



House Leadership's "Repeal and Replace" Proposal Would Cancel Health Coverage for Millions of Floridians

The proposal rehashes old anti-Affordable Care Act (ACA) talking points and promotes failed models that will be of no help to financially strapped Florida families who need health care coverage. The stakes are high. If this proposal is implemented, 2.2 million Floridians will lose coverage.

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Congressional House leadership, spearheaded by Speaker Paul Ryan, recently published a white paper outlining their proposal to repeal and replace the ACA.¹ Notably, the proposal largely mirrors Governor Scott's plan, as we discussed in a previous blog post² where we highlighted the dangerous pitfalls for Florida families.

A recent report from the Center on Budget and Policy Priorities³ (CBPP) summarizes the major components of the "Repeal and Replace" proposal (hereinafter, R&R proposal). The proposal would:

- Replace the ACA tax credit with one making coverage unaffordable for low- and moderate-income families;
- Expand health savings accounts and related increased tax breaks for the wealthy;
- Incentivize reviving failed health care models such as high-risk pools through vaguely defined "state innovation grants;" and
- Cut and cap federal Medicaid funds and eliminate the Medicaid expansion.

The R&R proposal is completely out of touch with the health needs and financial realities of millions of struggling Florida families.

Here's what is real: Florida has enrolled the largest number of people in the ACA marketplace compared to any other state - 1.8 million Floridians.⁴ Based on 2016 enrollment history, more than 90 percent of this enrollment is for subsidized coverage using advance premium tax credits (APTCs) adjusted by income.⁵ Low and moderate income Florida families have

enthusiastically embraced APTCs because the credits truly give them capacity to purchase quality, affordable insurance.

In contrast, House leadership proposes substituting a tax credit adjusted only for age, but not income. So, a 64 -year old billionaire gets a substantially larger tax credit than a younger financially strapped working family.⁶

Similarly, the health savings account (HSA) piece is another gift for higher income families and does nothing to provide coverage for newly uninsured victims of an ACA repeal.

HSA proponents illogically assume that Florida families have “disposable income” to fund HSAs for future medical needs. But consider these facts: most Americans have less than \$1,000 in their savings account and 21 percent don’t even have a savings accounts.⁷ Bringing it closer to home – 3.3 million Florida households don’t have sufficient income to fund a “survival budget” to meet basic needs.⁸ For these families, funding an HSA account is not realistic.

Congressional House leadership also proposes using “innovation grant” dollars to revive state high risk pools. Florida history shows this is a failed model for providing coverage to the most vulnerable Floridians - those too sick and chronically ill who are otherwise excluded from private insurance due to pre-existing conditions. Florida created a high-risk pool in 1983 and permanently closed enrollment in 1991 due to unsustainable financial losses.⁹ Why repeat this unsuccessful history?

Turning to Medicaid, the R&R proposal radically restructures the current funding formula so that open-ended federal funding for Florida and other states will end. No longer will our state have flexibility to step up and meet unexpected health care costs arising from, for example, natural disasters, pandemics or new medical advances. Thus, billions of dollars of health care costs will now be shifted to the state and state taxpayers.¹⁰

Even with per capita limits (an option promoted by Governor Scott), federal funding is capped for each enrollee without regard for his or her actual cost of care, thus creating incentives to deny or limit coverage to the sickest and costliest populations.¹¹ In Florida, Medicaid covers over 2 million children and 1.7 million adults- primarily seniors and persons with disabilities.¹² Inevitably, with an ever-shrinking Medicaid pie, Florida legislators will face gut-wrenching political choices to cut their constituents’ Medicaid benefits, eligibility or provider reimbursement.

Finally, the proposal eliminates the option for Florida to expand its Medicaid program, which would benefit over 800,000 uninsured adults. After reviewing a growing and substantial body of research on expansion states’ experiences, the CBPP concludes that the research:

“...suggests that expansion has had largely positive impacts on coverage; access to care, utilization, and affordability; and economic outcomes, including impacts

on state budgets, uncompensated care costs for hospitals and clinics, and employment and the labor market.”¹³

To date, Florida leaders have rejected Medicaid expansion, but the congressional proposal takes this option completely off the table - denying the state future flexibility to extend this lifeline to needy uninsured Floridians.

The stakes are high. If this proposal goes into effect, 2.2 million Floridians will lose coverage.¹⁴ Florida families, their overall health, quality of life and our state’s economy deserve much better.

¹ ObamaCare Repeal and Replace, [Policy Brief and Resources](https://www.nytimes.com/interactive/2017/02/16/us/politics/document-The-New-Obamacare-Replacement-Template.html), 2017. Accessed via <https://www.nytimes.com/interactive/2017/02/16/us/politics/document-The-New-Obamacare-Replacement-Template.html>

² Swerlick, Anne, What Does Governor Scott’s “Repeal and Replace” Proposal Mean for Florida Children and Families, Florida Policy Institute 2017.

