including prenatal and reproductive health), acute and long term care, mental health care and health promotion and education

HISTORY OF ACA

- The Patient Protection and Affordable Care Act (ACA) also known as Obamacare
- Signed into law on March 2010 and implemented in October 2013
- Was a subject of intense debate for nearly 2 years and continues to be debated
- Had to compromise a lot and every body knew that there were things that needed to be fixed.
- Unfortunately there was fierce opposition and there was no opportunity to fix the problems
- The plan was based on conservative ideas from the Heritage Foundation in the 1980's and including Romney Care in Massachusetts in the 1990's

Features of ACA

- Dependent children coverage to age 26 on parents insurance – 3 million young adults
- Required insurance companies to cover people with pre-existing conditions- 133 million American with chronic diseases
- Health plans provide coverage for essential services
- Insurer's cannot be denied coverage of and access to clinical trials
- Insurer's cannot cap the amount of care received annually or in the patients lifetime

Features of ACA

- Set minimal acceptable standards for health coverage including screening exams.
- Mental health and drug addiction disorders covered as a medical expense
- Insurance companies required to have 80-85% of premium receipts on actual health care rather than administrative costs.
- Prohibited insurers for canceling insurance in the event of illness

ACCOMPLISHMENTS OF ACA

- Expanded health insurance coverage to 20 million previously uninsured Americans
- Rate of uninsured declined from 18% to 7%
- The gap in Medicare part D coverage for drugs (donut hole) is being gradually reduced and will be closed by 2020
- No out of pocket expenses for preventive care – mammograms, colonoscopy and PAP smears
- The rate of increase in health care costs has declined

ACA Problems

- Increased costs for some of enrollees with higher incomes- improved health plans with better coverage
- Young healthy people are not enrolling increasing the percentage of sick people in the insurance pool – need enrollment of everyone to create a balanced risk pool
- 28 million people without health insurance the ACA has fallen short of goal
 - Young healthy take the chance of no insurance
 - People who believe premiums are too high and subsidies are not sufficient
 - Most low income people who earn less than 100% of federal poverty level (\$11,800) don't qualify for Medicaid . But they earn too little to qualify for ACA subsidies
 - They are in the Medicaid gap and have no coverage at all
 - NC refused to expand Medicaid so it would cover everyone. Our previous work was for this expansion, and we called it Close the Gap

Medicaid in North Carolina

- Improved access to health care- Because of the publicity related to the ACA more people became aware of Medicaid.
 - Increased coverage by 476,330 adults and children since 2013
 - If NC had expanded Medicaid, we would have had another 500,000

Proposed American Health Care Act

Retained features of ACA

- No exclusions for pre-existing conditions
- Dependent child on parents' plan through age 25
- 10 essential benefits, including women's health care/maternity
- Advance payments of tax credits (subsidies)
- No annual or lifetime caps
- Maximum out of pocket expense
- Preventive care benefits

Impact of American Health Care Act

14 million uninsured next year increasing to 24 million in 10 years

\$880 billion cuts in federal funding for Medicaid

Planned parenthood funding freeze – reduce access to women's health services 1 in 5 women get their health care from Planned Parenthood. 30 million people would be without healthcare

15-20% increase in market premiums in 2018 and 2019

No employer or individual mandate

7 million fewer people will be covered by their employers

Significant higher out of pocket costs – co-pays

More choice for some who can afford care and less choice for others based on their ability to pay.

American Health Care Act

- Reduced Medicaid funds that will either reduce the number of enrolled, limit services or shift cost to consumer- children, disabled and elderly
- Reduce payments to hospitals, physicians and nursing homes
- Redirect federal support from poor to wealthier Americans through reduction in taxes
- Increase the number of uninsured Americans Bill would reduce the federal deficit by \$337 million \$34 billion/year over next 10 years (5.8% of 2016 deficit of \$587 billion)
- lower deficits, reduced federal spending and tax cuts

American Health Care Act

- Change how tax credits are distributed by giving all Americans not covered through work a flat credit by age, regardless of income.
- Biggest financial benefits would go to older wealthier Americans
- Low-income people losing out on coverage if they couldn't find the money to pay the gap between their fixed tax credit and the cost of a health plan.

American Health Care Act

- Bill would end individual mandates requiring individuals to obtain health insurance and repeal the tax penalty
- But would allow insurers to charge more if individual's coverage lapses – 30% increase
- Replace income based subsidies with refundable tax credits
 - Tax credits range from \$2000 to \$4000 based on age not income-
 - These tax credits are much less than the ACA subsidies especially for older people

American Health Care Act

- Bill would keep the features from the ACA
 - Young adults on parents plan until age 26
 - Bar insurers from denying coverage for pre-existing conditions
 - Bar insurers from imposing life time caps

American Health Care Act

Impact on North Carolina

- North Carolina ranks 32nd in the nation for overall health
- No longer provide comprehensive pediatric benefit (EPSDT)
- Current proposals to restructure Medicaid will hurt the state's ability to balance budget
- Reduce state's ability to weather economic downturns
- Would harm our economic stability and well being