

# HEALTH CARE CHARGE AND RESPONSE

**TOPLINE:** *The AHCA as amended delivers relief from Obamacare's taxes and mandates that have hurt job creators, increased premiums, and limited options for patients and health care providers. It returns control of health care from Washington back to the states and restores the free market so Americans can access quality, affordable health care options that are tailored to their needs.*

*Obamacare was based on a one-size-fits-all approach that put bureaucrats in Washington in charge of your health care. The law led to higher costs, fewer choices, and less access to the care people need.*

*The AHCA will deliver the control and choice individuals and families need to access health care that's right for them. And provide the freedom and flexibility states, job creators, and health care providers need to deliver quality, affordable health care options.*

**Charge:** The AHCA as amended will do away with protections for those with pre-existing conditions.

**Response:** *The AHCA as amended by the MacArthur amendment explicitly maintains protections for pre-existing conditions. Guaranteed issue of coverage, guaranteed renewability of coverage, or the prohibition on insurance companies denying coverage due to pre-existing conditions are all maintained. The AHCA as amended specifically clarifies that its provisions cannot be construed as allowing insurers to limit coverage for those with pre-existing conditions. All of these protections will remain the law.*

**Charge:** But AHCA as amended will allow those to with pre-existing conditions to be priced out of the market- effectively rendering those protections useless.

**Response:** *The AHCA does allow states to seek a limited waiver to give the state the option to allow the insurance companies to charge higher premiums for a person with a health condition only if they (1) discontinue their health coverage and (2) choose not to obtain new health coverage within 63 days.*

*This means that the protections against being charged higher premiums for a health condition are preserved for every individual market plan holder who maintains continuous coverage. These protections would also be in place for new enrollees (so long as they maintain continuous coverage going forward).*

*Furthermore, a state can only obtain a waiver for the federal regulations on community rating if it establishes a "high-risk pool" or participates in an "invisible high-risk pool" program (these programs help cover the costs of covering expensive patients).*

*So, for those people with health conditions — who do not maintain continuous coverage, and who are therefore charged higher premium rates — they will always have "access" to affordable health coverage.*

**Charge:** Republicans are just using high-risk pools as their solution to address pre-existing conditions and those haven't worked in the past.

**Response:** *Before Obamacare, many states used high-risk pools to help individuals with pre-existing conditions. While some state pools worked, and were well-funded, other states did not focus resources on the program and achieved mixed results.*

*Under AHCA, states would have access to a new Patient and State Stability Fund to help finance risk-sharing programs like high-risk pools, as well as a new Federal Invisible Risk-Sharing program. All told, \$130 billion dollars would be made available to states to finance innovative programs to address their unique patient populations. This new stability fund ensures these programs have the necessary funding to protect patients while*

*also giving states the ability to design insurance markets that will lower costs and increase choice. In contrast, Obamacare provided \$5 billion from 2010-2014 for high-risk pools.*

**Charge:** The AHCA does away with critical Essential Health Benefits, such as coverage for maternity care.

**Response:** *Under our plan, the 10 Essential Health Benefit Categories would remain the federal standard. States could seek a waiver to establish new benefit standards, but subject to certain conditions: the state must publicly attest its purpose for doing so (to reduce the cost of healthcare coverage, increase the number of people with healthcare coverage, etc.) and it must specify the benefits it will require instead of the federal standard.*

**Charge:** Republicans would have us return to the days where simply being a woman was considered a pre-existing condition, and would cut off coverage for vital women's services such as birth control and mammograms.

**Response:** This is false. Our plan does not eliminate the standard that women and men are treated equally when it comes to cost. And we do not remove access to preventative and screening services, like mammograms, gestational diabetes, breastfeeding support and counseling, and well-woman visits, to name a few.

**Charge:** The CBO says AHCA increases the number of uninsured by 24 million people.

**Response:** *The CBO has a spotty track record when it comes to projecting health insurance coverage. When CBO originally scored Obamacare, they projected that 21 million Americans would have coverage in 2016. The reality was half that number, about 10.4 million gained coverage.*

*Our plan provides every American with access to affordable coverage. Low-income individuals not on Medicaid will receive a refundable tax credit to purchase insurance (meaning they get assistance even if they do not pay income tax). States can also further help low-income Americans through a new Patient and State Stability Fund.*

*The majority of the coverage gains from Obamacare come from the law's individual mandate – a fine from the federal government for failing to buy government approved coverage. But evidence shows that the CBO greatly overestimated the effectiveness of the individual mandate and the numbers of Americans who would receive coverage through the exchange.*

*In fact, more than 19 million taxpayers either paid the penalty or claimed an exemption from the individual mandate. More people are paying or avoiding the penalty than gained coverage through Obamacare's exchanges.*

