



Rearranging the Deck Chairs on the Titanic: Floridians Would Lose Coverage Under Both U.S. Senate and House Health Care Bills

The U.S. Senate bill to repeal and replace the Affordable Care Act (ACA), like its House-passed counterpart, would do irreparable damage to the Medicaid program and the millions of Floridians relying on it as their lifeline, including children, people with disabilities and elderly residents.

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The Senate's Better Care Reconciliation Act (BCRA) would result in an additional 22 million Americans losing health care coverage compared to current law. According to the Congressional Budget Office, the Senate bill would also cut Medicaid by \$772 billion over the next decade by eliminating Medicaid expansion and converting Medicaid into a per capita cap program.¹

There are a number of ways the Senate version of ACA repeal proposal would do harm to Floridians on Medicaid.

The bill would effectively end the support for insurance coverage that fueled the historic coverage gains achieved under the ACA, while residents would see skyrocketing health insurance premiums.

Even though Florida did not expand Medicaid under the ACA, it benefitted from a reduction in its rate and number of uninsured residents, from 21.3 percent (3.94 million) in 2010 to 13.3 percent (2.6 million) in 2015.² This reduction is primarily the result of the ACA's health insurance coverage provisions, including marketplace subsidies. The BCRA would sharply cut the ACA's tax credits and subsidies in 2020, making access to health insurance coverage prohibitively expensive for Floridians struggling to make ends meet.

Florida led all states in the number of individuals enrolled in the health insurance marketplace. Of 1.76 million Floridians who enrolled between November 2016 and the end of January 2017, 90 percent received federal tax credits for the coverage and 72 percent had their insurance coverage subsidized by the federal government.³ The Senate bill not only cuts these tax credits, it also allows increases in health insurance premiums. Premiums for a silver coverage plan are

projected to increase by 69 percent in Florida (\$237 under BCRA compared with ACA's \$140 per month)⁴, making health insurance coverage unaffordable for low-income families. Because the Senate bill allows differential rate increases by the age of the insured, many older people would see their premiums rise by thousands of dollars.⁵ Current cost-sharing assistance for deductibles and co-payments would be eliminated, making access to care unaffordable for many who are currently insured.

Insurers would be allowed to drop essential health care coverage such as maternity care and mental health and substance abuse treatment.

Prior to implementation of the essential benefits requirement under the ACA, three out of four health plans in the non-group market did not cover delivery and inpatient care. A significant percentage also excluded mental health and substance abuse treatment.⁶ Allowing plans to drop essential benefits would once again exclude people with pre-existing conditions from accessing vital life-sustaining services. In states where essential health benefits are eliminated or weakened, the choice for people seeking these crucial life-saving services would be tough: either pay "substantial out-of-pocket costs or forgo the services."⁷

The Senate bill, like the House legislation, cuts and caps federal Medicaid funding.

The Senate bill envisions a per capita cap system that would make an even deeper cut to Medicaid than the House's bill, the American Health Care Act (AHCA) by slowing the growth rate of federal Medicaid spending compared with general inflation or actual Medicaid costs per beneficiary starting in 2025, effectively shifting the costs and risks of care to the state. Florida's budget would take be impacted, as more than four million low-income Floridians rely on Medicaid as a lifeline, especially children, people with disabilities and senior residents. The per-enrollee cost of care for the elderly and people with disabilities is more than double their share of representation in Florida's Medicaid program.⁸ These cuts and caps would also reduce already limited resources to fight Zika, the opioid epidemic and public health crises borne of natural disasters.

Research reveals that under a per capita cap system, states like Florida with a growing senior population are likely to exceed their capped federal Medicaid budget, because the cost of care for older residents is five times higher than that for younger individuals. The higher cost, compounded by high numbers of relocating seniors, would require the state to offset federal funding reductions by cutting spending in other parts of the state budget, such as education or public safety, or making much deeper cuts to Medicaid eligibility, benefit levels and/or provider rate payments.

