

National Health Care Reform: Where Do We Go From Here and How Does it Impact Mississippi



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Agenda

- Introduction
- Background on the repeal process
- What to expect next in the process
- Policy implications
- Ways to engage in this conversation

Community Catalyst

Community Catalyst is a national non-profit advocacy organization that works with national, state and local consumer organizations, policymakers and foundations to build consumer and community leadership to improve the health care system.

We support consumer advocacy networks that impact state and federal health care policy, and ensure consumers have a seat at the table as health care decisions are made.

Key Objectives

1. Participants will have a clearer understanding of the recent federal debate over health care, the ACA and the AHCA.
2. Participants will know the timeline of events leading to where we are today and what to expect for the next several months on the health care front.
3. Participants will have a greater understand the specific policy implications of the proposed legislation and how it will impact MS families, communities, providers, etc.
4. Participants will have some tools and resources to be able to assist consumers in understanding the changes to their health care.

Background on Repeal

- Since passage of the ACA, many legislators have campaigned (and won) on repealing the law. The President campaigned on it and promised to have a repeal bill on his desk by inauguration — that did not happen
- Rhetoric shifted from straight repeal, to repeal and delay, then repeal and replace
- In January of this year, Congress passed a budget resolution with instructions to develop the language for a budget reconciliation package — this is the mechanism that will allow the bill to move forward with 51 votes, rather than the 60 normally required.
- Despite efforts to corral votes, it was only on May 4 that the House passed the AHCA, without an updated CBO score and by a razor thin margin (217 - 213); 20 Republicans voted no
- Now it is in the Senate's court...kind of

AHCA Overview

- Repeal ACA mandates (2016), standards for health plan actuarial values (2020) and premium and cost sharing subsidies (2020).
- Modify ACA premium tax credits for 2018-2019
- Retains private market rules, including requirement to guarantee issue coverage, prohibition on pre-existing condition exclusions, requirement to extend dependent coverage to age 26.
- Modify age rating limit to permit variation of 5:1, unless states adopt different ratios, effective 2018. Retain essential health benefits requirement, with state option to waive. Retain prohibition on health status rating with state option to waive for individual market applicants who have not maintained continuous coverage.
- Impose late enrollment penalty for people who don't stay continuously covered.

AHCA Overview

- Establishes Patient and State Stability Fund with 115B over 9 years for all states
- Repeal funding for Prevention and Public Health Fund
- Converts federal Medicaid funding to a per capita allotment and limit growth in federal Medicaid spending; provide state option to receive a block grant
- Add state option to require work as a condition of eligibility for nondisabled, nonelderly, non-pregnant Medicaid adults
- Repeals other ACA revenue provisions

CBO Finally Releases New Score

- The second CBO score was released on May 24 and was only slightly improved from the first score.
- According to CBO, with the last minute changes made to the AHCA before passage:
 - 23 million people would lose their health care coverage in 2026
 - People living with preexisting conditions who reside in states that accept a waiver under the AHCA would likely be priced out of the market and lose access to critical care
 - There would be a \$834 billion decline in federal funding for Medicaid, blowing a hole in state budgets and likely forcing states to ration care and cut essential programs and services.

Senate Timeline

**May 29 –
June 2**

- Staff meeting over recess
- Huge push to get some agreement in June
- Could see floor action in June, likely July
- Expansion state senate working group (Portman) working intensively to develop proposed changes
- McConnell backed group also working on changes

**June 2 –
July 4+**

- Continued Senate negotiations
- Current Senate leadership goal to bring a vote before July recess
- 2nd CBO score will likely be released

Senate State of Play and Landscape

- Senate under pressure to act on health care
- McConnell working groups (next slide)
- Risk of ending up with AHCA Lite
- Risk for Medicaid — per capita caps and end of higher match for expansion
- Conservatives vs. Expansion state R's — higher cuts and risk of ending up with House passed bill rates
- Senate Republicans can only lose 2 R votes to pass the bill

