



Summary of Leaked Republican Affordable Care Act (ACA) Repeal Bill

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Fails to protect the 152 million Americans with pre-existing conditions

- The bill fails to protect Americans with pre-existing conditions. Protections only apply for those who maintain continuous coverage.
- If an individual, pre-existing condition or not, has a lapse in coverage for any reason, insurance companies could charge a 30 percent penalty on premiums for an entire year. This health penalty would make insurance unaffordable for millions of Americans.

Rolls back benefits and puts insurance companies back in charge

- The bill repeals the Essential Health Benefits requirements, meaning there's no guarantee whether insurance actually would cover the benefits patients need. States and insurers, not patients and doctors, would be back in charge.
- This takes us back to pre-ACA times when plans often didn't cover essential benefits like prescription drugs, mental health services, pregnancy, or hospitalization.
- The bill also would allow insurance companies to sell bare bones coverage that provides little to no benefit for those who become sick.

Taxes older Americans

- Republicans would allow insurance companies to charge older people nearly 70 percent more than today—older Americans would be hit especially hard and experience the biggest increase in taxes and premiums.
- The ACA limited the amount insurance companies could charge older people to no more than three times the premiums of younger people.
- The bill would implement an "age tax" and allow insurers to charge an older person five times as much (or more) as younger people—this would raise older Americans' premiums by an estimated \$3,200.

Creates an ill-defined state slush fund

- Republicans propose a so-called "cost control" slush fund (the State Innovation Grants and Stability Program) with few protections to ensure the funding helps consumers. States could use these federal dollars for insurance company bail outs, or flu shot vans, rather than the cost-sharing assistance people get today.
- Funds are only available to states that agree to ultimately fund 50 percent of the cost, which imposes a new unfunded mandate on states and makes it unlikely that poorer states or those experiencing a downturn could receive the funding.
- Piecemeal health expenditures don't provide the coordinated care that is proven to reduce costs and improve outcomes that Americans get today under ACA plans.

Provides generous tax sheltering for the rich while leaving millions with higher costs and less coverage

- The bill includes a flat tax credit based on age. The credit is not indexed to the cost of a plan, providing no guarantee that it will make coverage affordable.
- The tax credit amount would be much lower than the financial help that the ACA provides.

- Monthly out-of-pocket costs for care would increase for the average American family, raising monthly bills that many families cannot afford.
- The bill allows unspent tax credits to roll over into a savings account that the wealthy could combine with their own contributions to shelter money at a lower tax rate.

Raises out of pocket costs and makes it harder to see your doctor

- Cost Sharing Reductions (CSRs) under the ACA help hardworking families (\$61,500 for a family of four) afford copays and deductibles when seeing doctors.
- The Republican bill eliminates this vital consumer protection, making it more expensive for people to go to their doctor and get treatment. This discourages preventive care and healthy behavior.

Destabilizes or even creates “death spirals” in the individual market

- The changes to premium tax credits would not just hurt consumers directly but also make the entire individual market less stable.
- The current premium tax credits help consumers with premium increases, which keeps annual premium increases from starting a feedback loop in which premium growth drives away healthy enrollees and results in further premium increases and even lower enrollment.
- With flat dollar tax credits, there would be nothing to stop this feedback loop, so a large one-time premium increase in a state could trigger extreme instability or even a “death spiral” in its individual market.

Unravels employer coverage for 177 million Americans

- The bill would eliminate the employer mandate, which coupled with the new individual tax penalty on employer coverage would encourage employers to drop coverage.
- For the first time, Republicans want to tax employees’ health coverage provided through their jobs, and this new tax has the potential to be the largest income tax increase ever on the middle class.
- The result of this tax increase is a seismic shift in the private health care marketplace and would undermine the current health care system for more than half of all Americans. Employer-based coverage has been a hallmark of the U.S. economy for almost a century and serves as a stabilizing force for the individual market.
- At the same time, the Republican bill would be a massive wealth transfer—raising taxes on the middle class and showering our nation’s wealthiest with billions in tax cuts.

Repeals ACA taxes

- The Republican bill would repeal the progressive ACA tax provisions that close loopholes and make sure the health care industry contributes their fair share to America’s health. If these provisions are repealed, it would provide an immediate windfall tax cut to corporations and the highest-income Americans.
- Repealing the tax subsidies under the ACA and replacing them with a less generous tax credit would raise taxes significantly on about 7 million low- and moderate-income families.
- In contrast, the top 400 earners would receive a tax break of about \$7 million each year and millionaires would receive tax cuts averaging \$57,000 apiece.

Expands Health Savings Accounts (HSAs) and High Deductible Health Plans (HDHPs)

- Americans want to see greater help with health costs—the provisions in the bill would do the opposite and shift more costs to hard working families.
- Republicans propose to force Americans into government mandated one-size-fits-all health coverage of HSAs and HDHPs, which would simply increase deductibles for the average American.

- The bill would expand tax sheltering avenues for those with the financial means to fund these HSA accounts. Those without the means to put aside additional funds in an HSA would be stuck with higher deductibles and greater out-of-pocket costs.

Puts Medicare at risk

- The bill puts Medicare coverage for 57 million seniors and Americans with disabilities at risk by cutting the Medicare Trust Fund and shortening the life of the Trust Fund by two years.

Reneges the federal commitment to Medicaid coverage

- The bill would effectively end the Medicaid expansion in its current form in less than two years (end of 2019) by freezing current enrollment at the enhanced match, which would break the financing promise made to states when the ACA was enacted. States could keep the option to cover low-income childless adults, but any new enrollees would not receive the enhanced match.
- The bill breaks the commitment of Essential Health Benefits for Medicaid expansion enrollees by rolling back the requirement for states to provide the Essential Health Benefits package to the expansion population at the end of 2019, removing an important protection that ensures needy individuals receive the care that they need.

Rations care for millions of vulnerable children, individuals with disabilities, seniors, pregnant women, and low-income adults

- Beginning in FY2019, the bill would fundamentally change Medicaid financing, rationing care for millions, by setting an arbitrary federal financing cap on Medicaid coverage. A complex formula based on a state's enrollment in five different Medicaid eligibility categories would establish a cap on Medicaid funding for health insurance. States would be penalized for exceeding the cap, which would not fully account for the health needs of beneficiaries.
- Eligibility groups subject to the cap include seniors, blind and disabled individuals, children, Medicaid expansion enrollees, and any other non-elderly, non-disabled, non-expansion adults.
- The bill would prohibit Planned Parenthood from participating in the Medicaid program for one year. This means that women with Medicaid coverage would be prevented from obtaining essential care such as breast and cervical cancer screenings, sexually transmitted infection screenings, and contraception care from these providers.

Eliminates the Prevention and Public Health Fund which is bad for America's health and financial well-being

- The bill would repeal the Prevention Fund at the end of FY2018, eliminating the federal government's only dedicated investment in prevention and the largest single investment in prevention in the United States.
- The bill's repeal of this \$15.1 billion in dedicated funding for efforts that prevent disease and help stop disease progression would harm our ability to reduce a much larger bill—the approximately \$3 trillion we spend every year to treat illness.
- The bill's elimination of the Prevention Fund would put the U.S. at risk of a public health disaster, because it accounts for 12 percent of CDC's funding for core public health programs. Such programs include youth suicide prevention, childhood lead poisoning prevention, and prevention and response to infectious disease outbreaks.