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**Texas Oral Health Summit: *Oral
Health: State of the State
Symposium***

Health Care Reform, Now What?

November 10, 2017 | San Antonio, TX



Where Do Things Stand on the Affordable Care Act (ACA)?

- Congressional efforts to “repeal and replace” the ACA have been unsuccessful thus far
 - American Health Care Act (House)
 - Better Care Reconciliation Act (Senate)
 - Repeal Only Bill (Senate)
 - Graham-Cassidy Bill (Senate)
- “Reconciliation” process rules requiring a simple majority in the Senate ended on September 30th
- Senate Majority leadership plans to continue efforts to “repeal and replace” the ACA; it’s just not going to happen now...



HealthCare.gov

Get more information about the Affordable Care Act from the Department of Health & Human Services.

Go to HealthCare.gov



Trump Administration Has Taken Several Steps That Impact the ACA

- **IRS previously stated it is processing tax returns that do not indicate taxpayer's coverage status**
 - Weakens individual mandate to purchase coverage
 - “Healthy risks” less likely to purchase coverage; less healthy persons pay higher premiums
- **Executive Order eases restrictions on “association health plans” and “short-term health plans”**
 - Unrestricted, these low-cost and low-coverage plans could weaken market stability, making more comprehensive coverage unaffordable
- **Funding for enrollment support (e.g., Navigators) was reduced from \$100 M to \$10 M; enrollment period shortened (November 1-December 15)**
- **CMS issued proposed regulations allowing states to develop their own categories of “essential health benefits”**
 - Pediatric dental benefits could be at risk
- **President Trump terminated cost-sharing reduction subsidies for low-income persons**

Terminating Cost-Sharing Reduction (CSR) Subsidies Has Multiple Effects

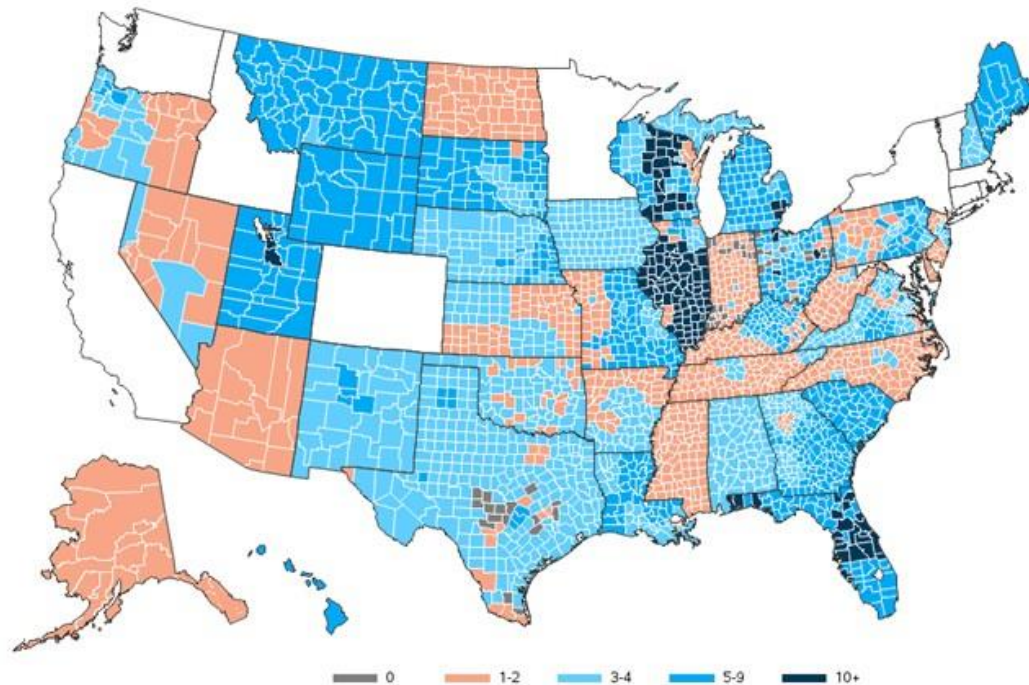
- **Eliminating CSR subsidies results in higher cost of “silver” level plans as insurers replace unfunded CSR payments (average premium increase of 34%)**
 - Persons who do not qualify for premium subsidies must pay the higher rates
- **Premium subsidies are based on 2nd lowest cost silver plan: if premiums increase, so do premium subsidies**
- **Avalere analysis finds that nearly 98% of counties with exchanges operated by HealthCare.gov will have free bronze plan options for low-income consumers aged 50 earning 150% of poverty or less (\$18,090 for an individual or \$36,900 for a family of four)**
 - Cost of many gold plans will also be reduced

