



HEALTH CARE

Easy Guide To What You Should Know

While I am opposed to socialized medicine, I have always felt that medical care should be available to those who cannot otherwise afford it.

—Ronald Reagan

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THREE STEPS TO BETTER HEALTH CARE

In contrast to the way ObamaCare was passed, lawmakers should use a transparent, orderly process to reform health care.

STEP 1

RECONCILIATION

Repeal ObamaCare through Budget Reconciliation (the budget process).

Explain Why:

- The budget process requires only a simple majority (51 votes in the Senate)
- Can only be used to pass legislation relevant to the budget

STEP 2

ADMINISTRATIVE ACTION

- The regulations from the ACA, when stacked up on paper, are taller than Kobe Bryant. These regulations reduce choice and competition by imposing once-size-fits-none standards in health insurance and care.
- Secretary of Health and Human Services Tom Price can take action to decrease burdensome regulations.
- The “Secretary shall” or the “Secretary may” is written more than 1,400 times in the ACA, giving him a great deal of authority to relax regulations that were most harmful to people and businesses.

STEP 3

ADDITIONAL LEGISLATION

- For initiatives that can't get through via Budget Reconciliation, lawmakers can pass other laws using regular order, the process for regular legislation that requires 60 votes in the Senate.
- There are many reforms that can continue to lower costs and put patients in control.

THE ACA: THE GOOD AND THE BAD

WHAT WAS GOOD (OR PERCEIVED TO BE GOOD)?

- Uninsured rate decreased to 11.6 percent from 14.6 percent
- People with pre-existing conditions could buy plans during open enrollment at the same prices as everyone else
- Keeping kids on insurance to age 26

WHAT WAS BAD?

- Millions who were happy with their plans before the ACA had **policies cancelled**
- This means **broken doctor-patient relationships** and even **restricted access to care** for very sick patients, including those with cancer
- The very rules that so many liked, about pre-existing conditions and young adult coverage, resulted in imbalanced insurance pools, meaning ACA enrollees were sicker than expected.
- This led to insurer losses and exits, meaning **options are disappearing:**
 - 1 out of 3 counties in America have only one insurer offering plans
- Most who got insurance under the ACA got Medicaid, overburdening the program for the poor
- 1 in 10 Americans still uninsured
- Costs increased faster than ever, with a **25 percent average premium increase** in ACA plans this year
- One-size-fits-none regulations imposed on all
- Cuts \$700 billion from Medicare, harming seniors, and the disabled, and established an unaccountable new board, the Independent Payment Advisory Board, to make more cut
- Even the coverage that many received wasn't helpful because they still faced high out-of-pocket costs or had trouble accessing care in their restricted networks.

MISPERCEPTIONS V. FACTS ABOUT THE ACA

MISPERCEPTION: *Thanks to the Affordable Care Act, 20 million people have insurance now who otherwise would be uninsured.*

FACT: 14 million people, not 20 million, are actually newly insured.

But about 11.7 million of these, were simply added to the Medicaid program. And about 8 million of these were already eligible for Medicaid before the ACA.

So really about 2.3 million people got insurance that didn't have it before. It is a good thing they are insured, but there are far better ways to do this.

MISPERCEPTION: *Even if most of those who gained insurance under the ACA were added to Medicaid, that's still better than no insurance.*

FACT: That's not so clear. Data comparing Medicaid health outcomes to those without insurance shows mixed results. Even before the expansion, about one third of doctors wouldn't see new Medicaid patients, who then often faced difficulty finding timely care. **Adding people to an overloaded system makes**

this worse, and hurt the most vulnerable who depended on Medicaid before the expansion. For many low-income people, a better solution would be to make low-priced, private insurance plans available so that those who are able-bodied and above the poverty line can again afford to buy their own, leaving Medicaid for the truly needy. Policymakers should also strengthen the Medicaid program for the most vulnerable people in society.

MISPERCEPTION: *Before the ACA, many people with pre-existing conditions could not get insurance coverage.*

FACT: This is not true. Most people with conditions could get insurance coverage.

