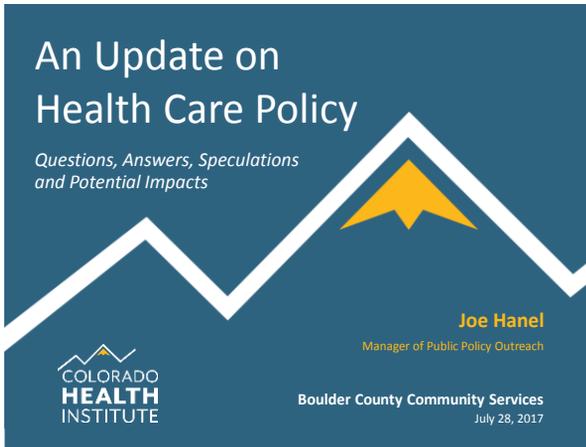


An Update on Health Care Policy

Questions, Answers, Speculations and Potential Impacts



Joe Hanel
Manager of Public Policy Outreach

COLORADO HEALTH INSTITUTE

Boulder County Community Services
July 28, 2017

CHI 'Strike Team' Tracks Federal Action



A series of reports on rebuilding the Affordable Care Act

- ACA in Colorado
- Medicaid funding changes
- High-risk pools
- Health savings accounts

<http://coloradohealthinstitute.org/key-issues/detail/legislation-and-policy/re-aca>

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Three Takeaways

- 1 The Stakes:** Half a million Coloradans have health insurance because of the Affordable Care Act – mostly through Medicaid.
- 2 The Plan:** The GOP bill benefits younger, richer people at the expense of older, poorer people.
- 3 Looking Forward:** The ACA's problems remain, and the debate over health coverage is unsettled.

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THE STAKES

Why Does Insurance Matter?



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THE STAKES

554,000 Insured Through ACA



One in 10 Coloradans has insurance coverage benefits through the ACA.

Medicaid = 450,000

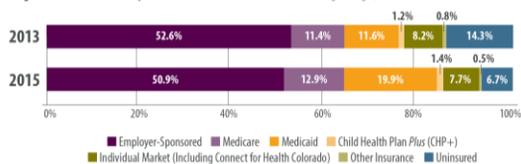
Connect for Health subsidies = 104,000

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THE STAKES

Colorado Uninsured Rate: 6.7 Percent

A Surge in Medicaid and a Drop in Uninsured Colorado Health Insurance Coverage, All Ages, 2013-2015

