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U.S. House ACA Repeal Bill Would Mean More Uninsured, Costlier Coverage in Rhode Island

A recently released report by the Center on Budget and Policy Priorities summarizes the wide-ranging harm to Rhode Islanders, the health care system and the state's economy that would result from the US House ACA repeal bill - the American Health Care Act, (AHCA). The bill would effectively end Medicaid expansion, which has provided access to comprehensive health insurance coverage to 70,000 low-income adults age 19 – 65, raise costs for the 30,000 people who buy coverage through HealthSource RI, and shift \$3 billion in Medicaid costs to the state over ten years.

The Administration's first attempt to pass the bill was unsuccessful, despite proposing changes that would further undermine access to affordable coverage. The President recently announced his intention to continue efforts to replace the ACA, including using the cost-sharing subsidies that reduce deductibles and other out-of-pocket costs as a bargaining chip to bring Democrats to the bargaining table.

Karen Malcolm, the coordinator of the Protect Our Health Care Coalition commented: "It's a shame that the well-being of hundreds of thousands of Rhode Islanders and millions of Americans is being used as a political football in DC. Thankfully our own federal delegation is fighting on the side of keeping coverage. They know this is about real people with real concerns who don't deserve the anxiety that's been fostered by the effort to rob them of coverage to give tax cuts to corporations and the super-rich." The Coalition includes leading Rhode Island consumer and non-profit service organizations as well as hundreds of individuals working to protect access to quality, affordable healthcare for all Rhode Islanders.

The CBPP report documents that the House AHCA bill would shift Medicaid costs to the state, requiring Rhode Island to either raise taxes or cut other parts of the budget by \$3 billion over ten year to maintain current Medicaid coverage. The AHCA's proposal to replace current Medicaid financing, which allows the state to receive federal matching funds for its health care expenditures, with a per capita cap or block grant would threaten coverage for seniors, people with disabilities, children and adults who rely on Medicaid for comprehensive health care. A fixed federal payment would leave the state holding the bag for the cost of public health emergencies like the opioid epidemic or a natural disaster. A block grant would not take into account increasing health care costs due to demographic changes such as the rise in seniors' Medicaid costs as they age. The AHCA would effectively end the Medicaid expansion by requiring the state to spend up to 4.9 times more to cover the people enrolled after 2020.

Rhode Island resident Ellie Brown, says: "I am an artist and an educator. All of my adult life, I've worked contract jobs with no benefits or security. Before the ACA, I never had health insurance. Now I have Medicaid coverage and can see a doctor regularly to help monitor a chronic condition. Last year, I had a

bike accident, and because of my coverage I was able to have an MRI and get orthopedic treatment and physical therapy for my injuries. I'm eternally grateful for the ACA and my health coverage."

Rhode Islanders purchasing coverage through HealthSource RI, would pay far more under the AHCA. The bill would raise out-of-pocket health costs—premiums, deductibles, copays, and coinsurance—by an average of \$1,270 per year. Older Rhode Islanders would face even greater challenges because the AHCA would let insurers impose higher premiums for older individuals and cut the tax credits that help pay for the premiums. Older Rhode Islanders, who are not yet eligible for Medicare at age 65, would see premiums rise by \$4,689.

While Medicaid is cut under the AHCA, high-income households, drug companies, insurance companies and other large corporations would see tax cuts totaling more than \$600 billion, nation-wide. The bill would repeal the ACA's two Medicare taxes, which only affect people with incomes above \$200,000 (\$250,000 for married filers). In Rhode Island this would mean tax cuts averaging about \$5,780 to 13,400 filers (2.5% of state residents). The top 1% of Rhode Island tax payers would get an average tax cut of \$13,590, while middle and low income Rhode Islanders would get nothing.

To view the full Center on Budget and Policy Priorities report visit <http://www.cbpp.org/sites/default/files/atoms/files/4-13-17health-factsheets-ri.pdf>.

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About The Economic Progress Institute

The Economic Progress Institute is a nonpartisan research and policy organization dedicated to improving the economic well-being of low- and modest-income Rhode Islanders. For more information visit www.economicprogressri.org.