³ Leibenluft, Jacob, Park, Edwin, Solomon, Judith, Aron-Dine, Aviva, [House Republicans Would Reverse ACA Coverage Gains and Radically Overhaul Medicaid, New Talking Points Confirm](http://www.cbpp.org/research/health/house-republicans-would-reverse-aca-coverage-gains-and-radically-overhaul-medicaid), 2017, Center of Budget and Policy Priorities. Accessed via <http://www.cbpp.org/research/health/house-republicans-would-reverse-aca-coverage-gains-and-radically-overhaul-medicaid>

⁴ [State Health Facts, Florida, Total Marketplace Enrollment](http://kff.org/health-reform/state-indicator/total-marketplace-enrollment/?currentTimeframe=0&selectedRows=%7B%22nested%22:%7B%22florida%22:%7B%7D%7D%7D), 2017, Kaiser Family Foundation. Accessed via <http://kff.org/health-reform/state-indicator/total-marketplace-enrollment/?currentTimeframe=0&selectedRows=%7B%22nested%22:%7B%22florida%22:%7B%7D%7D%7D>; Sexton, Christine, Feds: Florida leads the nation in Obamacare enrollment for 2017, 2017, PoliticoFlorida, <http://www.politico.com/states/florida/story/2016/12/hhs-florida-leads-the-nation-in-obamacare-selections-for-2017-108280> ; Centers for Medicaid and Medicare Services, Bi -Weekly Enrollment Snapshot, 2017, <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-02-03.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=descending>

⁵ Centers for Medicaid and Medicare Services Newsroom, Media Release Database March 31, 2016, Effectuated Enrollment Snapshot 2016, Table 1, Florida Percentage Enrollment with APTC, 2016. Accessed via: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-06-30.html>

⁶ Supra at 1; Sanger-Katz, Margot, [Republican Health Proposal Would Redirect Money from Poor to Rich](https://www.nytimes.com/2017/02/16/upshot/republican-health-proposal-would-redirect-money-from-poor-to-rich.html), New York Times, 2017. Accessed via <https://www.nytimes.com/2017/02/16/upshot/republican-health-proposal-would-redirect-money-from-poor-to-rich.html>

⁷ Fottrell, Quentin, [Most Americans have less than \\$1,000 in savings](http://www.marketwatch.com/story/most-americans-have-less-than-1000-in-savings-2015-10-06), 2015, MarketWatch. Accessed via <http://www.marketwatch.com/story/most-americans-have-less-than-1000-in-savings-2015-10-06>

⁸ United Way Alice Report: Florida, 2017, p. 1. Accessed via <http://www.uwof.org/alice>

⁹ Florida Senate Appropriations Committee Bill Analysis, CS/SB 1842, 4/22/13 Appropriations Post-Meeting, 2013 p. 24. Accessed via <https://www.flsenate.gov/Session/Bill/2013/1842/?Tab=Analyses>

¹⁰ Parks, Edwin, Solomon, Judy, [Per Capita Caps or Block Grants Would Lead to Large and Growing Cuts in State Medicaid Programs](http://www.cbpp.org/research/health/per-capita-caps-or-block-grants-would-lead-to-large-and-growing-cuts-in-state), 2016, pp. 2-3 Accessed via <http://www.cbpp.org/research/health/per-capita-caps-or-block-grants-would-lead-to-large-and-growing-cuts-in-state>

¹¹ Wikle, Suzanne, [Medicaid Financing: Dangers of Block Grants and Per Capita Caps, Lessons from TANF and CDBG](http://www.clasp.org/resources-and-publications/publication-1/Medicaid-Financing-Dangers-of-Block-Grants-and-Per-Capita-Caps.pdf), 2017, p. 6. Accessed via <http://www.clasp.org/resources-and-publications/publication-1/Medicaid-Financing-Dangers-of-Block-Grants-and-Per-Capita-Caps.pdf>

¹² Florida Agency for Health Care Administration Presentation to the Senate Health and Human Services Committee, 2017, p. 2. Accessed via http://www.fdhc.state.fl.us/Medicaid/recent_presentations/index.shtml

¹³ Antoine, Larissa, Garfield, Rachel, Rudowitz, Robin, Artiga, Samantha, [The Effects of Medicaid Expansion Under the ACA: Updated Findings from a Literature Review](http://kff.org/medicaid/issue-brief/the-effects-of-medicare-expansion-under-the-aca-updated-findings-from-a-literature-review/), 2017, p. 5. Accessed via <http://kff.org/medicaid/issue-brief/the-effects-of-medicare-expansion-under-the-aca-updated-findings-from-a-literature-review/>

¹⁴ Center on Budget and Policy Priorities, [Impact of ACA Repeal, Florida Fact Sheet](http://www.cbpp.org/sites/default/files/atoms/files/12-7-16health-factsheets-fl.pdf), 2017. Accessed via <http://www.cbpp.org/sites/default/files/atoms/files/12-7-16health-factsheets-fl.pdf>