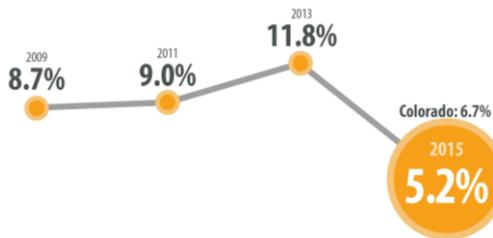


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THE STAKES

Even Larger Gains for Boulder

Boulder-Broomfield Uninsured Rate: A New Low

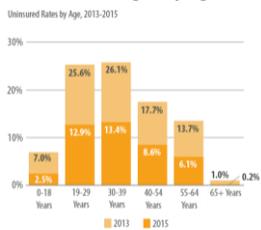


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THE STAKES

ACA Winners: Young, Low-to-Mid Income

Insurance Changes by Age



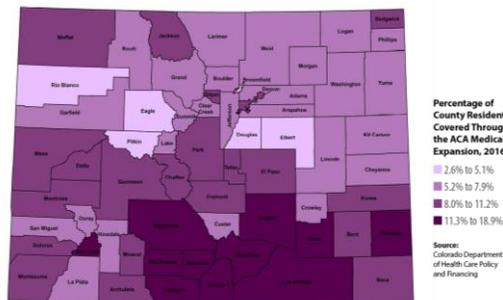
Insurance Changes by Income



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THE STAKES

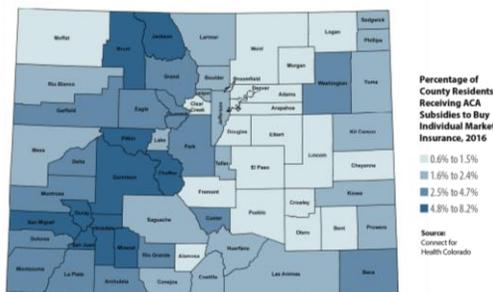
Medicaid Expansion: A Rural Story



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THE STAKES

Ski Country Loves Market Subsidies



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THE STAKES

The ACA in Boulder County

20,000 adults in Medicaid expansion
6% of county population

6,000 people receive tax credits
1.9% of county population

\$273 million total yearly Medicaid spending

2013 uninsured: 41,700 people (11.8%)

2015 uninsured: 20,400 people (5.2%)

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THE PLAN

State of the Health Bill, 10pm



THE PLAN

Various GOP Health Bills

- Curb Medicaid expansion
- Change Medicaid funding
- Reduce tax credits
- Make insurance cheaper for young, more expensive for older people
- Future impacts on Medicare



THE PLAN

The Short, Turbulent Life of the Health Care Freedom Act

- Debuted and died Thursday night
- Ends individual mandate immediately
- Ends employer mandate through 2025
- Delays medical device tax until 2021
- Defunds Planned Parenthood for one year
- Cuts public health funding
- Increased state power for ACA waivers

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CBO Report

Newest bill would save

\$281 billion

and leave

16 million more people

uninsured by 2026

With **20 percent** increases in individual insurance premiums



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House Health Bill

- Allow states to waive:
 - Essential health benefits
 - Community rating rules (except gender, age)
 - Allow insurance companies to charge sick people more if state has a high-risk pool
- Large cuts to Medicaid
- Smaller insurance subsidies
- Passed the House 217-213.
 - 20 Republican No votes
 - Zero Democratic Yes votes



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Senate Health Bill

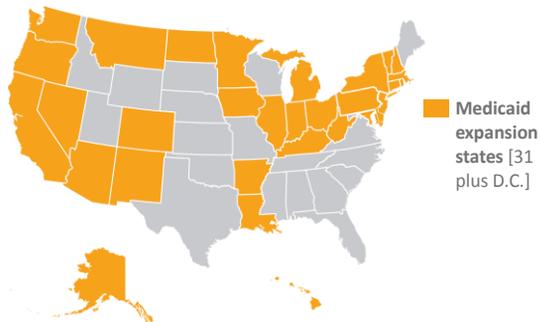
- Rolls back Medicaid expansion
- Caps Medicaid funding
- Smaller tax credits, with higher costs for older, rural customers
- Broad waivers for states
- Bare-bones plans



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THE PLAN

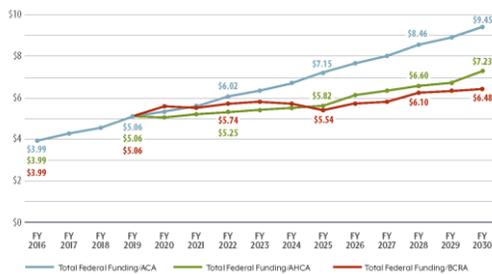
Medicaid: The Billion-Dollar Question



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MEDICAID

\$15 Billion Loss for Colorado (Old Senate Bill)



630,000 fewer people covered by 2030

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THE PLAN

Private Coverage: Winners and Losers

- **Tax Credits**
 - Based on age, rather than insurance price and income
- **Age Rating**
 - Oldest customer could be charged five times as much as the youngest

Age	Premium for Silver Plan with 3:1 Age Rating (ACA)	Premium for Silver Plan with 5:1 Age Rating (Replacement Plan)	Change in Premium
21	\$2,840	\$2,120	-\$720
64	\$8,510	\$10,600	\$2,090

SOURCE: RAND Corporation

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PRIVATE MARKET

Higher Prices in Rural Colorado

Cost of a silver plan premium in 2020 after tax credit:



