



24 Million Would Lose Health Care Coverage by 2026 under the Proposed American Health Care Act

There are 24 million people who would lose affordable quality health care coverage by 2026 under the proposed American Health Care Act (AHCA). The AHCA would also cut \$880 billion in federal Medicaid funding over the next 10 years - funding that is vital to the 4 million Floridians who rely on the program as a critical lifeline.

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The Congressional Budget Office (CBO) recently unveiled the cost and coverage reach of the American Health Care Act (AHCA) - a U.S. House bill to repeal and replace the Affordable Care Act (ACA). The projections are brutal:¹

- By 2018, 14 million struggling children, parents, seniors and persons with disabilities relying on Medicaid as a critical lifeline would lose their health care coverage. That number would grow to 21 million in 2020 and 24 million by 2026.
- \$880 billion of federal Medicaid funds would be cut over the next 10 years.

By 2026, all of the historical coverage gains from the ACA would disappear and the uninsured rate among the non-elderly would be at or above 2010 levels.² The burden of proposed Medicaid cuts would be felt by the state's most vulnerable residents, particularly those with special and complex medical needs. Moreover, those who remain privately insured would see dramatic spikes in their insurance premiums and out-of-pocket costs. Hard working families and seniors who are struggling to make ends meet would be hit the hardest.

In Florida, the AHCA would roll back progress made under the ACA by reducing the number of uninsured residents within the state. In 2015 (the latest Census date), 2.6 million Floridians (13 percent) were uninsured. In contrast, 3.8 million Floridians (20 percent) were uninsured in 2013 before the ACA was fully implemented. Even with the gains Florida has made under the ACA, it still has one of the highest uninsured rates in the nation. (Florida's 13 percent uninsured compares with a U.S average of 9 percent in 2015.) The House proposal would add millions more.

The proposal radically restructures federal Medicaid financing. Federal dollars flowing to the states would be capped based on the number of eligible Floridians as of a specific date, rather than the current flexible and open-ended federal funding vital to meet Florida's growing and sometimes unexpected needs. Enormous health care costs would be shifted to the state and consequently, Florida leaders would face extremely difficult policy choices:

- The state would need to make up the financial shortfalls associated with the withdrawal of billions of federal Medicaid dollars. The consequences of these shortfalls would include new restrictions on Medicaid eligibility and the picking of winners and losers in the rationing of health care to the most vulnerable Floridians, some of whom suffer with chronic diseases and life threatening illnesses. Florida would be particularly hard hit due to the growing population of elderly residents, who have complex medical needs and significantly higher health care costs than younger residents.
- The new financing model would also hurt providers participating in the state's Medicaid managed care system. Provider rates are already significantly lower than Medicare rates or private insurance. Capped funding would put additional pressures on managed care plans trying to recruit and maintain providers for their networks.
- Capped federal funding would limit the state's ability to address catastrophic events such as public health emergencies (e.g., the opioid crisis and Zika), natural disasters (e.g., hurricanes) or economic downturns.

The negative effects of slashing federal Medicaid funding would also have broader economic impacts on the state, as a growing economy requires a healthy labor force. For over 40 years, Medicaid has played a crucial role in this effort by being a safety net for working Floridians.

Aside from Medicaid beneficiaries, millions more are at risk of losing coverage due to significant reductions in tax credits, which are essential to subsidizing the costs of purchasing private health insurance for hard-working Floridians. Compared to the ACA, the House plan would provide tax credits varying only by age (and phasing out at higher incomes.) Floridians are projected to experience an average tax credit reduction of \$2,214³ if the AHCA is enacted. Moreover, the House plan eliminates current cost-sharing assistance to help cover deductibles, coinsurance and co-pays for families at or below 250 percent of the poverty level.

Florida's policymakers must prioritize the health and well-being of millions of Floridians who are now in grave danger of losing access to quality, affordable health coverage. Floridians deserve better. State and federal government must do more, not less, to help the most vulnerable residents of our state.

¹ Congressional Budget Office, *American Health Care Act Budget Reconciliation Recommendations of the House Committees on Ways and Means and Energy and Commerce*, March 9, 2017, pp. 2 & 6. Accessed via: <https://www.cbo.gov/publication/52486>

² Center on Budget and Policy Priorities. 2017. *CBO: 24 Million People Would Lose Coverage Under House Republican Health Plan*. Accessed via: <http://www.cbpp.org/blog/cbo-24-million-people-would-lose-coverage-under-house-republican-health-plan>

³ Aron-Dine, Aviva and Tara Straw. 2017. *House Tax Credits Would Make Health Insurance Far Less Affordable in High-Cost States*. Center on Budget and Policy Priorities.