CBO Analysis of Terminating CSRs

- Fewer insurers would participate in ACA marketplace 2018-2020
- Insurers would increase “silver” plan premiums to offset loss of CSR payments resulting in higher premium subsidy payments
- There would be a net increase in the Federal deficit of \$194 Billion (2017-2026)

Avalere Analysis: Free Health Plans on Healthcare.gov

Figure 1: Number of Available Subsidized Free Products on Healthcare.gov by County, Individual Earning \$18,000 a Year (150% FPL), Age 50, 2018



Note: Bronze Plans have higher cost sharing than Silver Plans; Consumers need to shop carefully

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Senators Alexander and Murray Agree on *Outline* of Bipartisan Bill to Fund CSRs; Passage Is in Question

- **Outline of bipartisan legislation would:**
 - Continue CSR payments for two years
 - Restore \$106 M in funding for enrollment outreach
 - Extend sale of “copper” level health plans (catastrophic coverage) to persons above age 30 (ACA allows sale to persons under age 30)
 - Speed approval of ACA Section 1332 waivers that allow states to redesign their coverage systems
 - Retain the 10 categories of “essential health benefits” and prohibition on carriers considering health status in rate setting

Reactions to Bipartisan Bill

- Several Senate Republicans have endorsed the bill
- House Speaker Ryan has voiced concerns/opposition
- President Trump has sent mixed messages; most recent position is to oppose

CBO Score

- Reduce deficit \$3.8 B 2018-2027
- Would not substantially change # of insured persons or increase direct net spending

Difficult to Know Exactly What Will Happen with ACA....

Enrollment Period Will be Confusing for Buyers; Enrollment Expected to be Lower Than in Past Years

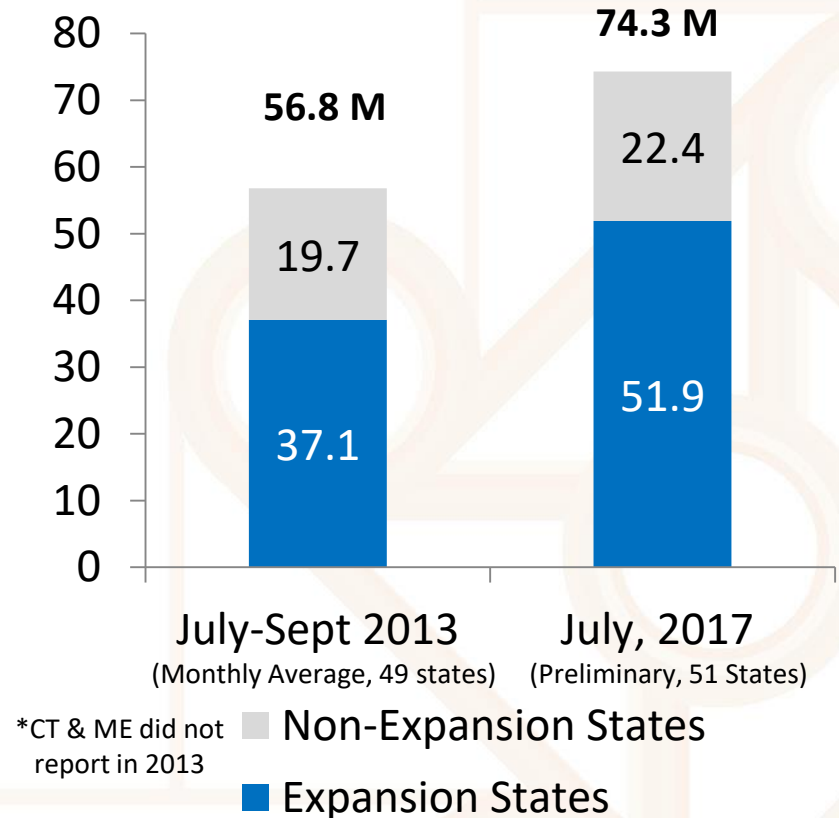
Kaiser Health News: First Edition, October 23, 2017