Key Players

- McConnell-appointed working group of 13
 - McConnell-KY, Hatch-UT, Lee-UT, Alexander-TN, Thune-SD, Cruz-TX, Cornyn-TX, Toomey-PA, Cotton-AR, Gardner-CO, Barrasso-WY, Enzi-WY, Portman-OH
- Cassidy-Collins Bi-partisan workgroup/discussions
 - Cassidy-LA, Collins-ME, Capito-WV, Graham-SC, Sullivan-AK, Manchin-WV, Heitkamp-ND, Kaine-VA, Carper-DE and others
- Nuclear Option Team
 - Paul, Cruz, Lee

Keep in Mind

We are hearing that Senate Republican leadership is working with the goal of having a bill on the floor before the **Fourth of July** Recess (July 3rd-6th). However, it may be that we will not see a bill on the floor until just before Congress goes on Recess for the month of **August**.

However, as we have seen the timeline is proving to be extremely fluid and much remains uncertain.

Policy Implications – Key Concerns

- **Weak fixes:** throw some money at subsidies, make minor changes in Medicaid, extend expansion phase-out, keep key tax provisions, etc.
- **Protecting safety provisions:** pre-existing condition safeties; not let claims that AHCA provides access for those individuals when that access would be unaffordable – the “I have access to a Ferrari but doesn’t mean I can afford it” idea.
- **CBO:** We already have two scores showing 20+ million will lose coverage over a decade and massive cuts to Medicaid; what will next version show? Does it matter?
- **Medicaid is getting lost in the debate:** most we hear about is re: expansion, not talking enough about 800 billion, impending cuts to services, etc.

Per Capita Caps & Block Grants

Per Capita Caps

- The federal government pays the state a fixed amount per beneficiary.
- The state will have to absorb the cost of any medical expenses incurred above this fixed amount.
- While mechanisms for setting this amount are uncertain, it's likely that there would be separate fixed amounts for each category of beneficiaries (children, seniors, people with disabilities and other adults).
- The fixed amount is adjusted annually for general inflation.

Block Grants

- The federal government pays the state a set amount annually to provide care for their entire covered population.
- The amount does not change based on the number of enrollees.
- The state will have to absorb the cost of any medical expenses incurred above this fixed amount.
- While mechanisms for setting the amount are uncertain, it would likely be based on past expenditures.
- The amount would be adjusted for general inflation and population growth.

Source:

<http://www.communitycatalyst.org/resources/publications/document/Block-Grants-and-Per-Capita-Caps-Fact-Sheet.pdf>

The Threat to Medicaid

- States will face significant budget challenges as a result of dramatic reductions in federal funding
 - Reduced funds lead to tough state choices, pitting priorities
 - Would lock states in at a rate that makes it hard to alter Medicaid as a state sees fit
 - Uncompensated care costs will soar
- Fewer people will have coverage
 - Potential to eliminate entire eligibility categories
 - Potential to decrease income eligibility levels
 - Could establish wait lists, enrollment caps, meaning not all eligible would receive coverage

Source:

<http://www.communitycatalyst.org/resources/publications/document/Block-Grants-and-Per-Capita-Caps-Fact-Sheet.pdf>

The Threat to Medicaid

- Coverage will be less likely to meet the needs of enrollees
 - Eliminating or reducing benefits like dental, NEMT, EPSDT
 - Implementing or increasing cost sharing, premiums, co-pays, etc.
 - Decreased payment to providers
- Innovations to improve care will be significantly constrained
 - The speed and scale of funding cuts will force states to cut costs dramatically in the short term. This means that states will be focused on ways to cut eligibility, benefits and provider payments rather than ways to improve care for enrollees and lower long term costs through innovations and investments in population health

Source:

<http://www.communitycatalyst.org/resources/publications/document/Block-Grants-and-Per-Capita-Caps-Fact-Sheet.pdf>

Equity Perspective on Medicaid Cuts

States with Largest Declines in Number of Children Federally Eligible for Medicaid Under Current (138% FPL) and Proposed (100% FPL) Thresholds

Hispanic			Black		
Rank	State Name	Decline (Number)	Rank	State Name	Decline (Number)
1	California	-462,500	1	Florida *	-88,200
2	Texas *	-358,500	2	Georgia *	-74,000
3	Florida *	-118,900	3	Texas *	-66,900
4	New York	-90,600	4	North Carolina *	-52,600
5	Arizona *	-71,600	5	New York	-48,400
6	Illinois	-66,300	6	Louisiana	-43,200
7	New Jersey	-44,800	7	Mississippi *	-36,800
8	Georgia *	-40,700	8	Illinois	-36,300
9	North Carolina *	-40,300	9	Ohio	-33,200
10	Colorado	-38,700	10	South Carolina	-32,600

For full state rankings, click [here](#).