**Charge:** The AHCA's continuous coverage provision is just a more harmful, less effective mandate.

**Response:** *Unlike Obamacare, our plan does not allow the IRS to fine Americans for choosing not to buy government-approved care. The IRS should not be policing your health care.*

*In order to prevent gaming of the system and help keep premiums lower for everyone, our plan would allow carriers to charge a flat, one-time, 30% surcharge on top of a premium if an individual has not maintained continuous coverage.*

*The continuous coverage provision is important to ensure individuals cannot unfairly game the system and pay for coverage only when they have medical bills. Individuals can go without coverage for sixty-three days and still maintain continuous coverage status.*

*The vast majority of Americans who get health care from their employers already receive continuous coverage protections. Medicare Parts B and D also use a form of continuous coverage protections. We are extending a*

*similar provision to the individual and small group markets in order to prevent gaming of the system and incentivize people to get - and stay - enrolled.*

**Charge:** Does that mean the AHCA as amended allows insurance companies to charge penalties for not maintaining continuous coverage and charge patients more just for having a pre-existing condition.

**Response:** *No. In states that seek and receive a waiver to allow insurers to charge higher premiums for a person with a health condition that did not maintain continuous coverage it would be in lieu of the underlying bills continuous coverage penalty. It's either or.*

*Regardless, protections against being charged higher premiums for pre-existing conditions are preserved for every individual who maintains continuous coverage. Period.*

**Charge:** Republicans want to kick millions of people off of Medicaid.

**Response:** *The Medicaid program today is a critical lifeline for some of our nation's most vulnerable patients. But the program now has three times as many people and costs three times as much as it did under former President Clinton. By expanding Medicaid, Obamacare prioritized able-bodied adults above those the Medicaid program was originally designed to help. We will not pull the rug out from anyone as we work to give states the flexibility they need to take care of those most in need.*

*Our plan responsibly unwinds Obamacare's Medicaid expansion. We freeze enrollment and allow natural turnover in the Medicaid program as beneficiaries see their life circumstances change. This strategy is both fiscally responsible and fair, ensuring we don't pull the rug out on anyone while also ending the Obamacare expansion that unfairly prioritizes able-bodied working adults over the most vulnerable.*

**Charge:** You are pulling the rug out from under low income Americans by ending the Medicaid expansion.

**Response:** *To responsibly unwind expansion, our plan would freeze new enrollment in Obamacare's Medicaid expansion and grandfather existing enrollees. Under the expansion freeze, individuals currently enrolled in Obamacare's Medicaid expansion would remain enrolled in the program if they otherwise remain eligible, and expansion states would continue to receive the enhanced match under current law ONLY for existing beneficiaries. Over time, as the individuals see changes to their income or eligibility, they will naturally cycle off the program. To protect against padding the rolls, the AHCA says that states can no longer enroll individuals onto Medicaid at the enhanced match. States could continue to enroll Americans on Medicaid at their lower, traditional match rate.*

*This freeze policy would prevent disruption for Medicaid beneficiaries, but also transition individuals to purchasing private coverage in an improved commercial market with the support of a refundable tax credit and through innovative programs established in their state and funded by the AHCA's Patient and State Stability Fund.*

**Charge:** Republican health care proposals would cause premiums to spike for Americans across the country.

**Response:** *Obamacare has caused premiums to skyrocket across the nation, up about 25 percent on average this year. Ask a middle-class American what's happened to their premiums and their deductibles. Enormous increases have left many families paying for insurance that they cannot afford to use.*

*The Obama administration has effectively locked in more expensive plans for both this year and next year, sneaking in the 2018 coverage mandates three days before President Trump took office. Obamacare is in a death spiral and it will take some time to pull out of it.*

*The AHCA will lower premiums over time by an average of 10% - and potentially more as further reforms are made and new and innovative ideas implemented that aim to lower premiums.*

**Charge:** Repealing Obamacare will increase out-of-pocket costs for American families.

**Response:** *Under Obamacare, patient out-of-pocket costs have continued to skyrocket - not only for those on the exchanges, but also for all patients. Obamacare failed to fulfill its own promises to cover every American and reduce health care spending by \$2,500 a family, and sick patients are the innocent victims of this lie. Our country was built on the idea of individual liberty and freedom. Being forced to buy a product with government-dictated benefits at a Washington-demanded cost conflicts with the very fabric of our country's values. This is why our health care solutions start with what is best for health care consumers. We put patients and their providers back in charge and will force insurance companies to compete for your business.*

