

# The Nine Lives of the Affordable Care Act



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**Congressional Recess Update**

August 2017

# CHI 'Strike Team' Tracks Federal Action



A series of reports on rebuilding the Affordable Care Act

- **ACA in Colorado**
- **Medicaid funding changes**
- **High-risk pools**
- **Health savings accounts**

<http://coloradohealthinstitute.org/key-issues/detail/legislation-and-policy/re-aca>

# Three Takeaways

- 1 The Stakes:** Half a million Coloradans have health insurance because of the Affordable Care Act – mostly through Medicaid.
- 2 The Plan:** The GOP bill benefits younger, richer people at the expense of older, poorer people.
- 3 Looking Forward:** The ACA's problems remain, and the debate over health coverage is unsettled.

## THE STAKES

# The ACA's Nine Lives



1. Democrats propose and debate health reform, *2009*



2. Democrats lose Senate supermajority, *2010*



3. ACA passes with no Republican votes, *2010*



4. Supreme Court upholds individual mandate, *2012*



5. Supreme Court upholds subsidies, *2015*

## THE STAKES


# The ACA's Nine Lives



6. House initially fails on ACA repeal, *March 2017*



7. Senate fails on ACA repeal, *July 2017*



8. Trump Administration threatens subsidies, mandate enforcement, open enrollment assistance, *Summer-Fall 2017*

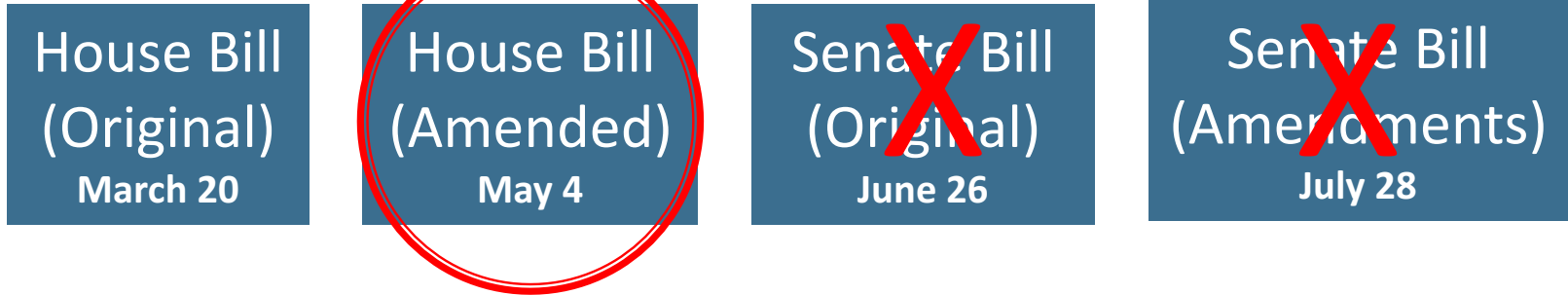


9. Senate tries again on repeal vote?

## THE STAKES

# Repeal: Still on the Agenda

## TIMELINE



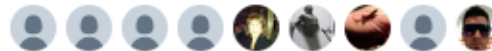
**Donald J. Trump**   
@realDonaldTrump

Follow

Can you believe that Mitch McConnell, who has screamed Repeal & Replace for 7 years, couldn't get it done. Must Repeal & Replace ObamaCare!