- [The New York Times: I.R.S. Says It Will Reject Tax Returns That Lack Health Insurance Disclosure](#)
Despite President Trump's pronouncements, not only is Obamacare not dead, there are signs that his administration is keeping it alive. In the latest signal that the Affordable Care Act is still law, the Internal Revenue Service said this week that it is taking steps to enforce the most controversial provision: the tax penalty people face if they refuse to obtain health insurance. (Abelson, 10/20)
- [The Hill: GOP Redoubles Efforts To End ObamaCare Mandate](#)
The GOP is redoubling its efforts to eliminate ObamaCare's individual mandate, a step that would be yet another blow to the health-care law. They are doing so even as key Senate Republicans seek a bipartisan deal that could strengthen the law by extending critical payments to insurers that help low-income people afford their copays and deductibles. (Weixel, 10/22)

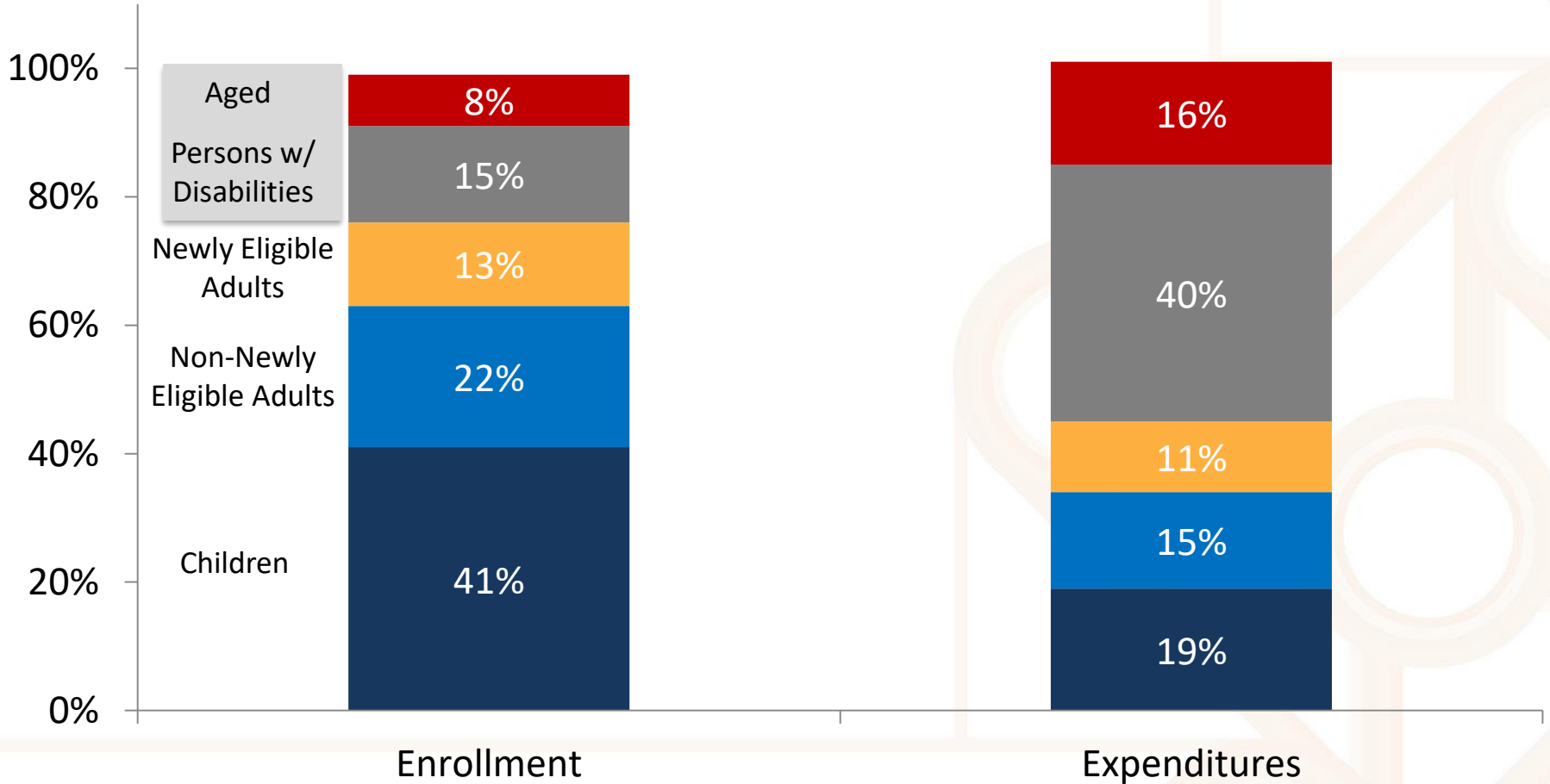
Medicaid: Vital Source of Coverage for U.S. Health System

