



The Coming Debate Over The Future of the Affordable Care Act

California Health Care Foundation Webinar

December 19, 2016

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Possible avenues for repealing and replacing the ACA

- ACA advocates pushing for a simultaneous repeal and replace vote.
- Likely approach is “repeal and delay,” followed by development of a replacement plan.
- Key considerations for ACA critics: a fast repeal vote, and the potential to repeal major components of the ACA through budget reconciliation with a 51 vote majority in the Senate.
- Model is HR 3762, passed by Congress in early 2016 and vetoed by the President.
 - Repeal of ACA premium subsidies and Medicaid expansion, with a delayed effective date.
 - Immediate repeal of the individual mandate and ACA tax increases.
 - No change to the ACA’s insurance rules, including guaranteed access for people with pre-existing conditions.
- Key issue: How long to delay the effective date for repeal?

Consequences and risks of repeal and delay

- With no replacement in place, health coverage for at least 20 million people is at risk.
- A replacement for the ACA would still likely require 60 votes in the Senate, which would need to be bipartisan based on the current partisan makeup.
- Repeal of the ACA's tax revenues would make development of a replacement more difficult, requiring scaled back benefits or new revenues or spending reductions.
- There is significant risk of a "death spiral" and insurer exits in the individual insurance market in the short-term.
 - Insurers would be required to guarantee coverage to people with pre-existing conditions, with no individual mandate to push healthy people to get covered.
 - Insurers would also face uncertainty surrounding the future of the ACA, with an already fragile market in some states.
 - Added risk: Potential for cost-sharing subsidies to end under *House v. Burwell*.
 - Transitional relief could mitigate the risks.

ACA replacement proposals

- Major proposals include:
 - House GOP: A Better Way
 - Representative Price: Empowering Patients First Act
 - Senators Burr and Hatch, Representative Upton: Patient Choice, Affordability, Responsibility, and Empowerment Act
 - Senator Cassidy and Representative Sessions: Healthcare Accessibility, Empowerment, and Liberty Act of 2016 (aka “The World’s Greatest Health Care Bill Ever”)
- None of these proposals have been voted on or analyzed by the Congressional Budget Office, and some have not been turned into legislative language.
- Details matter a lot!
- President-elect Trump has not (yet) provided much detail on his plans for health care.

Potential elements of ACA replacement proposals

- Preservation of the ACA's requirement for coverage of dependents up to age 26.
- Less regulation of health plan benefits.
- No individual or employer requirements.
- More modest protections for people with pre-existing conditions in the individual insurance market.
 - Guaranteed access only for those with continuous coverage.
 - Premium surcharges for people with coverage gaps.
 - Federal grants for state high-risk pools.
- More allowed variation in premiums based on age and gender.
- Refundable tax credits that vary by age.
- Sales of insurance across state lines.
- Capping federal funding for Medicaid through a block grant or per capita cap.
- Capping the tax exemption for employer-provided health benefits.

Some long-term questions to consider under an ACA alternative

- What would be the impact on the number of people uninsured and on the adequacy of coverage people receive?
- Could low and middle income people afford health insurance and health care?
- How accessible is insurance for people with pre-existing conditions?
- How is the plan paid for and what is the impact on the federal budget?
- Does the plan address rising health care costs?
- Are there mechanisms and resources for states to go further if they wish?



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Trying to figure out what might happen with the ACA and repeal and replace feels kind of like this.