3:54 AM - 10 Aug 2017

24,685 Retweets 103,690 Likes



34K

25K

104K

THE STAKES

# Why Does Insurance Matter?



**Step 1**  
Get Insured



**Step 2**  
Access Care



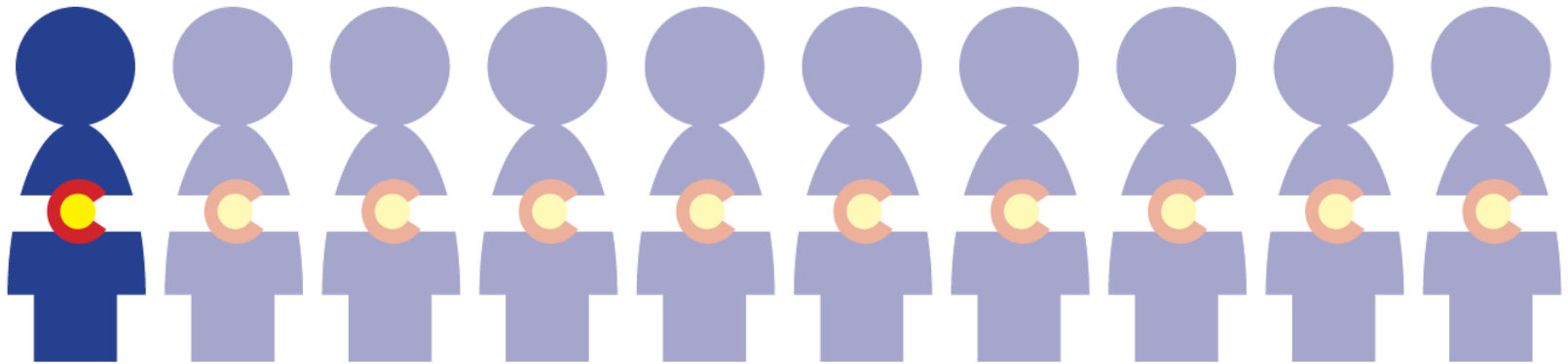
**Step 3**  
Use Care  
Wisely



**Step 4**  
Better Health,  
Cheaper Care

## THE STAKES

# 554,000 Insured Through ACA



One in 10 Coloradans has insurance coverage benefits through the ACA.

Medicaid = **450,000**

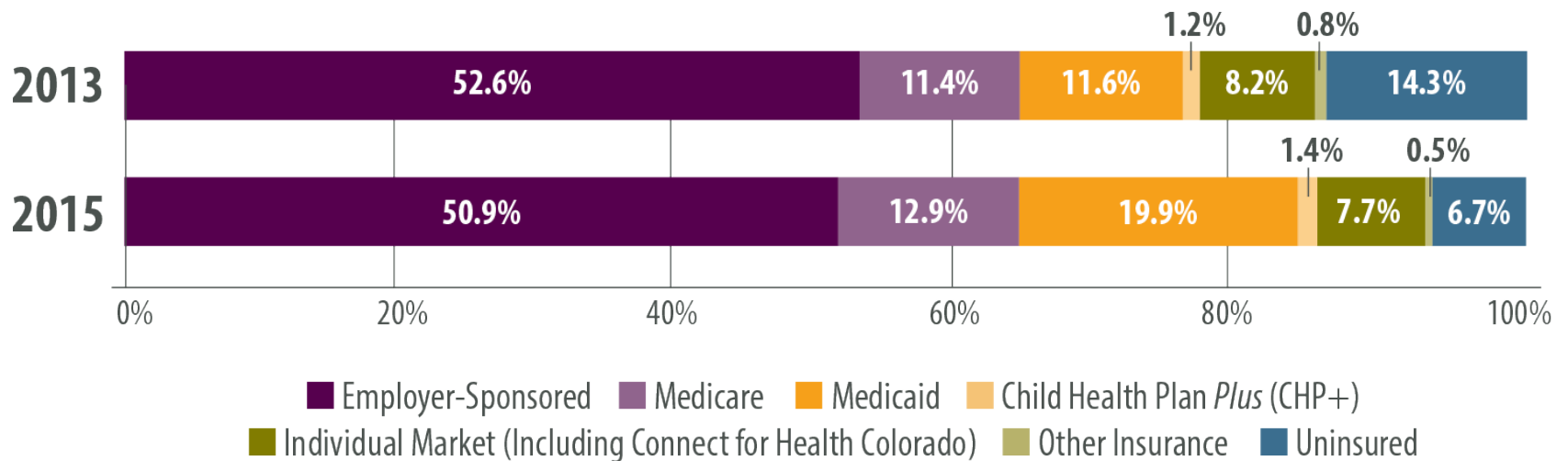
Connect for Health subsidies = **104,000**



## THE STAKES

# Colorado Uninsured Rate: 6.7 Percent

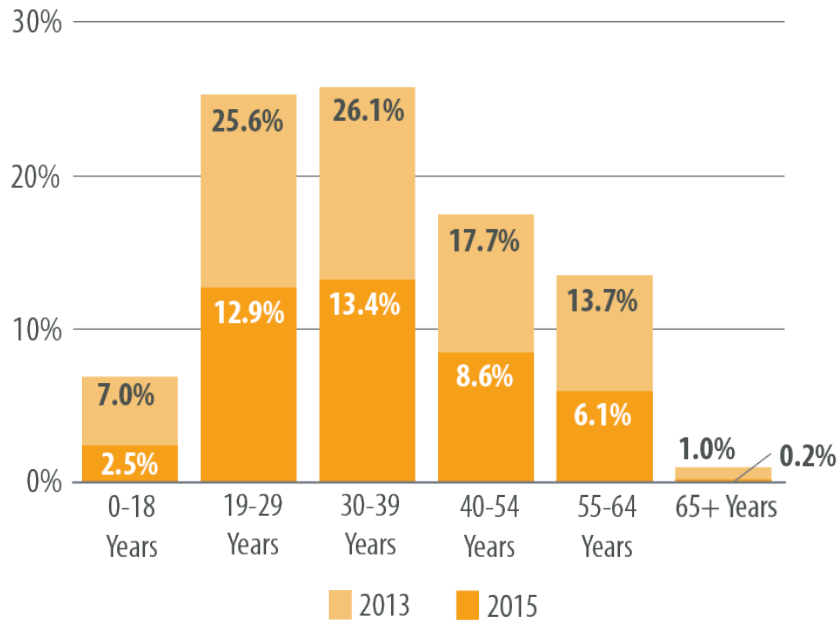
**A Surge in Medicaid and a Drop in Uninsured** Colorado Health Insurance Coverage, All Ages, 2013-2015



