What Federal Changes Could Bring at the State and Local Level

Melinda B. Buntin, Ph.D.
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Overview

1. Overview of the American Health Care Act (AHCA)
2. Timeline for implementation if AHCA is passed
3. Health reform moving forward
4. Coverage in Ohio under the ACA
5. Issuers in Cincinnati’s Health Insurance Marketplace
6. Changes Ohio could see if the ACA is repealed
AHCA Keeps Key Parts of the ACA

- Health Insurance Marketplace
- Open Enrollment Period and Special Enrollment Periods
- Young adult can stay on parent’s coverage until age 26
- No-cost preventive services
- Prohibition on gender rating
But AHCA Also Seeks Several Significant Changes

- Individual mandate/employer mandate
- Enhanced funding for Medicaid expansion
- Tax credits based on age, income, and location
- Continuous coverage provision
- Per capita cap or block grant for Medicaid
- Fixed-dollar tax credits based only on age
Other Changes AHCA Seeks

- Increase HSA contribution limit
- Redefine QHP to exclude any plan that covers (most) abortion services
- Increase age rating from 3:1 to 5:1
State Flexibility Under AHCA

- Increase age rating ratio higher than 5:1
- Waive essential health benefit requirements
- Charge those with pre-existing conditions more if they don’t maintain continuous coverage
AHCA Seeks Big Changes to Funding

- **New Funding**
  - Patient and State Stability Fund
  - Safety net fund for non-expansion states
  - Supplemental funding for community health centers

- **Repealed Funding**
  - Taxes imposed by the ACA
  - Prevention and Public Health Fund
  - Medicaid funding for expansions and for Planned Parenthood for 1 year
AHCA Would Have Significant Effects on Coverage and Spending

According to the CBO, an earlier version of AHCA would:

- Increase the number of uninsured by 23 million by 2026
- Reduce Medicaid spending by $834 billion over a 10 year period, causing 14 million fewer people to enroll in Medicaid (17% enrollment reduction)

Source: CBO Cost Estimate: AHCA, Congressional Budget Office, May 24, 2017
AHCA Implementation Timeline

Jan 1, 2016
- Repeals individual mandate
- Repeals employer mandate

Jan 1, 2017
- Repeals ACA taxes

Jan 1, 2018
- Federal Invisible Risk Sharing Program funds begin
- Patient ad State Stability Funds begin
- Safety net funding for non-expansion states begins
- Prevention and Public Health Fund eliminated
- Reinstates DSH for non-expansion states
- Changes age-rating band from 3:1 to 5:1

Jan 1, 2020
- Ends Medicaid expansion and freezes enrollment
- Converts Medicaid to a per capita cap program
- Replaces ACA tax credit with a flat credit adjusted by age
- Reinstates DSH for expansion states
- States may apply for EHB waivers
- Repeals actuarial value standards

Jan 1, 2025
- Cadillac tax further delayed until 2025
Health Reform Still has an Uncertain, If Not Winding, Path

Senate has said they will not take up AHCA, but will instead develop their own bill

If the Senate passes its own bill, the House will either have to approve the Senate version or negotiate a compromise with Senators

Any compromise bill would need to be approved by both the House and Senate before being sent to President Trump to sign
Health Reform Still has an Uncertain, If Not Winding, Path

Senators have refused to give a timeline for drafting and passing a bill, but some predict it may happen before the July 31 recess.

With 52 seats, Republicans can only afford to lose two votes in the Senate.

To pass a bill without Democratic support, the legislation will have to meet strict budget reconciliation rules.
Ohio Saw Huge Coverage and Revenue Gains Under the ACA

Between 2013 and 2015 the number of uninsured Ohioans declined 41%

75% of Ohians on the Marketplace receive ACA tax credits

723,000 Ohians are enrolled in Medicaid expansion

Medicaid expansion brought in $3.7 billion in federal dollars in 1.5 years

Sources:
Hamilton County has seen an increase in the number of Marketplace Plans.

Insurers who entered Marketplace, with year of entrance:
- Ambetter from Buckeye Health Plan-2014
- Anthem Blue Cross and Blue Shield-2014
- CareSource-2014
- HealthSpan-2014
- Humana-2014
- Medical Mutual-2014
- Molina Marketplace-2014
- Aetna-2015
- Ambetter from Buckeye Health Plan-2015
- Anthem Blue Cross and Blue Shield-2015
- CareSource-2015
- HealthSpan-2015
- Humana-2015
- Medical Mutual-2015
- SummaCare Inc-2015
- Assurant Health-2015
- Celtic Insurance Company-2015
- Freedom Life Insurance-2015
- InHealth Mutual-2015
- National Foundation Life Insurance-2015
- UnitedHealthcare Life Insurance Company-2015
- UnitedHealthcare of Ohio, Inc-2015
- Anthem Blue Cross and Blue Shield-2016
- Medical Mutual-2016
- All Savers Insurance Company-2016
- Ambetter from Buckeye Health Plan-2017
- Anthem Blue Cross and Blue Shield-2017
- CareSource-2017
- Molina Marketplace-2017
- SummaCare Inc-2017
- Premier Health Plan-2017

Issuers who exited Marketplace and year of exit:
- Aetna-2016
- Ambetter from Buckeye Health Plan-2016
- HealthSpan-2016
- Humana-2016
- SummaCare Inc-2016
- Assurant Health-2016
- Freedom Life Insurance-2016
- InHealth Mutual-2016
- UnitedHealthcare Life Insurance Company-2016
- UnitedHealthcare of Ohio, Inc.-2016
- Aetna-2017
- HealthSpan-2017
- Humana-2017
- Medical Mutual-2017
- All Savers Insurance Company-2017
- Celtic Insurance Company-2017
- UnitedHealthcare Life Insurance Company-2017
- UnitedHealthcare of Ohio, Inc.-2017

The Marketplace in Hamilton County has seen net growth in the number of issuers selling plans.

Source: Plan Flows in the ACA Individual Marketplaces, Vanderbilt University School of Medicine, Department of Health Policy
Ohio Could Face Coverage and Revenue Losses if the ACA is Repealed

964,000 could lose health coverage
723,000 could lose coverage through Medicaid expansion
More than 3 million Medicaid enrollees (26% of the total population) could be affected by changes in the bill
$48 billion in federal funding for Medicaid, CHIP, and financial assistance for Marketplace coverage lost
174,000 who financial assistance to help pay for their health coverage could lose assistance
Number of uninsured could increase by 155% before 2020
5.1 million with pre-existing conditions could lose important protections

Sources:
1. Implications of Partial Repeal of the ACA through Reconciliation, Urban Institute, December 2016.
3. Compilation of State Data on the ACA, Office of the Assistant Secretary for Planning and Evaluation (ASPE), December 2016.