

Senate Health Care Reform Talking Points

July 20, 2017

Overview of Possible Scenarios:

During the week of July 24, the Senate plans to vote on either the Better Care Reconciliation Act (BCRA), which would repeal and immediately replace the Affordable Care Act (ACA), or the Obamacare Repeal Reconciliation Act (ORRA), which would repeal portions of the ACA after a two-year delay. The Senate is working to pass whichever bill is more likely to attain 50 votes.

The National Health Council opposes both pieces of legislation, as they would be disastrous for people with chronic diseases and disabilities. This document provides background on both bills and talking points to explain why patient organizations should be opposed.

Scenario 1 – Obamacare Repeal Reconciliation Act:

Background:

On July 19, the Senate released a new plan to repeal the ACA, called the Obamacare Repeal and Reconciliation Act (ORRA). ORRA would repeal the provisions of the ACA that can be modified through Senate budget rules, notably Medicaid expansion, premium and cost-sharing subsidies, and requirements that individuals purchase insurance and employers offer insurance. The bill would leave many insurance requirements, such as those for pre-existing conditions, in place. These changes would not occur for two years.

Overarching message:

The Senate must vote “no” on the Obamacare Repeal Reconciliation Act. It will greatly increase premiums, leave people with no insurance options, and result in 32 million people losing access to health care. Congress must work on a bipartisan basis to stabilize the market and create long-term solutions for the health care system.

Why the NHC is opposed to the ORRA:

- **The ORRA will have a devastating impact on people with chronic conditions.**
- The ORRA will repeal important financial assistance which helps people afford their premiums and out-of-pocket costs.
- Repealing the Medicaid expansion will result in the financially disadvantaged losing coverage.
- The bill will create havoc in the insurance market and lead to unaffordable and/or unattainable insurance.
 - 32 million people are expected to lose coverage.
 - Premiums are expected to double.
 - 75 percent of the country is expected to live in areas with no individual insurance markets.

Scenario 2 – Better Care Reconciliation Act:

Background:

On July 13, the Senate introduced a revised version of the Better Care Reconciliation Act (BCRA), their version of legislation to repeal and replace the ACA. The bill did not address any of the concerns of the patient advocacy community. Instead, it introduces new provisions that will make it harder and more expensive for people with chronic diseases and disabilities to access meaningful health insurance.

Overarching message:

The Senate must vote “no” on the Better Care Reconciliation Act. It will lead to unaffordable insurance for people with chronic conditions and lead to coverage that will be inadequate to meet their health care needs. Congress must work on a bipartisan basis to stabilize the market and create long-term solutions for the health care system.

What new provisions are in the revised bill?

- The BCRA now allows insurers to sell plans in all 50 states that are not compliant with any of the patient protections of the ACA, provided they also offer ACA-compliant plans.
 - The patient protections that would not be required of these non-compliant plans include:
 - Guaranteed issue of people with pre-existing conditions;
 - Community rating, which requires plans to charge the same premium for healthy people and people with pre-existing conditions;
 - Essential health benefits; and
 - Actuarial value requirements, which reduce deductibles, copays, and coinsurance.
 - The impact of this amendment will be the creation of two separate insurance markets – one for healthy individuals with bare-bones coverage, and one for people with chronic conditions.
 - The market for people with pre-existing conditions will likely have much higher premiums and cost-sharing associated.
 - Most experts agree that creating two separate risk pools will also create severe market instability.

Why the NHC remains opposed to the BCRA, with or without the new provisions:

- **The BCRA will have a devastating impact on people with chronic conditions.**
- **People with chronic conditions will pay more for less benefit. This is unacceptable.**
- The BCRA will allow states to opt out of important protections that are specifically in place to help people with chronic conditions.
 - **States can choose to opt out of the essential health benefits requirements.**

- This will lead to insurance that does not cover as many products and services that people with chronic conditions need.
 - It also means that fewer products and services will apply to the ban on lifetime and annual benefits limits and the maximum out-of-pocket cost limit.
- **The proposed cuts to Medicaid are even more draconian than the House bill and will harm the nation's poorest and sickest populations.**
 - By Congress reducing hundreds of billions of dollars in Medicaid payments to the states, states could cut enrollment, limit benefits, or reduce payment rates to providers and plans.
 - This could mean that fewer low-income patients have access to health insurance through Medicaid or to additional benefits offered by Medicaid.
- **In addition, those with lower incomes may be unable to manage their chronic disease or disability without appropriate resources and subsidies.**
 - The structure and amount of the tax credits included in the BCRA are insufficient to ensure poorer and older Americans can afford their premiums.
 - **The repeal of cost-sharing subsidies makes it difficult for lower-income Americans to afford their deductibles and copays.**