# ACA Winners: Young, Low-to-Mid Income

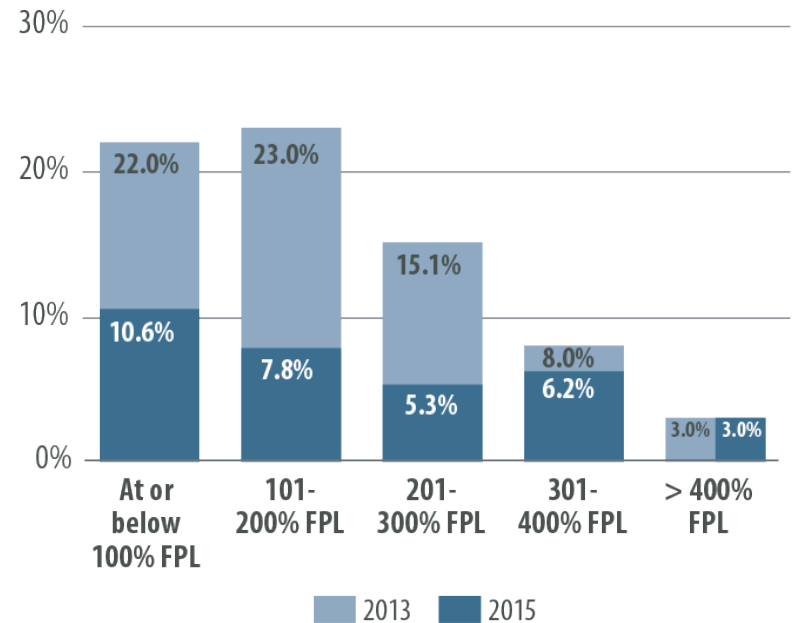
## Insurance Changes by Age

Uninsured Rates by Age, 2013-2015

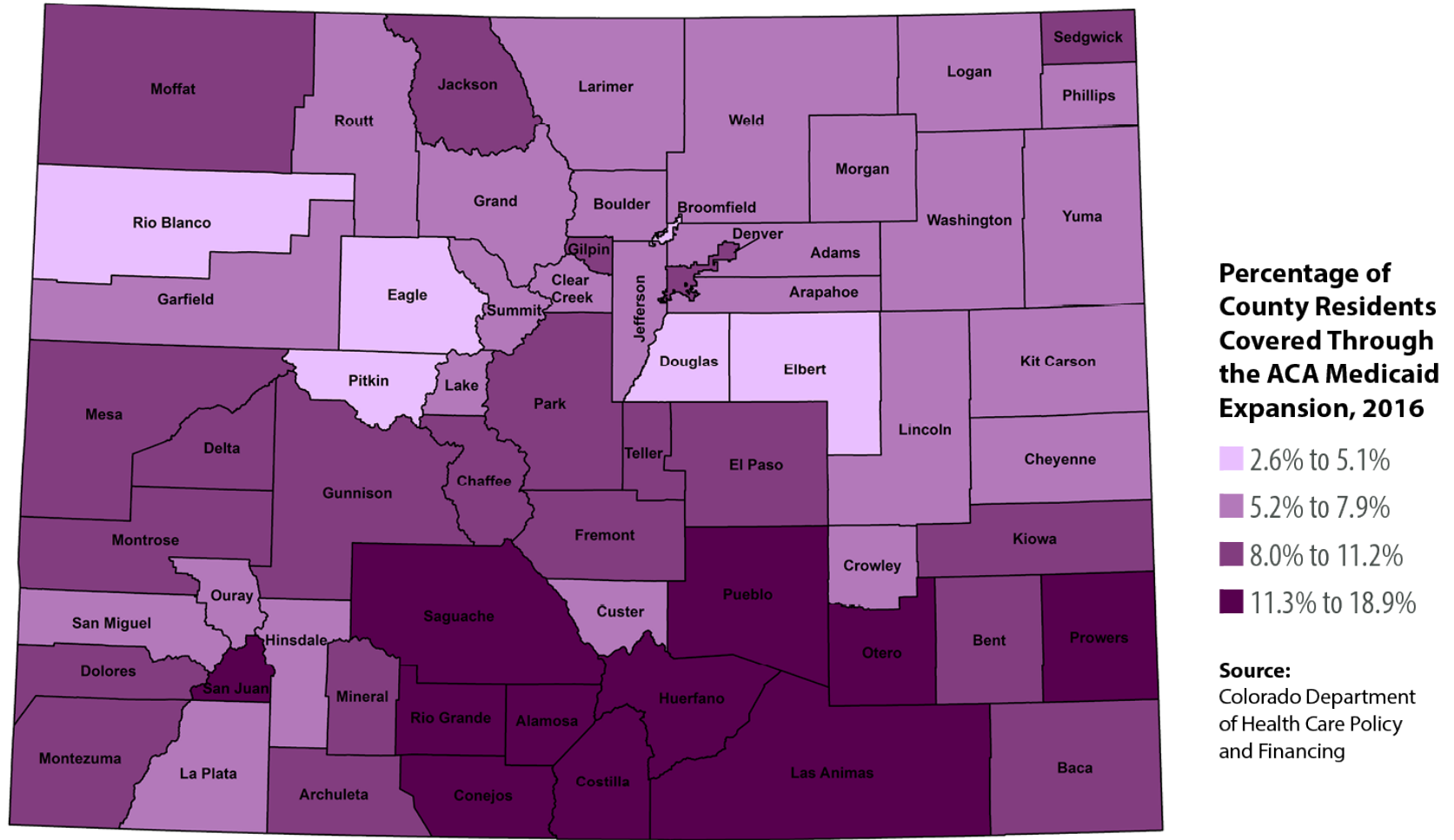


## Insurance Changes by Income

Uninsured Rates by Federal Poverty Level, 2013-2015

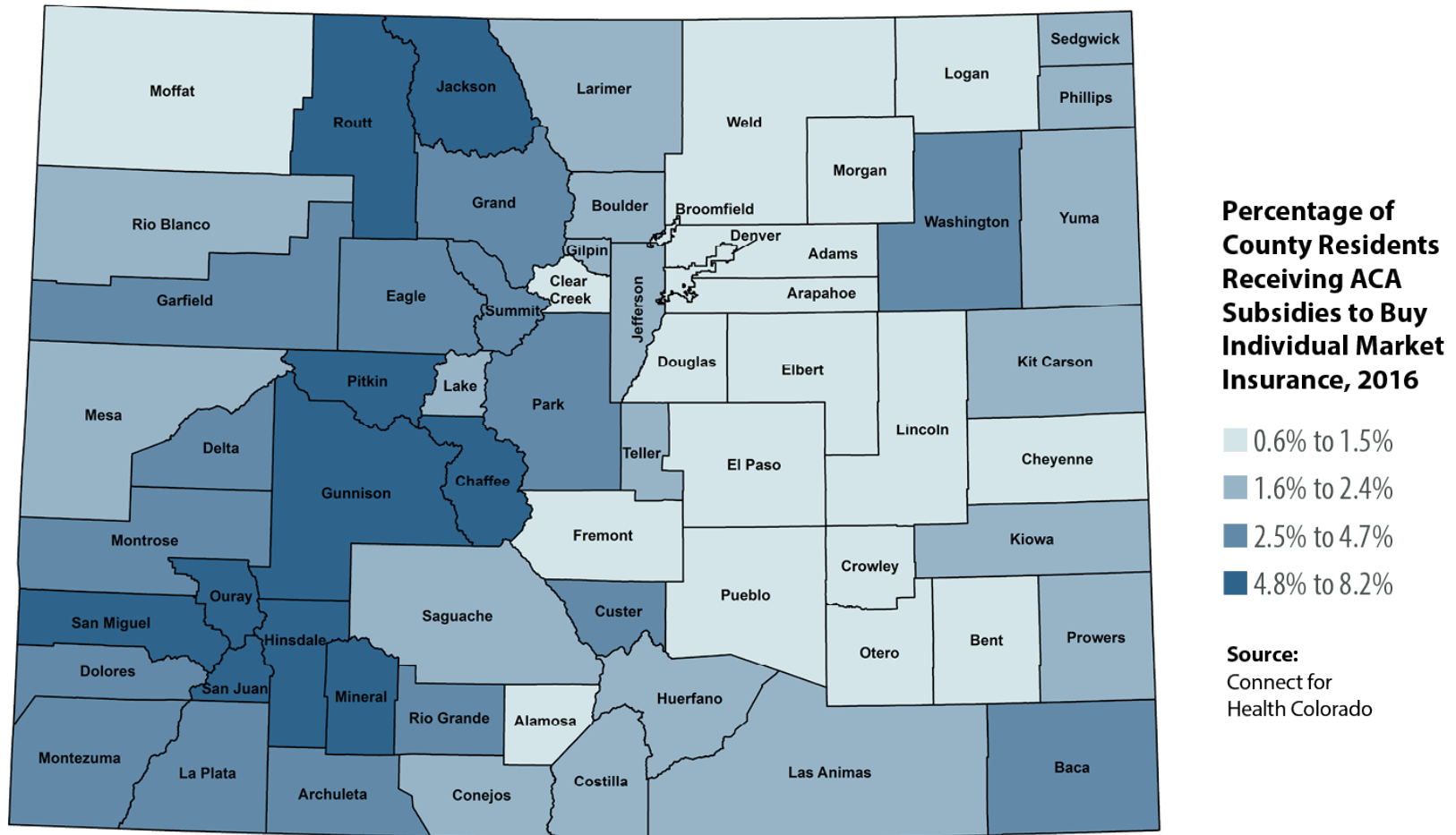


# Medicaid Expansion: A Rural Story



## THE STAKES

# Ski Country Loves