Due to significant and recent developments, a summary of ACA repeal and replace reform activities that would likely have had a large impact on NYC's older population follows. The monthly DFTA Healthcare Newsletter will officially return again in September 2017.

ACA Repeal and Replacement

Roughly three months after the House of Representatives passed its Affordable Care Act (ACA) repeal and replace legislation, the Senate failed in its effort to pass similar legislation despite putting forth multiple versions: repeal and replace, repeal-only, and finally a very limited repeal (*see chart below*). In general, the Republican ACA repeal proposals aimed to reduce the government's role in helping low and moderate income individuals obtain healthcare insurance, with the stated intent to reduce the federal deficit. A few common elements of the versions included: deep cuts to Medicaid funding; reducing insurance subsidies in the exchanges; and allowing health insurance companies to increase premiums for their sickest and oldest beneficiaries. All proposals were estimated to vastly increase the number of people without insurance.

The debate on the much-anticipated Senate repeal legislation began after Vice President Pence cast a vote to break a tie (50-50) on the "Motion to Proceed." Many assumed that this motion was indicative of the fact that the legislation would pass, but it quickly became clear that there was much disagreement on the proposals, and the backlash stemmed partly from the secretive nature of the legislation's development—no input from the public and no committee hearings. Ultimately, as noted, none of the versions put forth by Senate Republican leadership garnered the necessary support needed. Senate Democrats and moderate Republicans were concerned about the inevitable increase in uninsured constituents, while conservative Republicans thought the proposals did not go far enough to fully repeal the ACA. Moreover, there was very little support from healthcare industry stakeholders, state governors, and the public.

Impact on New York:

If the ACA were repealed, the state estimated that it would result in more than 2.7 million New Yorkers losing health coverage, including 1 million Medicaid recipients, and approximately $6.9 billion in federal funding cuts.[1] In addition, the Faso-Collins amendment to the House bill would have shifted Medicaid costs from NYS counties outside of New York City to the state government, creating a $2.3 billion hole in that budget; however, this amendment was not included in any of the Senate proposals. New York's hospitals and other safety net providers would have stood to lose a large amount of federal funding under any of the ACA repeal proposals, including $500 million per year alone for NYC's Health + Hospitals (NYC's public hospital system).[2]

What's Next?

The Trump administration's position is anything but clear at this point. On one hand, there are reports that he is continuing to push senators to vote on "Repeal only" legislation, and on the other, he has publically given up his stake in the healthcare debate by voicing his desire to see

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[1] https://www.governor.ny.gov/news/statement-governor-andrew-m-cuomo-congressional-budget-offices-score-american-health-care-act

[2] http://council.nyc.gov/budget/wp-content/uploads/sites/54/2017/03/819-HHC-2.pdf

"Obamacare implode." However, while the overall Republican line remains "committed to repealing" the ACA, most stakeholders believe Congress will likely move on to other issues.

It is important to recognize that as the ACA is implemented by the federal HHS/CMS administrations; its success will be partially determined by implementation (or lack thereof) by the Trump administration and not solely on its own accord. For example, the president has already threatened not to pay the ACA subsidies, which allows individuals to afford health insurance on the exchanges. As uncertainty remains, many health insurance companies are raising their premium and deductible rates, while others have pulled out of the individual health exchange markets altogether in some states. While New York's health exchange has long offered more plan options to individuals than exchanges in many other states, the state may still be impacted by continued uncertainty, with the most likely result being rising premium rates.[3]

The failure of the Senate to pass ACA repeal/replace legislation and the instability of the marketplace may provide some incentive for both Republicans and Democrats to pursue more incremental healthcare reforms. Most recently, there has been a bipartisan call to make improvements to the ACA (including Minority Leader Sen. Chuck Schumer (D-NY)). A coalition of centrist House Republicans and Democrats (the *Problem Solvers Caucus*), led by Reps. Tom Reed (R-NY) and Tom Suozzi (D-NY), also recently introduced a plan that would help stabilize the individual market and unveil some fixes that both parties could support. Their five-point plan proposes to:

1) Provide mandatory funding for the ACA's cost sharing reductions (i.e., subsidies to cover premiums or out-of-pocket expenses) worth approximately $7 billion per year;
2) Change the employer mandate to apply only to companies with 500+ employees;
3) Create a federal stability fund to help states cover care for higher-need individuals;
4) Eliminate the medical-device tax; and
5) Offer more flexibility for state innovation.