Most applicants for individual insurance plans were accepted. But for those who were not, there were safety nets: Before the ACA, the 1996 Health Insurance Portability and Accountability Act required states to guarantee coverage to those who followed the HIPAA guidelines or met certain medical eligibility standards. States took different approaches to this; some operated guaranteed protection programs and some offered plans of last resort.

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MISPERCEPTION: *The ACA made health insurance more affordable for women by prohibiting insurance companies from charging women more than men.*

FACT: Average health insurance premiums increased dramatically for BOTH WOMEN and MEN under the ACA.

Men ended up paying more (i.e. the same as women) but it did NOT reduce costs for women because the law put too many regulations on insurance, which increased premiums for all.

MISPERCEPTION: *The ACA finally granted all women in the U.S. access to benefits like no co-pay contraception.*

FACT: Women still pay for birth control under ObamaCare, they simply do it through higher insurance premiums. And there are government programs, under Title X, that help women who can't afford birth control.

MISPERCEPTION: *The ACA has been good for our economy.*

FACT: Due to the employer mandate, some employers cut the hours (and pay) of workers to below 30 hours per week in order to avoid having to buy their health insurance or pay a penalty. Younger workers and women are disproportionately harmed.

MISPERCEPTION: *The ACA is a long-term, feasible policy.*

FACT: No, it was clear from the beginning the ACA was not sustainable: higher premiums, sicker pools, a death spiral, fewer options, smaller networks, less access to care. Unfortunately, everything we are seeing bears out those predictions that it would collapse.

MISPERCEPTIONS V. FACTS ABOUT REPEAL AND REPLACE

MISPERCEPTION: *If the ACA is repealed and replaced, 24 million people will lose their insurance coverage.*

FACT: This number comes from a CBO report, but it's important to interpret in context. First, the CBO said that much of the decrease in coverage that they are projecting would be due to people voluntarily dropping insurance because there would be **no mandate to buy insurance**. Second, the CBO has to make many assumptions when they make projections like this. **They were off by over 12 million** when they estimated the coverage effects of the ACA. Under our plan everyone will have access to affordable insurance coverage. Whether they buy it is their choice; no one should force them.

MISPERCEPTION: *What will happen to low-income people who have been added to Medicaid under Obamacare if the law is repealed?*

FACT: Many of those newly enrolled in Medicaid, about two-thirds, were actually eligible for the program before the expansion, **so repeal won't affect them.**

The repeal-and-replace plan ends the Medicaid expansion, but not immediately. The House bill would allow those who became eligible for Medicaid under the ACA to stay in the program as long as they continue to qualify and don't change their insurance. In 2020, states that expanded Medicaid will stop receiving federal funds to enroll new Medicaid patients at the ACA's higher income threshold. The Senate bill would phase out federal funding for the Medicaid expansion over a few years. Many Medicaid expansion enrollees will find they no longer need assistance paying for insurance because lower-priced options will be available.

It is better for people with moderately low incomes to be able to find affordable, private insurance plans that offer better, wider provider networks and access to care, while lawmakers work to modernize and preserve the Medicaid program for those who need it most.

MISPERCEPTION: *I'm afraid I couldn't afford the coverage I'm getting today in my Obamacare exchange without the financial help.*

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FACT: You're right, you couldn't afford your ACA plan without the subsidy; most people cannot afford it. The reason ACA plans are so costly is because the federal government has put one-size-fits-none regulations in place that have led to higher premiums and fewer insurers participating. In fact, **if lawmakers do nothing, ObamaCare will continue to collapse, and even the coverage you are getting now may not be available soon.**

With repeal, those counterproductive federal regulations will be removed, and you will have more low-cost options. State regulations will remain intact, competition will return to your state, carriers will reenter the private market, and **you'll have a choice of affordable plans** with benefits you want and not those you don't want.

Under the repeal-and-replace plan, consumers will continue to have refundable, advanceable tax credits to help them pay for coverage. The tax credits in the House plan increase with age, and are available to anyone earning less than \$75,000. The tax credits in the Senate plan are based on income.