Market Subsidies



## THE PLAN

# Various GOP Health Bills

- Curb Medicaid expansion
- Change Medicaid funding
- Reduce tax credits
- Make insurance cheaper for young, more expensive for older people
- Future impacts on Medicare



THE PLAN

# CBO Report

House bill would save

**\$119 billion**

and leave

**23 million**

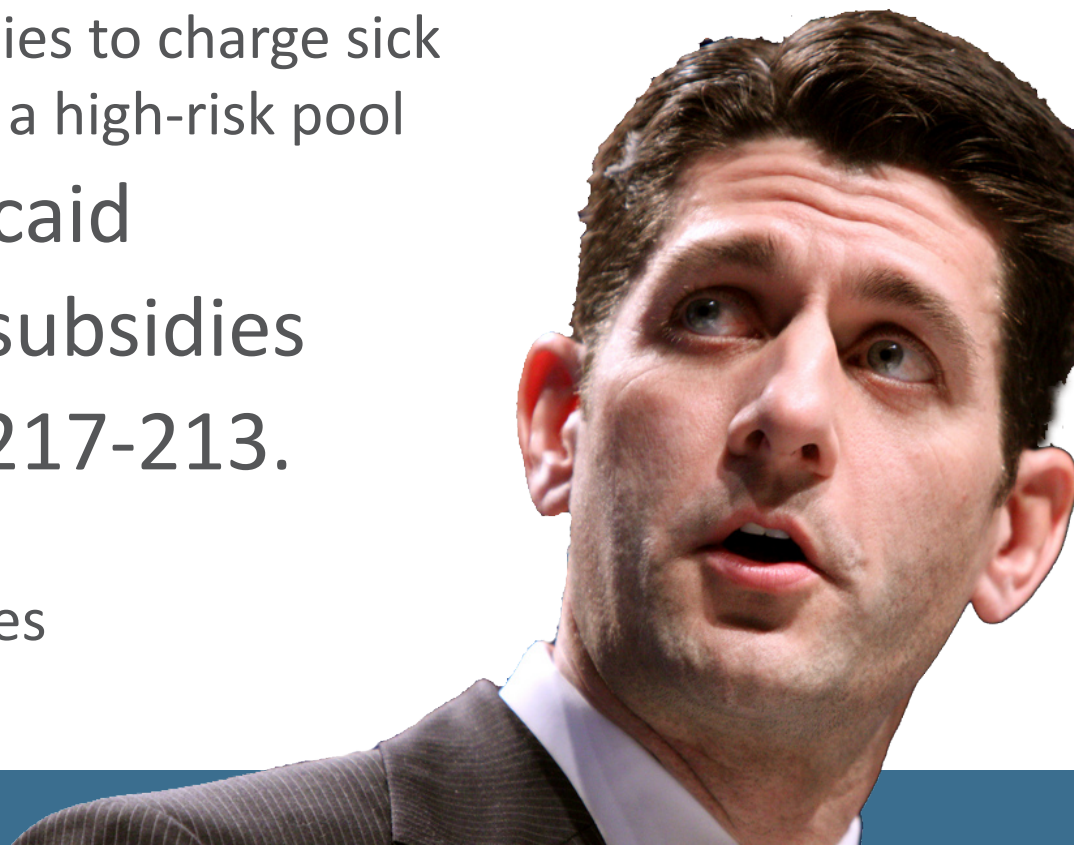
**more people**

uninsured by 2026



# American Health Care Act (House Bill)

- Allow states to waive:
  - Essential health benefits
  - Community rating rules (except gender, age)
  - Allow insurance companies to charge sick people more if state has a high-risk pool
- Large cuts to Medicaid
- Smaller insurance subsidies
- Passed the House 217-213.
  - 20 Republican No votes
  - Zero Democratic Yes votes



