
AHCA: House Passed Version

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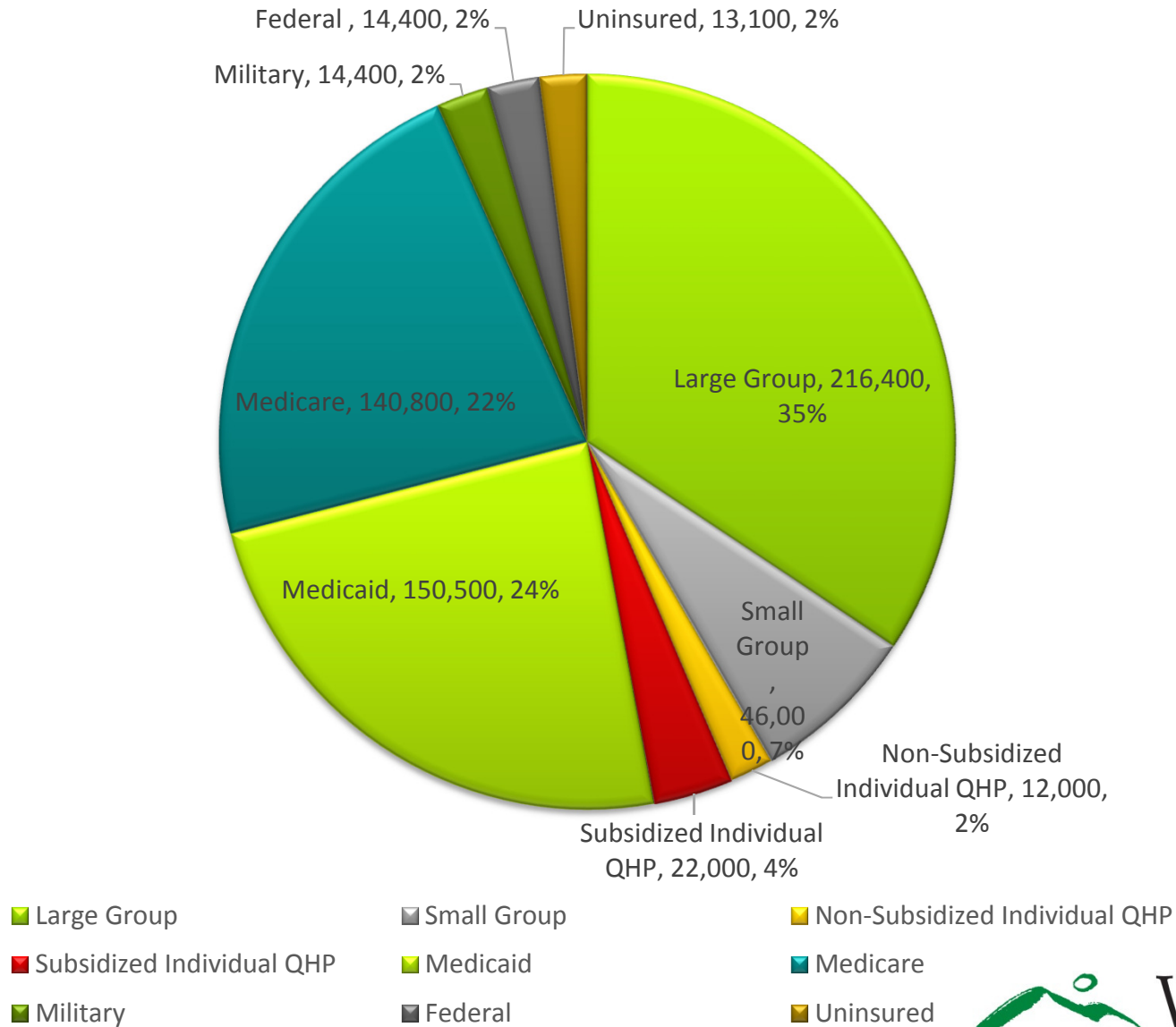
American Health Care Act

- Congressional bill that is to ‘repeal and replace’ the Affordable Care Act.
- Passed the House in May 2017.
- Senate is reviewing.

How would it impact Vermont?

- Changes
 - *Private Insurance- Exchange impacts*
 - *Medicaid*
 - Repeals Individual and Employer Mandates
 - Creation of Patient and State Stability Fund
 - Health Savings Accounts- additional funds
 - Reverses ACA financing provisions
 - Eliminates funding for planning and reproductive health services
 - Delays implementation of the “Cadillac Tax”

Vermont Insurance Coverage



EXCHANGE IMPACTS

FOR DISCUSSION PURPOSES

5

Private Insurance

- Changes to tax credit structure and amounts
 - Immediate changes to APTC
 - Repeals cost-sharing reductions
 - New age-based tax credit program in 2020
- Continuous coverage requirement
 - Replaces individual mandate
 - Surcharge for gaps in coverage
- States can define Essential Health Benefits for purposes of the tax credit
- States can obtain waivers from certain market reforms

How Federal Tax Credits Might Shift for Vermonters Based on Income and Age



■ Affordable Care Act ■ American Health Care Act
 --- Gross Annual Premium, Most Popular Silver Plan

