



# WHAT YOU NEED TO KNOW: Pre-existing Conditions Repealing and Replacing the ACA

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## HOW DID THE ACA ADDRESS PRE-EXISTING CONDITIONS?

- Mandated all insurers accept all applicants, regardless of health.
- Mandated insurers couldn't price new coverage based on health factors.
- Caused **serious problems for insurance markets** → death spiral of the exchange.
  - More costly for people to buy insurance when healthy.
  - Some wait to buy insurance until sick.

## LET'S DISPEL THE MISINFORMATION ABOUT HOW REPEAL AND REPLACE MIGHT AFFECT PEOPLE WITH PRE-EXISTING CONDITIONS:

- No one will be denied coverage for any reason.
- **In all 50 states, premiums will NOT increase for costly health conditions if continuously covered.**
- Protection programs for pre-existing conditions seeking coverage.

## HOW WILL REPEAL AND REPLACE PROTECT PEOPLE WITH PRE-EXISTING CONDITIONS?

- **No one will be denied insurance coverage for any reason.**
- States can waive some of the law's other costly regulations.
- **Must guarantee affordable coverage for all or waiver void.**

# WHAT YOU NEED TO KNOW ABOUT PRE-EXISTING CONDITIONS: REPEALING AND REPLACING THE ACA

## DISPELLING MISINFORMATION

**MISPERCEPTION:** Many are confused about what a pre-existing condition is. Scare ads use an overly broad definition and try to mislead people to believe any health condition would result in the loss of health coverage.

**FACT:** In reality, insurance companies define pre-existing conditions much more narrowly. Even though “pre-existing” literally means the condition developed before an applicant sought a new insurance plan, that doesn’t mean every condition would result in the insurance industry denying coverage. Even absent government regulations, insurers did and would cover people with a wide array of health problems, including common problems like managed high blood pressure, high cholesterol, or acne.

**MISPERCEPTION:** People with pre-existing conditions will be denied coverage.

**FACT:** This is NOT true. No one will be denied coverage for any reason.

**MISPERCEPTION:** People with costly conditions will face unaffordable premiums.

**FACT:** The repeal-and-replace plan includes protections against this.

- Where have continuous coverage, all 50 states: **premiums will not increase because of health condition.**
- (*Specific to American Health Care Act*) In waiver states, where coverage gap of more than 2 months (63 days):
  - Premiums may reflect health condition temporarily (up to one year), but get help if costs high.
  - Waiver states **required to offer you guaranteed, affordable coverage in a special program** if premium offered is too high.

**MISPERCEPTION:** People with pre-existing conditions will be unable to be insured affordably.

**FACT:** Waiver states **MUST** demonstrate that their special protection programs for pre-existing conditions are working to provide **guaranteed, affordable coverage.**

## ONE WAY TO DO THAT IS THROUGH A GUARANTEED PROTECTION PROGRAM

### Guaranteed protection programs can and did work well.

- Pre-ACA 35 states had guaranteed protection programs:
  - Not perfect
  - Much better than the ACA
  - Intended to offer coverage when denied in the private market
  - Capped premiums at approximately 150% of standard rates
  - Deductibles / out-of-pocket costs more affordable than with ACA
  - Some states offered subsidies to low-income people
- Guaranteed protection programs allow for freer, more functional insurance markets:
  - Nearly 90% of applicants accepted for regular coverage at regular rates
  - More options, lower rates than in states without guaranteed protection programs
  - Encourages people to apply when healthy, before sick
  - No need for a mandate, fine, or annual enrollment period
- Going forward:
  - MUST ensure that states have the resources they need
  - Waivers VOID if states fail to guarantee access to affordable coverage
  - If choose to use guaranteed protection program, MUST ensure works well

### How will repeal and replace protect people with pre-existing conditions?

- **No one will be denied insurance coverage for any reason.**
- *(Specific to American Health Care Act)* In waiver states:
  - Free to reduce insurance premiums for all, especially the healthy, allows return to pre-ACA choices, lower costs
  - Can counteract death spiral in insurance markets by encouraging people to get and stay insured when healthy, before sick
  - Will not see higher premiums for those with conditions who stay continuously covered
  - Even for those who wait to buy coverage until sick, there are time limits on how long insurers can charge them more than healthy applicants

- MUST demonstrate **guaranteed, affordable coverage for all** through **guaranteed protection programs** for pre-existing conditions
- **In all 50 states, premiums will NOT increase for costly health conditions if continuously covered, and costs should decline for those without what insurance companies think of as pre-existing conditions.**