## THE PLAN

# Senate Health Bill

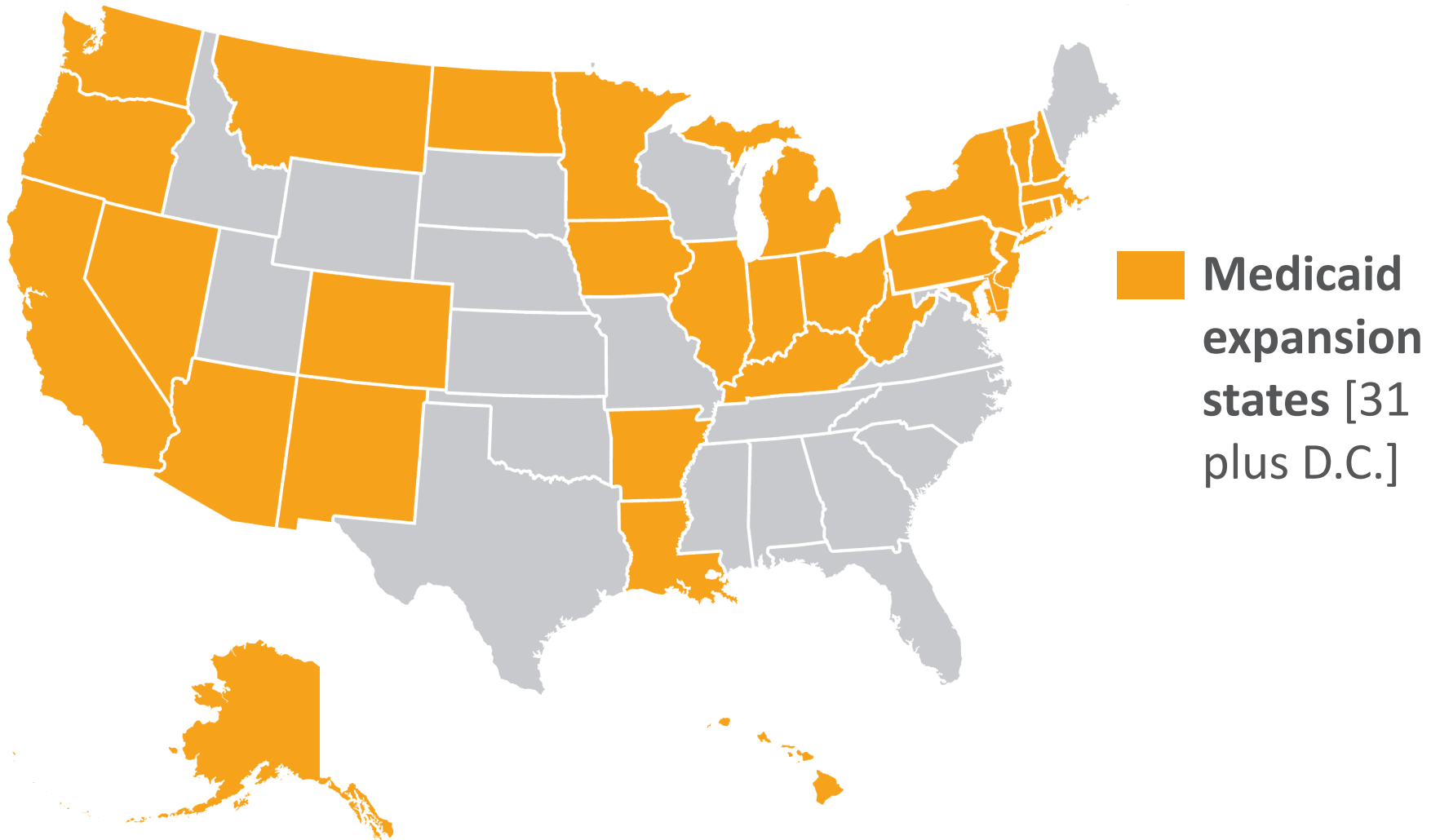
- Rolls back Medicaid expansion
- Caps Medicaid funding
- Smaller tax credits, with higher costs for older, rural customers
- Broad waivers for states
- Bare-bones plans