MISPERCEPTION: *I've heard Republicans want people to pay for more health care out of pocket using health savings accounts?*

FACT: No. The repeal-and-replace plan doesn't make people pay for health care in any particular way. Individuals should have control over this decision. Before the ACA, generally people could choose to pay a higher premium and have lower out-of-pocket costs OR they could find a lower premium paired with higher out-of-pocket costs. Sadly, under the ACA, **both premiums and out-of-pocket costs have gone higher and higher**, meaning people have a hard time saving at all.

But health savings accounts or HSAs were designed to pair with low premium policies so of course that first step is to help people save in their HSA again, and that first step is to repeal the ACA so that everyone can have lower priced options. And more people should have the option of using a health savings account for more types of medical expenses. But this will be your choice.

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MISPERCEPTION: *If Obamacare is repealed, will plans have lifetime caps?*

FACT: Before the ACA some carriers raised their premiums a little and offered unlimited lifetime benefits. You know how competition works, if one carrier does something that seems to be popular, their competitors will follow suit.

Other carriers chose to keep their rates lower and maybe offer a \$5 million lifetime. That's because whenever an employer changes plans, the lifetime limit resets. However, **you should be able to make that decision.** With repeal, you can expect carriers to likely keep that popular unlimited lifetime benefit, and some may offer a lower lifetime cap, but that would be your choice.

MISPERCEPTION: *Will insurance companies deny coverage to pregnant women if Obamacare is repealed?*

FACT: The situation facing uninsured pregnant women will actually improve with repeal. Under the ACA, if you found out in February that you are pregnant, you could not get coverage until January 1st at any price. At that point, you've already borne all of the costs of your pregnancy.

With repeal and replace, states can use innovation and stability funds to create guaranteed protection programs, where **pregnant women can buy coverage at any time of the year and at any point in pregnancy.**

Furthermore, because repeal will result in more lower-priced options for all women, more women will choose to buy an affordable policy before they become pregnant or incur other healthcare expenses. Please see our supplement about women's health for more information about how women will be affected by repeal and replace.

MISPERCEPTION: *I've heard repeal would allow health insurance companies to charge older Americans up to five times more.*

FACT: Repeal will not affect Medicare rates.

In the private insurance market, the ACA forced young people to pay rates that equal one-third of rates for older customers. This caused premiums for young people to skyrocket, discouraging some from buying ACA plans and contributing to the death spiral that is currently increasing premiums and reducing choices for everyone.

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With repeal, insurance companies can charge younger customers one-fifth of the rates for older customers, which more closely represents how much they use the healthcare system, i.e. their “risk.” This change will stabilize insurance markets by enticing more young customers to buy in.

This change shouldn't result in the older folks paying considerably more than they do now. This is just an attempt to scare older Americans.

MISPERCEPTION: *Will repealing the employer mandate cause families covered by their employers to lose coverage?*

FACT: Most large employers, those subject to the ACA employer mandate, already offered health insurance benefits pre-ACA, and **they will do so after repeal**, because they want to compete for and retain workers.

Sadly the ACA added many layers of regulations and mandates, hurting people with on-the-job coverage, because it limited choices and raised employers' costs. Those additional dollars employers spent complying with ACA rules could have been used for new jobs, higher wages, or other benefits. **Repeal will help workers by removing the red tape.**

MISPERCEPTION: *I've heard this plan cuts taxes for the rich and burdens low- and middle-income people. Is that true?*

FACT: No. Repeal would undo the tax burden of the Affordable Care Act. There were more than 20 tax increases in the ACA, and these taxes affect industry, high earners, and the middle class. In fact, **there are seven tax increases in the Affordable Care Act that directly hit the middle class.** Repeal would provide tax relief and affordable choices in health care for everyone.

MISPERCEPTION: *I've heard repeal gives health insurance companies a tax break for CEO pay over \$500,000.*

FACT: The ACA included more than 20 tax increases, and one of these was a cap on how much insurance companies could deduct for CEO pay. **Lawmakers should repeal all of the tax increases in the ACA, including 7 tax hikes that directly affect the middle class.** When it comes to the cap on CEO pay, government should not be decreeing who gets paid what or what industries are favored.