Based on 2017 data

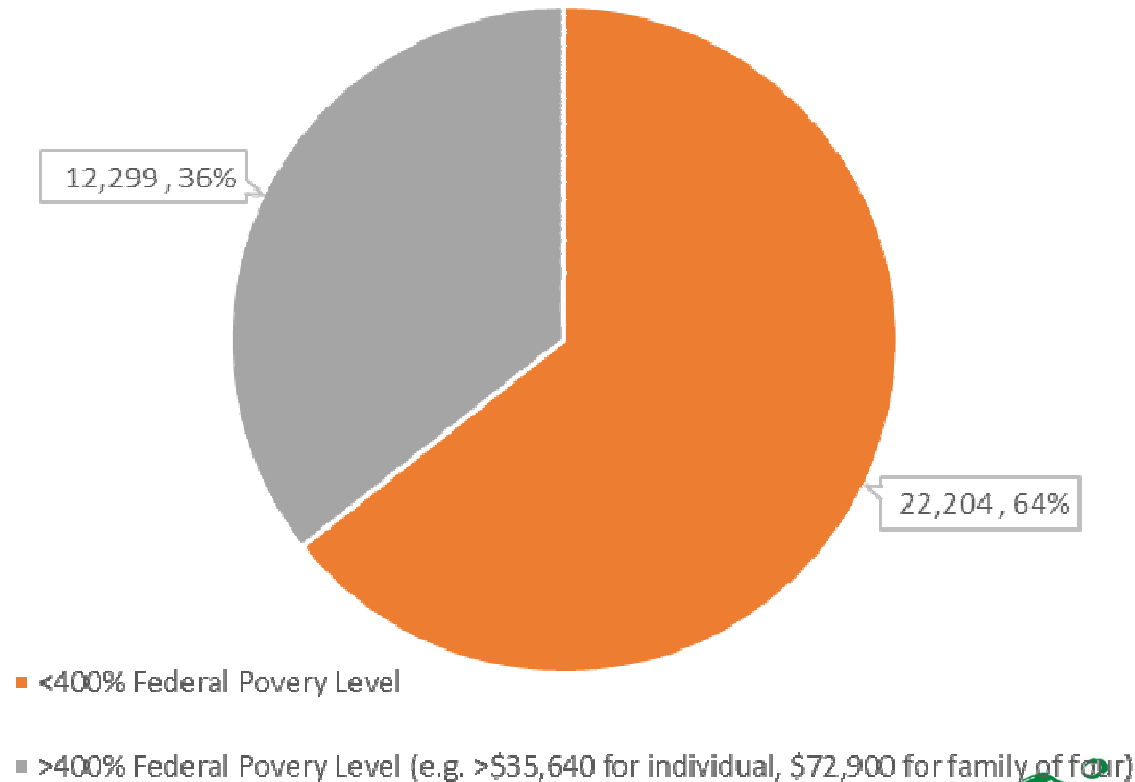
For discussion purposes



Qualified Health Plan Population

\$95-\$100M in income-based federal subsidies shifts to \$80-\$95M in potential age-based federal tax credits, spread out across a larger population.

Individual Market in VT
(VHC +Direct Enroll)



For discussion purposes

MEDICAID IMPACTS

FOR DISCUSSION PURPOSES

9

Medicaid

- Changes to enrollment, eligibility criteria and documentation. Encourages more frequent redeterminations.
- Medicaid Expansion: limits enhanced FMAP for expansion group to states that expanded prior to 3/1/17. Sunsets enhance FMAP rate on 1/1/20 except for individuals continuously enrolled after 12/31/19.
- Converts majority of Medicaid spending to Per Capita Funding starting in 2020.
 - 2016 is baseline year.
- Repeals Disproportionate Share Hospital (DSH) cuts.

ADDITIONAL RESOURCES

For additional information:

- Tax credit comparisons: <http://kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/>
- ACA compared to AHCA (Kaiser): <http://kff.org/interactive/proposals-to-replace-the-affordable-care-act/>
- ACA compared to AHCA (NASHP): <http://nashp.org/what-the-american-health-care-act-means-for-states/>
- Health Affairs Blog: <http://healthaffairs.org/blog/2017/05/04/house-passes-ahca-how-it-happened-what-it-would-do-and-its-uncertain-senate-future/>

Median Income Individual-27 year old



Family Income: \$25,305

Total Cost for Health Care: \$7,529.60

Current ACA Subsidy: -\$4,534.40

AHCA Proposed Subsidy: -\$2,000

Cost with Current ACA Subsidy: \$2,995.20

- Adult subsidized on VHC

Cost with AHCA Proposed Subsidy:
\$5,529.60

For discussion purposes

Median 2-person Household



Family Income: \$37,144

Total Cost for Health Care: \$15,787.20

Current ACA Subsidy: -\$9,547.20

AHCA Proposed subsidy: -\$6,000

Cost with ACA Subsidy: \$6,240

- Adults subsidized on VHC

Cost with AHCA Proposed Subsidy:
\$9,787.20

For discussion purposes

Family of 4



Family Income: \$51,020

Total Cost for Health Care: \$14,060.80

Current ACA Subsidy: -\$9,110.40

AHCA Proposed Subsidy: -\$5,000

Cost with Current ACA Subsidy: \$4,950.40

- Adults subsidized on VHC
- Children covered by Dr. Dynasaur

Cost with AHCA Proposed Subsidy:
\$9,060.80

For discussion purposes