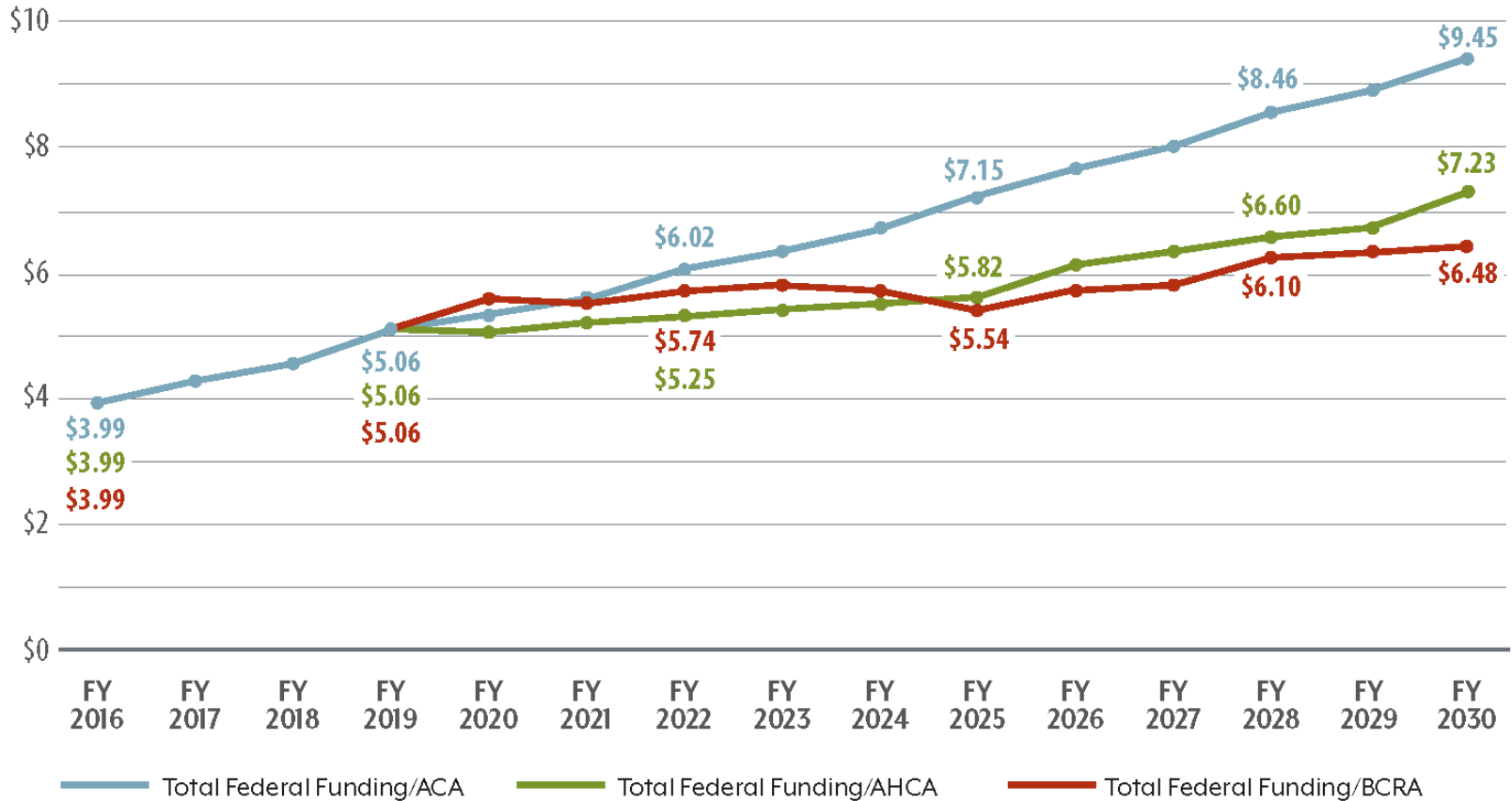
THE PLAN

# Medicaid: The Billion-Dollar Question



# MEDICAID

## \$15 Billion Loss for Colorado



600,000 fewer people covered by 2030

## THE PLAN

# Private Coverage: Winners and Losers

- **Tax Credits**
  - Based on age, rather than insurance price and income
- **Age Rating**
  - Oldest customer could be charged five times as much as the youngest

Age	Premium for Silver Plan with 3:1 Age Rating (ACA)	Premium for Silver Plan with 5:1 Age Rating (Replacement Plan)	Change in Premium
21	\$2,840	\$2,120	-\$720
64	\$8,510	\$10,600	\$2,090

SOURCE: RAND Corporation modelling



# Higher Prices in Rural Colorado

*Cost of a silver plan premium in 2020 after tax credit (Senate Bill):*



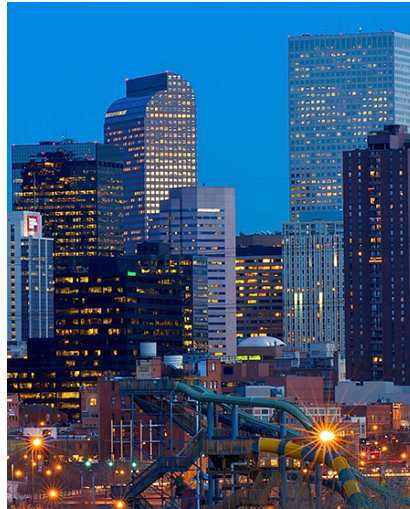
**Fort Collins**

Age 27

\$30,000 income

**ACA: \$2,480**

**Senate: \$2,280**



**Denver**

Age 40

\$40,000 income

**ACA: \$4,080**

**Senate: \$3,890**



**Grand Junction**

Age 60

\$42,000 income

**ACA: \$4,480**

**Senate: \$20,050**

Source: Kaiser Family Foundation

# Medicare: The Ice Gets Thinner (House Bill)

- **\$117 billion less revenue through 2026**
  - Medicare tax cut on high incomes
  - Accelerates Trust Fund insolvency to 2025 (from 2028)
- **\$43 billion higher expenses**
  - Added payments to hospitals for uninsured
- **No changes to Medicare benefits**



# GOP Proposals in 35 Words

Republican plans cover **fewer people** than the ACA currently does. They are generally **better** for people who are young, healthy, and higher income and **worse** for those who are older, sicker, and lower income.