* Indicates state in which the current state-specific Medicaid income eligibility threshold is equivalent to the federal minimum threshold.

Source: Data-for-Equity Policy Brief Federal Medicaid Eligibility by Child Race/Ethnicity Under the Affordable Care Act and Proposed Repeal

<http://www.diversitydatakids.org/files/Library/policy/Medicaid.pdf>

Equity Perspective on Medicaid Cuts

States with Largest Declines in Percent of Children Federally Eligible for Medicaid Under Current (138% FPL) and Proposed (100% FPL) Thresholds

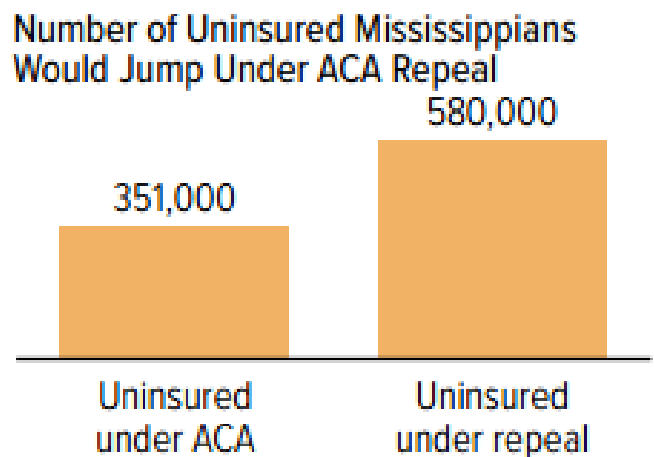
Hispanic			Black		
Rank	State Name	Decline (Percentage Point)	Rank	State Name	Decline (Percentage Point)
1	Tennessee *	-20.4%	1	Utah *	-17.3%
2	Wisconsin	-19.0%	2	Kansas *	-15.9%
3	Mississippi *	-18.0%	3	Nevada *	-15.7%
4	Kansas *	-17.3%	4	Mississippi *	-15.6%
5	Oklahoma	-17.2%	5	Minnesota	-14.9%
6	North Carolina *	-16.6%	6	Arkansas	-14.8%
7	Georgia *	-16.4%	7	Florida *	-14.6%
8	Indiana	-16.1%	8	Kentucky	-14.6%
9	Alabama	-16.1%	9	Louisiana	-14.5%
10	Utah *	-15.6%	10	Tennessee *	-14.4%

For full state rankings, click [here](#).

* Indicates state in which the current state-specific Medicaid income eligibility threshold is equivalent to the federal minimum threshold.