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MISPERCEPTION: *Does repeal and replace include payouts to big health insurance companies?*

FACT: No. Of course, health insurance companies are an important part of our healthcare system, but it's important to understand how they will be treated differently under our plan compared to the Affordable Care Act.

Under the ACA, health insurance companies got some benefits and also faced some burdens. They had to follow a long list of new federal rules, but they also benefited from the individual mandate, the rule that everyone had to buy what they were selling. There was also a program that would have resulted in a bailout of insurance companies, but it was actually Republicans who changed that, arguing that **taxpayers should not be on the hook for bailing out insurers.**

Under the repeal-and-replace plan, insurance companies will have to compete, and they'll get to offer a wider array of plans because the plan will loosen federal regulations. There won't be a government mandate to buy a plan, but both consumers and insurance companies will be treated fairly.

MISPERCEPTION: *If the repeal legislation defunds Planned Parenthood will millions of women be left without access to breast exams, birth control, and pap smears?*

FACT: The repeal-and-replace plan ensures that all women will have access to the health services they need.

Many clinics and community centers across the country offer services like family planning, breast exams, pap tests and more, **including to low-income women.**

There is much debate about abortion, but most people agree that taxpayer funds should not be used to fund abortions or those who provide them, even if they offer other services as well.

SIGNS THAT THE ACA IS NOT SUSTAINABLE

You Will Not Be Able to Keep What You Have

- In fall 2013, 4.7 million plans were cancelled because they were not compliant. Many more will lose their plans. The Obama Administration estimated that 93 million would ultimately lose their plans.
- Insurance companies are dropping out now. Over 1000 U.S. counties (40 percent) on Healthcare.gov have only one insurer.
- Aetna CEO Mark Bertolini and Princeton economist Uwe Reinhardt say ObamaCare is in a “death spiral.
- Humana and Aetna have announced they will not participate in the exchanges in 2018.
- Medicaid: The most needy are getting crowded out. Waiting lists are getting longer and longer.
- 105% increase in premiums since 2013. 25% increase in premiums this year, along with higher out-of-pocket costs.
- Public costs exploding too! \$1 trillion in new taxes. \$53 billion in regulatory costs.
- Workers facing reduced hours, businesses not expanding due to employer mandate.

FREQUENTLY ASKED QUESTIONS

WHAT ARE REFUNDABLE, ADVANCEABLE TAX CREDITS, AND HOW WILL THEY HELP US SAVE HEALTH CARE?

Refundable tax credits for health care are like vouchers for education. Advanceable tax credits come before or in advance of tax day, meaning consumers can use them throughout the year to pay their monthly premiums. They allow people to afford what they otherwise might not be able to afford, and move us towards equal treatment for folks who have on-the-job health insurance benefits and those who don't, like people who are self-employed or otherwise lack benefits.

WHAT DO BLOCK GRANTS OR PERCAPITA ALLOTMENTS MEAN FOR MEDICAID?

The repeal-and-replace plan includes major reforms to the way Medicaid is funded and gives more control to state governments to determine how the program operates.

Currently, Medicaid is funded through a federal matching structure, meaning the federal government matches every dollar that states spend on Medicaid with 1 to 3 dollars, depending on the state. This encourages states to spend more. Medicaid spending has grown tremendously,

outpacing spending on other state priorities, like education, in many cases.

The option to receive funding as a block grant means states will get a lump sum of money to fund their program. States that do not want this option will get funding based on their enrollment. These per-capita allotments can vary by type of enrollee: For example, they can be designed to offer states more money to help cover children, pregnant women or disabled people, and less money for able-bodied adults.

In both arrangements, states will have more control over Medicaid. This is good for people because constituents can more easily give feedback to their state officials than their federal representatives, and this approach allows each state to tailor their Medicaid safety net to the specific needs of their population.

WHAT CAN I DO TO SUPPORT THE REPEAL AND REPLACEMENT OF OBAMACARE?

- Visit **readthebill.gov** to see the bill and learn more
- Talk to your friends and loved ones
- Share information on Social Media
- Contact your representatives
- Tell others to contact their representatives