Most of the plan would be paid by changes to the Medicare program, including use of generic prescription drugs in Part D and competitive bidding in Medicare Advantage.

However, with Congress on summer recess until September, uncertainty will likely continue for the immediate future.

> **Did you know?**
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> … July 26th was the 27th anniversary of the Americans with Disabilities Act
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> …July 30th was the 52nd anniversary of Medicare and Medicaid

Ask us anything! Please let us know if there is anything more you'd like to know about healthcare reform. Email Meghan, DFTA Division of Planning and Technology, at MShineman@aging.nyc.gov.

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[3] According to the NYS Department of Financial Services, which is responsible for approving the state insurance rates, NY insurance plans requested an average 16.6% increase in premiums offered on the state exchange; approved rates are expected in the next few weeks. https://myportal.dfs.ny.gov/web/prior-approval/summary-of-2018-requested-rate-actions

Key Elements of ACA Repeal-Related Bills
None Currently Proceeding through Congress

House of Representatives: *American Health Care Act (AHCA)[4]*
• House's repeal and replace legislation; passed 217 to 213
• Elimination of ACA subsidies in favor of refundable tax credits in 2020
• Elimination of individual and employer mandates, but imposed premium surcharges on those without continuous coverage
• State flexibility in offering plans without essential benefits (2020) and in ability to charge higher rates to individuals with pre-existing conditions (2019); states would be required to set up high-risk pools
• Increase number of uninsured by *23* million people by 2026
• Medicaid expansion repealed; change funding to either per capita caps or block grants in 2020; Reduction of $*834* billion in Medicaid funding
• Insurance premiums increases for poor, older adults (50-64 years) as individuals could be charged more than *5x* higher than younger patients in 2018
• Reduce federal deficit by $*119* billion over next 10 years

Senate		
Better Care Reconciliation Act (BCRA)[5]	*Obamacare Repeal Reconciliation Act (ORRA)[6]*	*Health Care Freedom Act[7]*
• "Repeal and replace" legislation; failed 43 to 57 • Allow insurers to deny coverage to people with pre-existing conditions • Cruz amendment to allow sale of plans not covering ACA essential benefits • Portman amendment to provide $100 billion to help low-income Americans pay medical bills after loss of Medicaid coverage • Increase number of uninsured by *22* million people by 2026 • Reduction of $*756* billion in Medicaid funds by 2026; introduction of per capita caps on Medicaid funding • Premiums rising as much as *294*% for poor individuals aged 55-64 • Reduce federal deficits by $*420* billion over 10 years	• "Repeal now, Replace later" legislation (similar to 2015 Senate bill); failed 45 to 55 • Partial ACA repeal by 2019 (including repeal of individual mandate, Medicaid expansion and premium subsidies) • Increase number of uninsured by *32* million people by 2026 • Reduction of $*842* billion in Medicaid funds by 2026 • Individual premiums would *double* by 2026 • Reduce federal deficits by $*473* billion over 10 years	• So-called "Skinny Repeal"; failed 49 to 51 • Repeal of individual and employer mandates; 3 year repeal on medical devices tax • One-year defunding of Planned Parenthood • States would be allowed to opt out of essential benefits requirements • Increase contribution limits to health savings accounts • Keep in place Medicaid expansion; subsidies; and protections for pre-existing conditions. • Increase number of uninsured by *16* million people by 2018 • Reduction of $*235* billion in Medicaid funds by 2026 • Premiums rising *20*% each year over the next decade • Reduce federal deficits by $*179* billion over 10 years

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[4] CBO Estimate: https://www.cbo.gov/publication/52752
[5] CBO Estimates: https://www.cbo.gov/publication/52941; https://www.cbo.gov/publication/52977
[6] CBO Estimate: https://www.cbo.gov/publication/52939
[7] CBO Estimate: https://www.cbo.gov/publication/52979