



American Health Care Act – Summary of Potential Impacts to Connecticut

As approved by both the House Ways and Means and Energy and Commerce Committees and announced 3/6/17

This proposal threatens affordable health insurance for tens of thousands of CT residents, and dismantles Medicaid by converting it from an entitlement program that serves all eligible people to a discretionary program that has capped funding. This proposed law would result in a tremendous cost shift to the states once fully implemented, which could cost upwards of \$1 billion per year when fully implemented after 2020.

IMPACT ON CT MEDICAID AND OTHER PUBLIC HEALTH PROGRAMS:

Threatens health care coverage for our most vulnerable populations, including seniors, persons with disabilities, children, and low-income parents. Currently, Medicaid is available to any person who meets eligibility guidelines, and the federal government covers at least half of the costs. The proposal to cap federal payments will force Connecticut and all states to either (1) pick up the costs, (2) significantly limit benefits, (3) reduce the number of people served, or (4) reduce rates to providers, while also making states vulnerable to arbitrary reductions in federal spending going forward.

Undermines coverage for low-income adults without children. Additional federal funding enabled Connecticut to expand our Medicaid program to cover low-income adults. This greatly reduced the number of uninsured people. The proposal to eliminate this federal support would require the state to pay five times more for any new beneficiaries starting in 2020.

Preliminary Estimate of Fiscal Impacts to the State Budget *(in millions):*

	SFY 18	SFY 19	SFY 20
Loss of Federal Funding for Planned Parenthood	(\$6.8)		
Repeal of the Prevention and Public Health Fund	-	(\$4.5)	(\$6.0)
Loss of Enhanced Reimbursement for Community First Choice	-	-	(\$3.0)
Impact of "Baseline" Per Capita Block Grant			(\$50) – (\$450)
Loss of Enhanced Reimbursement for Expansion Population			(\$30) – (\$80)
Administrative and Other Costs			TBD
Estimated Impact	(\$6.8)	(\$4.5)	(\$89) – (\$539)

IMPACT ON ACCESS HEALTH CT AND CONSUMERS:

Increases costs for customers purchasing plans from Access Health CT.

- Subsidies will be changed in 2020. Instead of helping people based on their income, subsidies will be based on age, resulting in much higher costs for seniors and for people with low incomes. In CT, the average person would receive an estimated \$2,115 less in assistance, with those over 60 receiving an average of almost \$5,000 less.
- Currently, about 50% of enrollees qualify for other cost-sharing assistance. Elimination of this assistance in 2020 will result in dramatically higher deductibles and other costs for low-income people.

Projected Average Premium Assistance Impact				
	ACA	AHCA	Difference	
Under 30	2,938	2,000	(938)	-31.9%
30-39	2,919	2,500	(419)	-14.3%
40-49	3,774	3,000	(774)	-20.5%
50-59	6,282	3,500	(2,782)	-44.3%
Over 60	8,799	4,000	(4,799)	-54.5%
TOTAL	5,171	3,057	(2,155)	-40.9%

Note: Based on 2017 enrollment for individuals receiving an advanced premium tax credit only.

Rate increases for all health care consumers. Early estimates indicate that, as a result of this law, rate increases of more than 40% could be expected in 2018.

Unaffordable costs will lead to disenrollment. Based on customer feedback, we are projecting that more than 34,000 customers will not renew coverage in 2018 if this law went into effect.

Removes individual health care mandate. Similar to car insurance, the Affordable Care Act (ACA) requires everyone to have health insurance in order to keep costs controlled. If individuals were allowed to purchase car insurance only after they have gotten into an accident, the market would not work. By not requiring all individuals to have health insurance, some people will only purchase coverage when they are sick, which will raise everyone's costs.