



The **Wisconsin Aging Advocacy Network** is a collaborative group of individuals and associations working with and for Wisconsin's older adults to shape public policy to improve their quality of life.

Core member organizations:

Aging and Disability Professionals Association of Wisconsin (*ADPAW*)

Alzheimer's Association SE Wisconsin Chapter

Wisconsin Adult Day Services Association (*WADSA*)

Wisconsin Association of Area Agencies on Aging (*W4A*)

Wisconsin Association of Benefit Specialists (*WABS*)

Wisconsin Association of Nutrition Directors (*WAND*)

Wisconsin Association of Senior Centers (*WASC*)

Wisconsin Institute for Healthy Aging (*WIHA*)

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Health Care Proposals: House & Senate Plans to Repeal and Replace the Affordable Care Act (ACA)

Background

After six years of promising to “repeal and replace” the Affordable Care Act (ACA) aka Obamacare, Speaker Paul Ryan and GOP leaders secured the votes needed to pass their replacement plan – the American Health Care Act (AHCA) on May 4, 2017. After an earlier attempt to win support for the bill failed, several amendments were made to the bill before its passage by the U.S. House of Representatives in May by a vote of 217 to 213 (one more "yes" vote than was needed for passage). On June 22, 2017, the Senate released their version of ACA repeal, known as the Better Care Reconciliation Act (BCRA) of 2017.

The Congressional Budget Office (CBO) completed a detailed examination (score) of the House proposal in late May and has just released their analysis of the Senate proposal. The CBO estimates indicate under the Senate proposal 22 million fewer people will have health insurance coverage by 2026 (one million fewer than the House proposal). Many experts agree the people who will be harmed the most are older people (50-64), sick people, and poor people. The CBO estimated that—while premiums may decrease for younger, healthier adults—in states that chose to opt out of requiring insurers to cover basic health benefits currently required by law, most premium reductions would be the result of substantially fewer benefits and increased out-of-pocket costs for all beneficiaries.

The House and Senate proposals also roll back the ACA's 3:1 age rating provision which limited how much more an insurance company could charge an older consumer vs. a younger one. The proposals would now allow a 5:1 rating. Overall, the average premiums (after tax credits are applied) for marketplace enrollees ages 55 to 64 are estimated to more than double. Both the House and Senate proposals impose a penalty for people who do not maintain continuous health coverage, though the penalties differ in each proposal (30% surcharge for 12 months and coverage lockout for 6 months, respectively). The House proposal would also give states power to request waivers for insurers allowing them to charge people with pre-existing health conditions higher premiums if they let coverage lapse. The House bill establishes funding for states that can be used for high-risk individuals, though experts say the funds are insufficient and time-limited. By 2026, estimates indicate under the AHCA, 51 million people under age 65 would be uninsured; almost twice as many as those who lack

coverage under the ACA.

Impact on Medicaid

The House and Senate proposals make massive cuts in Medicaid (approximately \$800 billion) and cover 14-15 million fewer people in the program. The proposals shift Medicaid from a federal/state funding partnership to a per capita or block grant structure with capped payments to states. After 2025, the Senate proposal further limits growth in Medicaid spending by shifting from funding formula increases tied to the consumer price index (CPI) for medical care (which is higher) to the CPI for all goods, leading to even deeper cuts to the program. These cuts will be used to offset tax cuts that mostly benefit wealthy individuals and corporations.

The President's FY 2018 budget proposes to cut an additional \$610 billion from Medicaid benefits creating a combined cut of approximately \$1.4 trillion (45%) over the next 10 years. The impact of these devastating cuts threatens Medicaid programs in Wisconsin such as SeniorCare, Family Care, and IRIS. Over half of skilled nursing home residents in Wisconsin rely on Medicaid to pay for needed care. Funding cuts could result in changes in eligibility and covered services, reductions in service, reinstatement of waiting lists and/or reductions in provider rates further harming Wisconsin's long-term care service providers and those in need of service. Who will provide needed care in the future?

Impact on Medicare

The House and Senate proposals repeal two Medicare taxes in the ACA impacting high-income earners (minimum of \$200,000/year for an individual). These taxes help finance Medicare and their repeal would hasten insolvency of Medicare by three years (to 2025 instead of 2028, which was extended a full 11 years by the ACA). This could lead to calls for drastic changes to the Medicare program, such as premium support or vouchers.

Impact on Prevention Funding and Programs

The AHCA and BCRA repeal funding for the Prevention and Public Health Fund (PPHF). Currently, the PPHF supports grants for falls prevention activities, chronic disease self-management programs and Alzheimer's disease prevention and education efforts. These cost-effective programs that improve health are implemented by states, Area Agencies on Aging and Aging Network providers. Without PPHF funding, these vital, money-saving programs may be on the chopping block.

Summary

Neither the House bill (AHCA) nor the Senate bill (BCRA) is proving to be a good replacement for the ACA. Each of the proposals leaves millions more people uninsured, makes huge cuts to Medicaid funding while giving tax cuts to those who need them least, weakens Medicare financing, and repeals funding for critical prevention programs. Though the Senate has delayed voting on their proposal until after the July 4th recess, **your advocacy is still needed NOW**. Contact your [U.S. Senators](#) and let them know the Senate's Better Care Reconciliation Act presents a grave risk to older adults, caregivers, people with disabilities, and the local long-term care service providers who support them.