More than half of Florida's Medicaid budget (61 percent for FY 2017-18) comes from the federal government. Losing a growing share of this funding — which is what would happen under a per capita cap system—would be a huge blow to the state budget. These reductions are further expected to affect the financial stability of hospitals and health professional staffing needs.

A further cut to Medicaid eligibility or provider rates would result in thousands of low-income Floridians losing Medicaid coverage, including children, seniors and people with disabilities, while decreased reimbursement rates is expected to result in many providers declining to accept Medicaid patients.

Both bills envision work requirements for Medicaid recipients.

The BCRA, like its House counterpart, also envisions work requirements in the Medicaid program. Currently, 73 percent of Florida’s Medicaid working-age participants live in working families and 52 percent are employed, according to the Kaiser Family Foundation.⁹ These families are on Medicaid for the very clear reason that their job is insufficient to afford the basic cost of living in Florida, let alone offer them health insurance benefits.

Those who are not working have legitimate barriers that would limit their ability to work, including illness or disability, retirement or attendance at school.¹⁰ The work requirement under the Senate bill introduces an unnecessary and prohibitive requirement that could cause people to forgo the essential health insurance coverage they need for survival.

Both the House and Senate bills take critical health care away from families and individuals with the least means to fund billions of tax cuts for the wealthiest.

As highlighted by a recent Center on Budget and Policy Priorities¹¹ report, the Senate’s bill is no different in the harm it will cause to families already struggling to meet basic needs. Across the country, under both bills, millions will lose health coverage.

It’s not too late for a course correction. We urge senators to slow down and take the time necessary to build on the progress made under the ACA and develop a proposal that will enhance Floridians’ access to quality, affordable health care. Such a policy would benefit the health and economic security of all Floridians.

¹ The Congressional Budget Office (CBO). 2017. H.R. 1628, Better Care Reconciliation Act of 2017. Accessed via <https://www.cbo.gov/publication/52849>

² U.S Census Bureau. 2010 and 2015 American Community Survey, 1-Year Estimates, Table S2701

³ State Health Facts: 2017 *Marketplace Plan Selection with Financial Assistance*, Kaiser Family Foundation, 2017. Accessed via: <http://www.kff.org/health-reform/state-indicator/2017-marketplace-plan-selections-by-financial-assistance-status/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

⁴ Claxton, Gary et al. 2017. *Premiums Under the Senate Better Care Reconciliation Act*. Kaiser Family Foundation. Appendix Table 2. <http://files.kff.org/attachment/Issue-Brief-Premiums-under-the-Senate-Better-Care-Reconciliation-Act>

⁵ Aaron-Dine, A., Straw, T., Senate Bill Still Cuts Tax Credits, Increases Premiums and Deductibles for Marketplace Consumers, Center on Budget and Policy Priorities, 2017. Accessed via: <http://www.cbpp.org/research/health/senate-bill-still-cuts-tax-credits-increases-premiums-and-deductibles-for>

⁶ Claxton, G., Politz, K., Semanskee, S. Levitt, L., Would States Eliminate Key Benefits if AHCA Waivers are Enacted? p. 2, Kaiser Family Foundation, 2017. Accessed via: <http://www.kff.org/health-reform/issue-brief/would-states-eliminate-key-benefits-if-ahca-waivers-are-enacted/>

⁷ Supra note at 1

⁸ Dadi, Esubalew. 2017. American Health Care Act Threatens Access to Coverage for Millions of Seniors and Peoples with Disabilities. Florida Policy Institute.

⁹ Garfield, Rachel et al. 2017. Understanding the Intersection of Medicaid and Work. Table 1. Kaiser Family Foundation <http://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

¹⁰ Ibid

¹¹ Center on Budget and Policy Priorities. 2017. Tracking Reports About the Emerging Senate Bill to Repeal the Affordable Care Act. <http://www.cbpp.org/research/health/tracking-reports-about-the-emerging-senate-bill-to-repeal-the-affordable-care-act>