*Sarah Kliff, Vox.com*

**Nothing is over until we  
decide it is!**

**Was it over when  
the Germans  
bombed Pearl  
Harbor?**

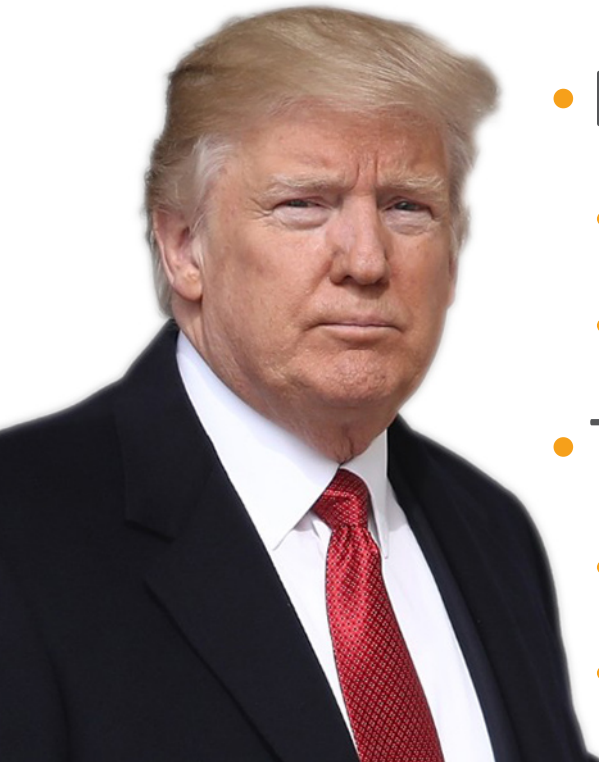
A close-up photograph of a man with dark, curly hair and a serious, determined expression. He is wearing a dark blue crew-neck sweatshirt with the word "COLLEGE" printed in large, white, block letters across the chest. Underneath the sweatshirt, a patterned collared shirt is visible. The background is dark and out of focus, with some green foliage on the left side.

**COLLEGE**



# Regulatory Options to Harm ACA

- Relax Regulations
  - Reduce penalties for non-coverage
  - Narrow essential health benefits rule
- Defund Cost-Sharing Reductions
  - Settle lawsuit
  - Dismantle CMMI
- Target Open Enrollment
  - Shorter enrollment period
  - Less promotion



# What to Watch in September



- Senate HELP Committee hearings



- CHP+ reauthorization

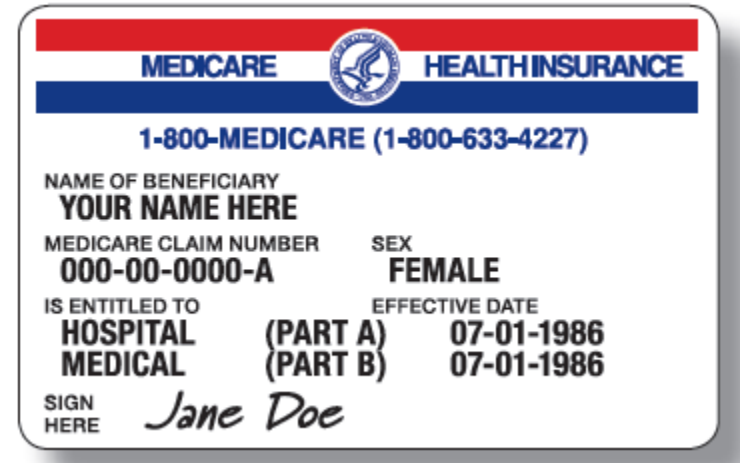


- Graham-Cassidy-Heller plan

## LOOKING FORWARD

# The Federal Budget and Medicare

- Vouchers for private coverage in Medicare in 2024
- Traditional Medicare would remain an option
- Qualifying age gradually raised to 67
- \$487 billion in cuts/savings through 2027



LOOKING FORWARD

# Private Market Pain Points Persist

- High deductibles
- High premiums
- Low competition
- Regional price differences



## THE PLAN

# Current Status of ACA Repeal



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