Implications for Mississippi

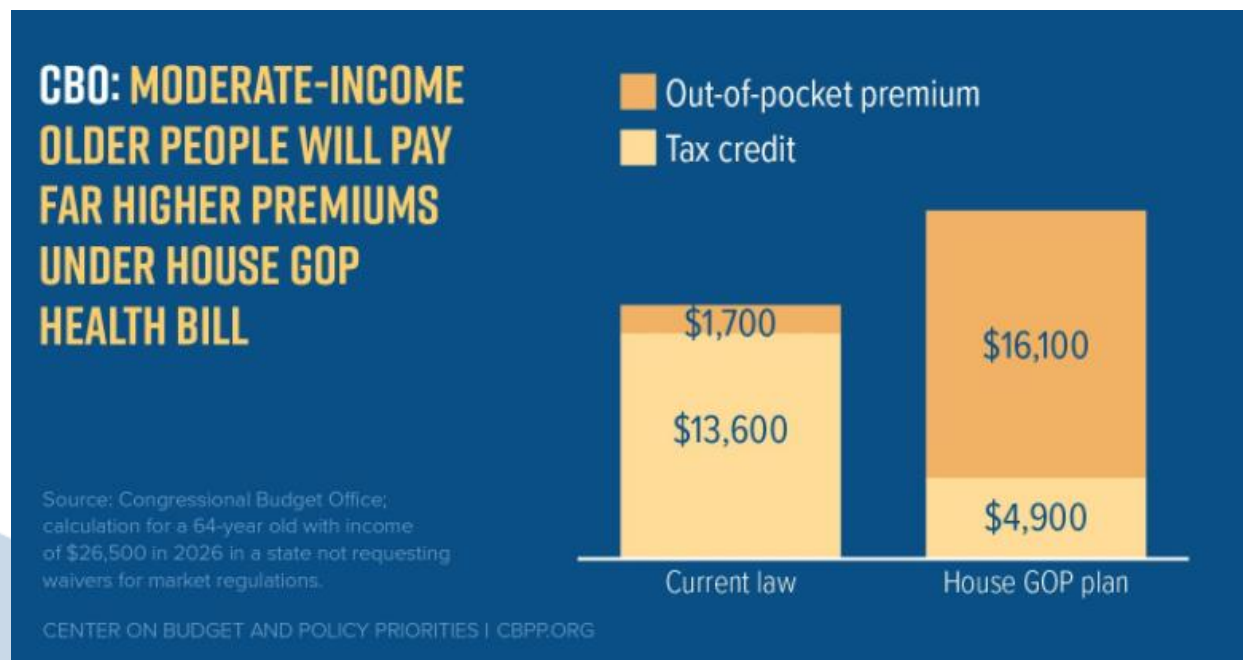
- According to a new Urban Institute report, **229,000** fewer people in Mississippi would have health insurance in 2019 if the Affordable Care Act (ACA) is repealed.



- Under Repeal, Mississippi Would Lose **\$9.1 Billion** in Federal Funding and Pay More in Uncompensated Care Costs
- In Mississippi, repeal means the loss of **\$475 million** in federal marketplace spending in 2019 and **\$5.2 billion** between 2019 and 2028. Mississippi would lose **\$313 million** in federal Medicaid funding in 2019 and **\$3.9 billion** between 2019 and 2028.

Implications for Mississippi

- In addition, the growth in the number of uninsured residents would increase demand for uncompensated care by \$1.1 trillion nationwide between 2019 and 2028. Assuming fixed federal spending on uncompensated care, state and local governments and health care providers would have to bear this cost.
- Moderate-income working families in Mississippi would lose substantial financial assistance that is now available to help them pay their premiums and cost-sharing for insurance purchased in a marketplace. In 2016, Mississippians who enrolled in marketplace coverage receive an average advance premium tax credit of \$297, which covers 76% of the total monthly premium for comprehensive coverage.



Overall Strategy

- Delay and Divide
- Raise the visibility of the Medicaid issues which were wiped away by pre-ex
- Focus on opioids, rural, and seniors
- Keep pressing senators on coverage loss and marketplace affordability issues — take Medicaid off the table
- Prevent 50 votes, OR ensure big difference between House and Senate versions of the bill

Wiggle-proof Senate Ask

Oppose ANY bill or measure that:

Reduces coverage for millions of Americans

OR

Ends Medicaid as we know it through the use of block grants and per capita caps to shift costs to states because both would reduce federal funding significantly over time, forcing states to cut coverage, benefits, and provider payments

What Can Be Done

- Nothing has been decided yet, there is still time
- Lift up voices in the community; those who receive care or those for whom coverage is out of reach
- Engage local elected officials, invite them to tour clinics and talk with Board members and center staff
- Contact the Governor; Budget Chairs
- Encourage patients to share their story and get involved
- Ease patient concerns, direct them towards information that will help them understand their options

One State Example

- Last year's budget crisis in Alabama forced the creativity of advocates and providers in the state
- The #IAmMedicaid campaign was born



And Others to Follow

- Recently launched #IAmMedicaidGA



Strategy for states with Senators FOR Repeal

- National amplification makes a difference:
 - In-person
 - In the press
 - Online
- Engage a broad array of stakeholders:
 - Providers and hospitals
 - Business owners
 - Faith community
- Hold your Senators accountable

And Finally...

Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.

- Margaret Mead

Questions?



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