- **Medicaid covers nearly 1 in 5 Americans**
 - Finances 16% of total personal health spending in the U.S.
- **CMS actuary estimates total Medicaid expenditures will reach \$841 billion by 2023**
- **Medicaid is jointly administered and funded by the states and federal government**
 - Federal government funds 50-76% of state Medicaid coverage costs
- **Dental benefits are required for Medicaid & CHIP children, optional for Medicaid adults**

Medicaid & CHIP Enrollment (millions)



Medicaid Aged & Persons with Disabilities: 23% Enrollment & 56% of Spending (FFY2015)

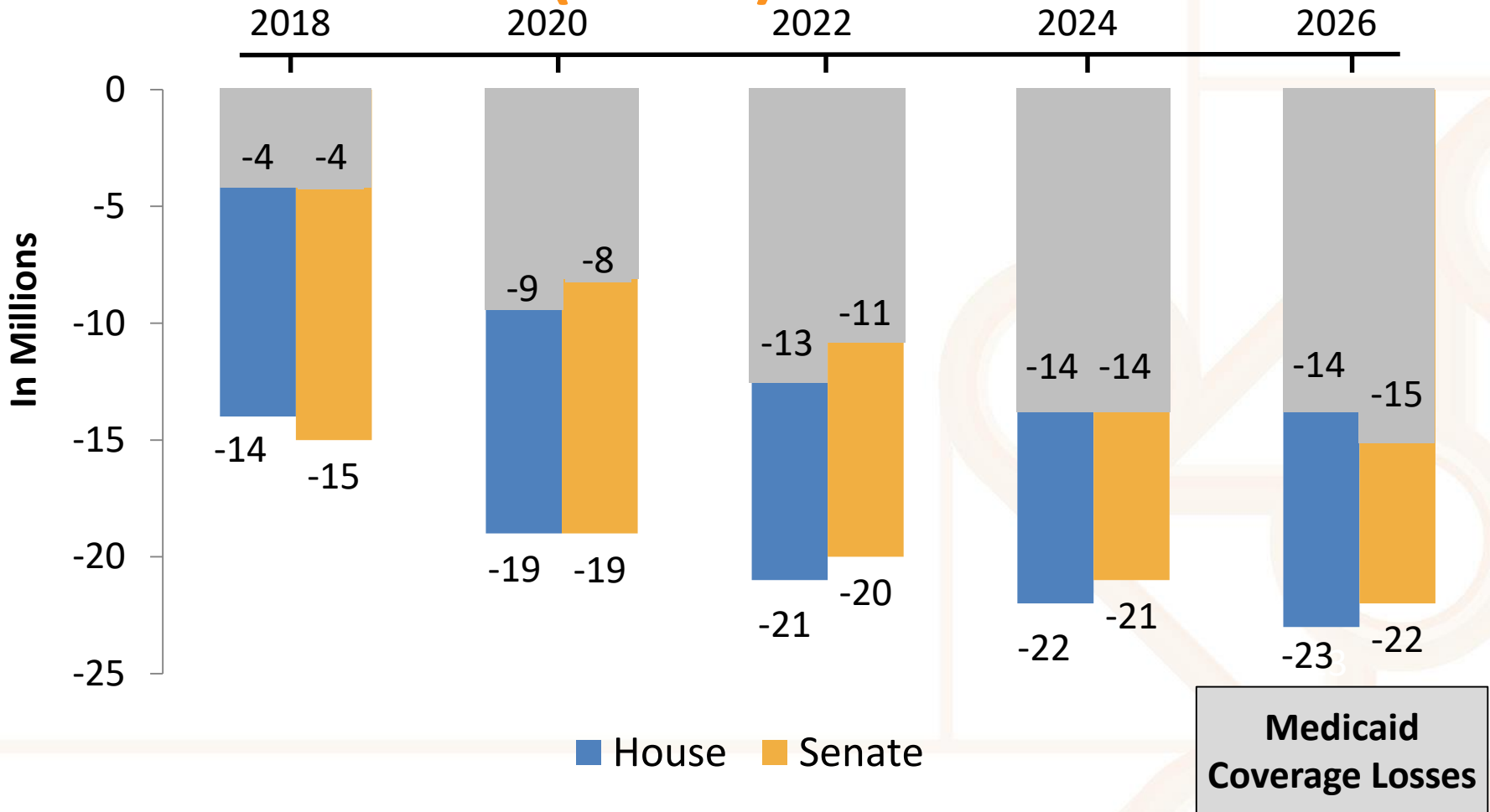


Totals may not add to 100 percent due to rounding.

Latest Actions Affecting Medicaid

- **Efforts to eliminate Medicaid expansion funding and convert the program to a block grant and/or per capita cap funding mechanism ended (for the moment) with unsuccessful attempts to “repeal and replace” the ACA**
 - Legislation would have cut Medicaid enrollment 14-15 M by 2026, and reduced federal funding for Medicaid 25-35% (2036)
- **Medicaid cuts are still a potential outcome of the budget process**
- **Administration is receptive to Section 1115 waiver provisions used by states to require:**
 - Alternative benefit designs
 - Higher premium requirements & “lock-out” for non-payment
 - Stricter healthy behavior requirements and/or incentives
 - **New work/work search requirements**

CBO Estimate of Total/Medicaid Coverage Losses Under House and Senate (BCRA) Bills



* Totals may not add due to rounding

Congress Misses CHIP Funding Deadline; Bills Passed by House & Senate Committees

- Despite bipartisan support for CHIP, Congress has yet to fund the program beyond September 30, 2017
- Senate Finance and House Energy & Commerce passed bills on October 4th

Key Provision	Senate	House
Federal Funding	5 year funding extension of CHIP (FFY2018-2022)	
Express Lane Eligibility	Extends Express Lane Eligibility	
Maintenance of Effort	Extends MOE for Children below 300% FPL through FFY2022	
Federal Match Rate	ACA enhanced match rate (23%) continues through 2019; transitions down to 11.5% in 2020 and eliminated in FY2021	
Budget Offsets	None at this point	<ul style="list-style-type: none"> • Cut Health Prevention Fund • Include lottery winnings in eligibility determinations • Increase Medicare premiums for higher income beneficiaries