**Charge:** Repealing Obamacare will cause chaos in the health care markets.

**Response:** *Obamacare has been the definition of chaos from the very beginning. Hard-working American families have fewer choices than ever before, and costs continue to skyrocket as insurers flee the failing Obamacare marketplaces. Five entire states will have only one insurer – Alabama, Alaska, Oklahoma, South Carolina, and Wyoming. Even worse, one third of U.S. counties have only one insurer this year. Only five of the 23 CO-OPs remain in business, wasting billions in hard-earned taxpayer dollars. Obamacare has failed and the middle-class people are stuck paying higher costs. We are here to clean up the mess and rebuild our health care system a Better Way.*

**Charge:** Repealing Obamacare means people would lose access to preventive health care.

**Response:** *Republicans fully support innovation in health care and preventative services that help people maintain healthy lifestyles. This is why we believe that keeping health insurance is just as important as getting health insurance. Today, Obamacare penalizes patients for not having health insurance. But this penalty does not prevent patients from getting sick. Our plan incentivizes and rewards patients for keeping health insurance. To be sure – even if a patient is dealing with a serious medical issue, they will never be charged more than standard rates as long as they maintain coverage.*

**Charge:** Americans with a mental health condition will be turned away from treatment and lose the newly gained care and support they count on.

**Response:** *These kinds of scare tactics are why Democrats have lost the trust of patients and families across our country. We will protect the most vulnerable among us. The AHCA as amended includes \$15 billion specifically toward mental health and substance abuse disorders.*

*Furthermore, last Congress we passed the bipartisan 21<sup>st</sup> Century Cures Act. This new and innovative law includes a comprehensive mental health package that is the result of years of conversations with patients fighting mental health conditions, battling substance use disorders, and families supporting their loved ones who just need a little help to get through this difficult – and often very emotional – situation. We will not turn our back on these strong patients and families. And we will continue to fight for those with mental health and substance use disorders.*

**Charge:** Under the Republican's health care plan, mental health parity will go away.

**Response:** *We do not change mental health parity rules, period.*

**Charge:** Your bill cuts off funding to Planned Parenthood, who provide critical health care services to women.

**Response:** *Our plan imposes a one-year freeze on federal funding for organizations that provide abortion services. Instead our legislation increases funding for Federal Qualified Health Centers (FQHCs), which are community-based, patient-centered organizations that provide health services to medically underserved individuals. Unlike boutique clinics such as Planned Parenthoods that generally only provide reproductive health services and abortions, FQHCs provide comprehensive medical, dental, mental health and other primary care services. These services also include STD testing, cancer screening and family planning and contraceptive management.*

### Per Capita Allotments

**Charge:** Per Capita Allotments are draconian cuts that shift costs back to states.

**Response:** *Under this plan, the federal government would continue to provide matching funds for State Medicaid programs to cover each person enrolled in a State's Medicaid program. However, this policy would set limits on the federal government's spending on Medicaid, calculated by accounting for the number of enrollees overall and the capped per capita amount per eligibility category. The allowable per capita amount per eligibility category would be determined using each State's actual historical experience of the average cost of an enrollee in each eligibility group. There would be federal matching maximums per State (though a State could spend more), in each of the five main Medicaid eligibility groups: the elderly, people with disabilities, children, nondisabled, nonelderly adults, and Medicaid expansion enrollee groups. Each State's total allowable federal funding would be calculated as the product of the number of enrollees and the per-enrollee spending cap.*

*It is important to note that a per capita allotment is not an arbitrary limitation on the amount of money that can be spent on a specific individual in need, but creates a fair formula for determining the aggregate amount of funding the federal government will provide to a state.*

**Charge:** A per capita allotment advantages expansion states.

**Response:** *False. The policy would treat the expansion population as a separate group. This approach provides no advantage or disadvantage to expansion or non-expansion States. A separate eligibility category for the expansion population better tracks the costs of this population. If this population was grouped into the traditional adult population, it would increase complexity and could lead to an increase in improper payments. By creating a fifth category, it will be much more difficult for States to game the system by mislabeling traditional adults as expansion adults. This provides a level of certainty and transparency to payments for expansion enrollees. Additionally, the proposal includes a policy requiring more frequent eligibility determinations for the expansion enrollees and boosting the legal penalties against anyone caught defrauding the system by intentionally mischaracterizing enrollees in the expansion category.*

*As Obamacare expansion enrollees leave the Medicaid program, the federal contribution to states would decrease. Therefore, expansion states will receive no extra advantage.*

**Charge:** The reduction in federal Medicaid spending won't really happen.

**Response:** *Many of the reforms and improvements in this bill take place in the near term and will reduce spending immediately. The per capita allotments are designed to be phased in, in a manner that is realistic for states in the short term so it is sustainable over the long run. Taken together, when enacted, the Medicaid policies represent the single largest set of reforms to the Medicaid program since its creation.*

*Most importantly, these reforms will refocus the Medicaid program on those it was designed to help, the most vulnerable.*