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## The Health Care Bill: What You Need to Know

Things on the health care front are moving fast. Yesterday, the House voted to pass the American Health Care Act, a bill that changes several key features of the Affordable Care Act (also called “Obamacare”). The bill has moved on to the Senate where it could be voted on, as is, or amended and sent back to the House for further consideration.

We want you to know that the Arthritis Foundation and our army of volunteer Advocates are on the job, working hard to ensure that YOU have affordable access to the care you need.

If you want a better understanding of this bill, how it might change your coverage, costs and access to medical care, as well as what actions we are taking, read on.

Let's start with some background.

- This bill is not a full repeal of the Affordable Care Act (ACA). It replaces and amends certain provisions in the ACA. All other aspects of the ACA would remain in place.
- The bill addresses health care issues at the federal level, but gives states the option of requesting waivers, exempting them from certain federal requirements. The waivers add to the control states already have over aspects of health care, insurance and Medicaid. Quick take: This bill would have a significant impact on older people and those who are chronically ill.

**Following are some common questions raised by the proposed bill.**

**Will I be able to get insurance, since I have \_\_\_\_\_ [fill in type of arthritis], a pre-existing condition?**

The current requirement to cover people with pre-existing conditions has not changed. So yes, you will be able to get a policy. But whether or not you will be able to get an adequate, affordable policy is not clear. Important protections are missing.

The plan would bring back state high-risk insurance pools, which, before the ACA, were the only way people with chronic illnesses could get insurance. The plans were very expensive and unaffordable for many people, and came with limited benefits and a coverage delay of six to 12 months after purchase.

Plans in the new state high-risk pools are likely to be expensive, too. Right now, people with pre-existing conditions pay no more than a healthy person does for the same plan. If this bill passes, states that receive federal waivers can price plans based on health status and offer fewer or weaker benefits. This may mean you end up paying more for less.

With minimal federal support, states may not have the funds to sustain high-risk pools, which inevitably run at a deficit, because of the plan members' heavy usage of the medical system.

### **I have insurance now, but it is definitely a strain on my budget. Would the new plan give me a break?**

That depends on your age and income (as well as your health status, see above). Right now, insurance companies are limited in how much more they can charge an older person than a younger person for the same policy. The proposed plan would loosen that restriction, allowing insurers to charge older people up to five times more than they charge younger people, instead of the current limit of three times as much.

Older people would also lose some of the financial relief they now get through tax credits. Today, premium tax credits are based on a percentage of income. Under this bill, there will be a flat-rate tax credit, based on age rather than income. And the tax credit will be phased out for those with an income of over \$75,000 (\$150,000 for those who file jointly). So your health status, age and income could all affect the cost of your coverage. And that's before any changes in cost sharing, such as deductibles, copays, coinsurance and annual and lifetime limits, are factored in.

### **Can I count on the same basic benefits I get now?**

That will depend on what your state decides to do. The proposed plan doesn't remove the requirement for plans to cover the 10 essential health benefit

categories (drug coverage, outpatient care, lab tests, hospitalization, emergency services, maternity and newborn care, mental health and substance abuse treatment, physical and occupation therapy and devices). But there's a catch. States can get federal waivers that would allow insurers in their states to sell plans that exclude some of the essential health benefits.

**Will I still be protected by the cap on annual out-of-pocket costs and the ban on lifetime limits? The medical care and drugs I need are pretty expensive.**

The bill leaves those protections in place, but in reality your state will determine whether you will get the full protection you have now. Those protections only apply to spending on care covered by your plan's [essential health benefits](#). So if your state gets an essential health benefits waiver, what you spend for those services will not be protected by the annual cap or lifetime limit. For example, if your plan doesn't have prescription drug coverage, your spending on drugs will not be capped or limited.

**Am I at risk of losing Medicaid coverage under the proposed plan?**

That depends on the state you live in. Overall, Medicaid is expected to tighten who is covered, so your coverage may be at risk. The bill would essentially create a rollback of the Medicaid expansion that occurred under the Affordable Care Act. It would significantly decrease funding to states for Medicaid, which will lead to coverage loss for many.

**My daughter who is 23 has juvenile idiopathic arthritis, and I need to keep her covered under my plan. Will I be able to do that?**

Yes. The bill leaves in place that option, which was implemented with the ACA.

In conclusion, this bill would have a disproportionately negative impact on older Americans and those with pre-existing conditions. While the bill does maintain some protections, such as allowing children to remain on their parent's insurance until age 26, it opens the possibility for states to drastically change coverage and benefits. The new tax credit structure, coupled with the new age-rating structure

that allows insurers to charge more for older adults, would likely raise cost sharing for older Americans.

### **What is the Arthritis Foundation doing about this?**

- We plan to engage our staff and Advocates as this bill moves on to the Senate for consideration. Our goal is to ensure that senators know how these policies would impact people with arthritis, and to offer constructive policy proposals that will help make health care truly patient-centered.
- We have outlined some policy proposals to Congress that will form the basis of our advocacy. We will work with our army of volunteers to collect patient stories, educate them about new developments and call them to action as this bill moves through Congress.

We welcome your feedback and questions, and want you to know you can always use the Arthritis Foundation as a resource and sounding board. We are here for you.