SOURCE: Modern Health Care

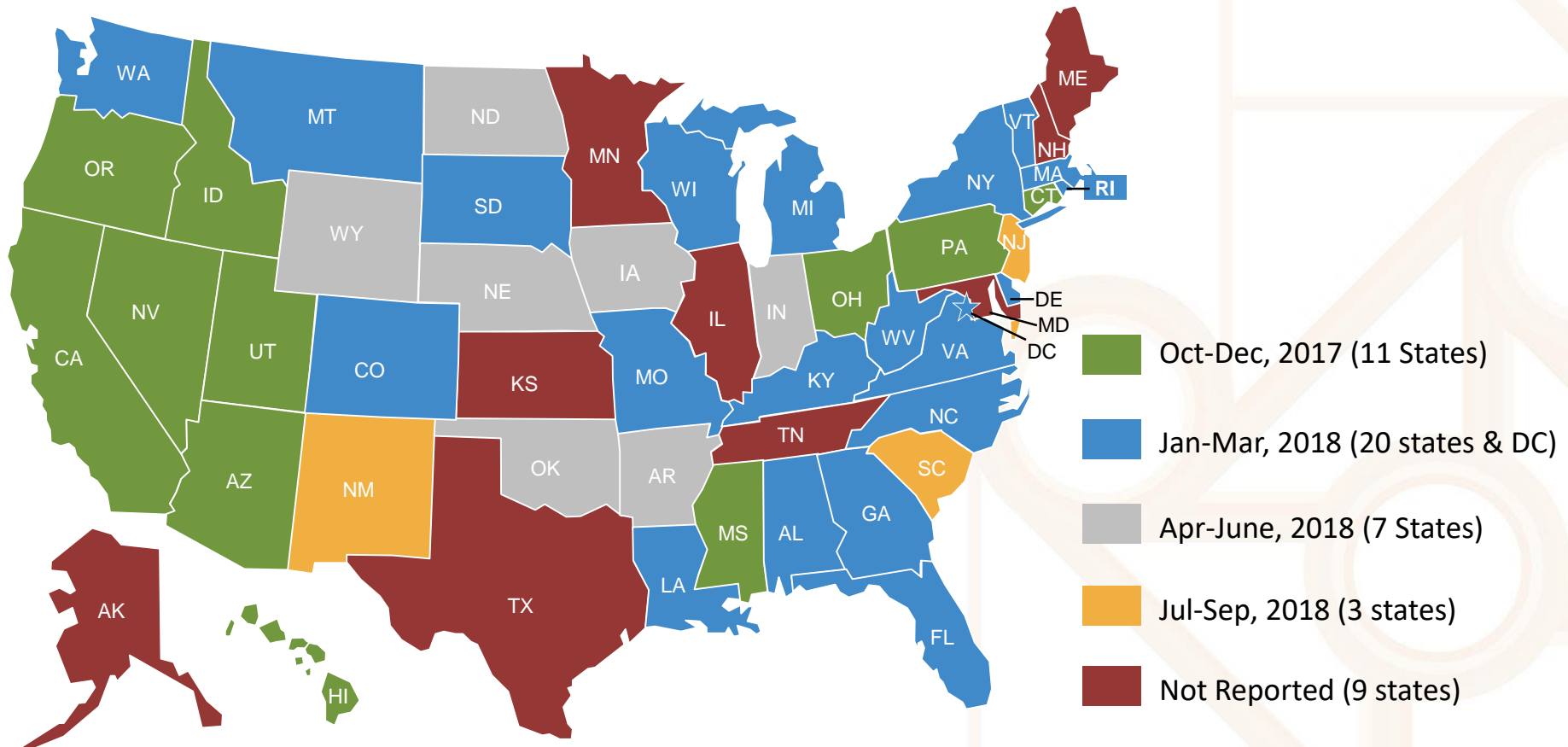
http://www.modernhealthcare.com/article/20171004/NEWS/171009974?utm_source=modernhealthcare&utm_medium=email&utm_content=20171004-NEWS-171009974&utm_campaign=am; Kaiser Family Foundation: <https://www.kff.org/medicaid/fact-sheet/comparison-of-key-provisions-in-the-senate-and-house-chip-bills/>

Despite Committee Actions, Timing of CHIP Funding Remains Uncertain

- House passed its CHIP funding bill on November 3rd
- Still to come....
 - Senate floor debate on it's bill; also, opposition to offsets included in House bill is expected
 - Conference committee negotiations
- What if Congressional action is delayed?
 - MN. already received emergency infusion of federal dollars
 - MACPAC estimates 31 states & DC will exhaust their funding by March, 2018; by June, all states, except WY, will be without funding
 - 4.7 M children who receive CHIP coverage through Medicaid would retain coverage, but at the lower Medicaid match rate...a loss of funds for states
 - Among 3.7 M children in separate CHIP programs, 1.1 million could lose coverage entirely, while the rest could face reduced coverage and much higher out-of-pocket costs



Projected Dates of Exhaustion of Federal CHIP Funds



Kaiser Family Foundation Survey of Medicaid Officials in 50 States and DC conducted by Health Management Associates, Summer 2017. Date of projected exhaustion of federal funds in West Virginia based on Kaiser Family Foundation and Georgetown Center for Children and Families interview with the state CHIP director. Projected date of exhaustion for OH was updated in October 2017 based on revised estimate from the state

QUESTIONS/ COMMENTS?