Fort Collins
Age 27
\$30,000 income
ACA: \$2,480
Senate: \$2,280



Denver
Age 40
\$40,000 income
ACA: \$4,080
Senate: \$3,890



Grand Junction
Age 60
\$42,000 income
ACA: \$4,480
Senate: \$20,050

Source: Kaiser Family Foundation

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PRIVATE MARKET

Middle Income, Middle Age in Boulder

Boulder County | Age: 60 | Income \$50,000 (400% of poverty)

Silver premiums before tax credit

ACA: \$9,480 | BCRA: \$12,050

Tax credits

ACA: \$4,380 | BCRA: \$0

Net costs

ACA: \$5,100 (10% percent of income)

BCRA: \$10,970 (22% percent of income)

Source: Kaiser Family Foundation

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LOOKING FORWARD

Private Market Pain Points Persist

- High deductibles
- High premiums
- Low competition
- Regional price differences



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Medicare: The Ice Gets Thinner

- **House/early Senate bills repeal Medicare tax on high earners in 2023**
- Potential \$117 billion drop in revenue over a decade
- Revenue redirected to other GOP bill programs
- Likely to accelerate depletion of Medicare Trust Fund
- **No changes to Medicare benefits**



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GOP Proposals in 35 Words

Republican plans cover **fewer people** than the ACA currently does. They are generally **better** for people who are young, healthy, and higher income and **worse** for those who are older, sicker, and lower income.

Sarah Kliff, Vox.com

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Nothing is over until we
decide it is!
Was it over when
the Germans
bombed Pearl
Harbor?

COLLEGE

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LOOKING FORWARD

Regulatory Options

- **Option #1: Enforce Obamacare**
 - Defend Cost Subsidies
 - Start Cadillac Tax
- **Option #2: Relax regulations**
 - Reduce penalties for non-coverage
 - Narrow essential health benefits rule
- **Option #3: Undermine at every turn**
 - Settle law suits
 - Dismantle CMMI
 - Limit enrollment periods

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LOOKING FORWARD

The Federal Budget and Medicare

- Vouchers for private coverage in Medicare in 2024
- Traditional Medicare would remain an option
- Qualifying age gradually raised to 67
- \$487 billion in cuts/savings through 2027



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LOOKING FORWARD

In Colorado

- **Affordability**
 - Subsidies for higher incomes
- **Clarity**
 - Hospital Financials
 - Emergency Departments
 - Network transparency
- **Financing**
 - Hospital Provider Fee changes
 - Medicaid Accountable Care Collaborative
 - Waiver from the ACA (1332 waiver)



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LOOKING FORWARD

In Colorado: LTSS Issues

- **Olmstead compliance**
 - Senate Bill 91
 - Community services for Medicaid clients
- **Guardianship pilot program**
 - House Bill 1087
 - Safety net for people who need a guardian
- **Financial abuse**
 - House Bill 1253
 - Required reporting of suspected abuse



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Why Is It So Hard to End Obamacare?

- Republicans have promised a plan that is:
 - Better than the ACA.
 - More affordable.
 - Does not cause anyone to lose coverage.
- But all the GOP plan cuts Medicaid and results in 24 million people losing coverage.
- Republican factions disagree on elements of the plan.



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Washington's Power Centers



Sen. Lamar Alexander:
Repeal(?) and Repair



Speaker Paul Ryan:
Repeal and replace



Sen. Rand Paul; Freedom Caucus:
Repeal now

PRIORITIES

Coverage and consumer costs

Ending tax credits and Medicaid expansion

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THE PLAN

Washington's Power Centers



President Donald Trump

Repeal it, replace it, get something great!

We're going to have insurance for everybody. There was a philosophy in some circles that if you can't pay for it, you don't get it. That's not going to happen with us.

I'm not going to cut Social Security like every other Republican, and I'm not going to cut Medicare or Medicaid.

I want to let the world know: I am 100 percent in favor (of the AHCA).

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