

# ALSTON & BIRD



## Healthcare Update

September 26, 2017



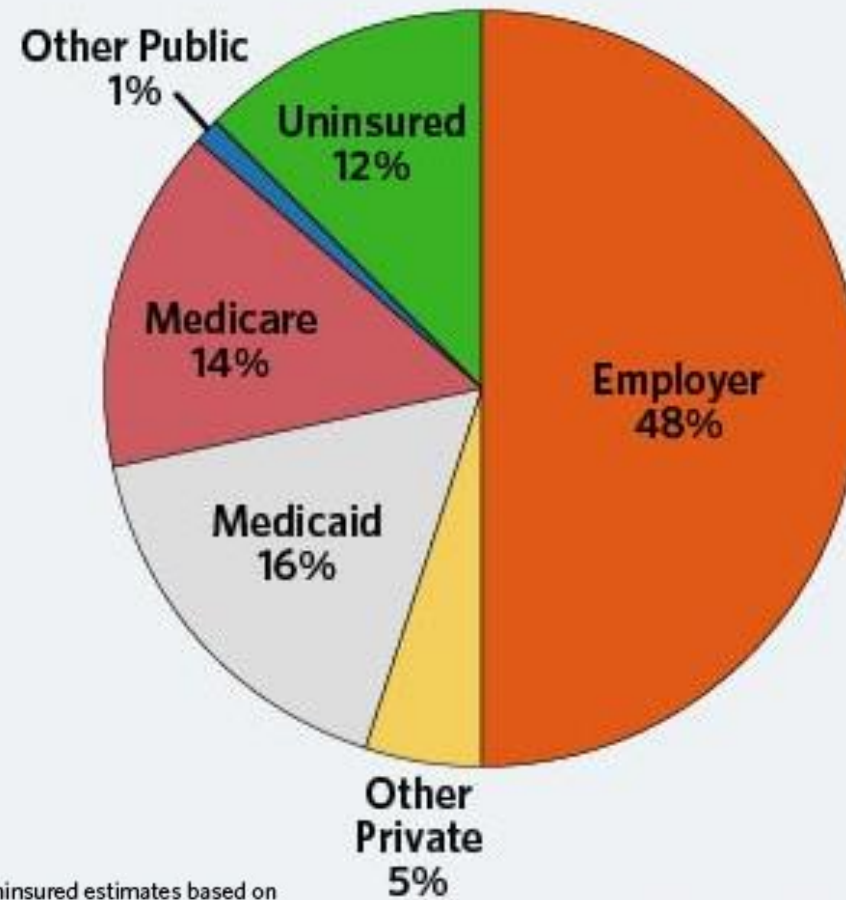
# Historic Governing Opportunity to Accomplish a Significant Agenda

- 2016 election consolidates control in the Republican Party
- Prior times in history when House, Senate, and White House were in Republican control:
  - 1921–1930
  - 1953–1954
  - 2001–2002
  - 2003–2006





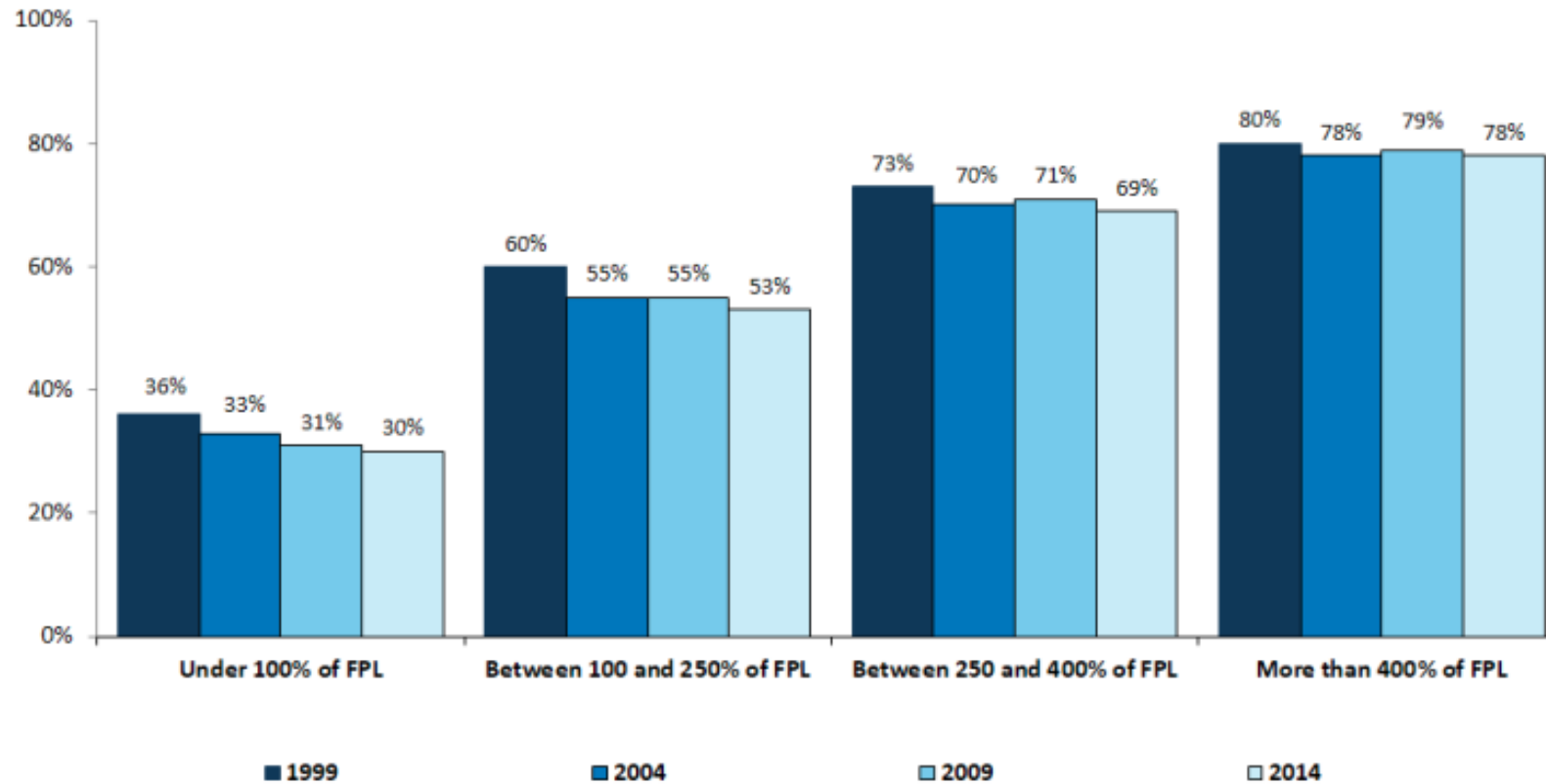
## Health Insurance Coverage of the Total United States Population, 2012



SOURCES: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2012 and 2013 Current Population Survey (CPS: Annual Social and Economic Supplements)



# Percent of Workers Offered Employer-Sponsored Coverage by Household Poverty Level, 1999-2014



NOTE: FPL stands for the Federal Poverty Level.

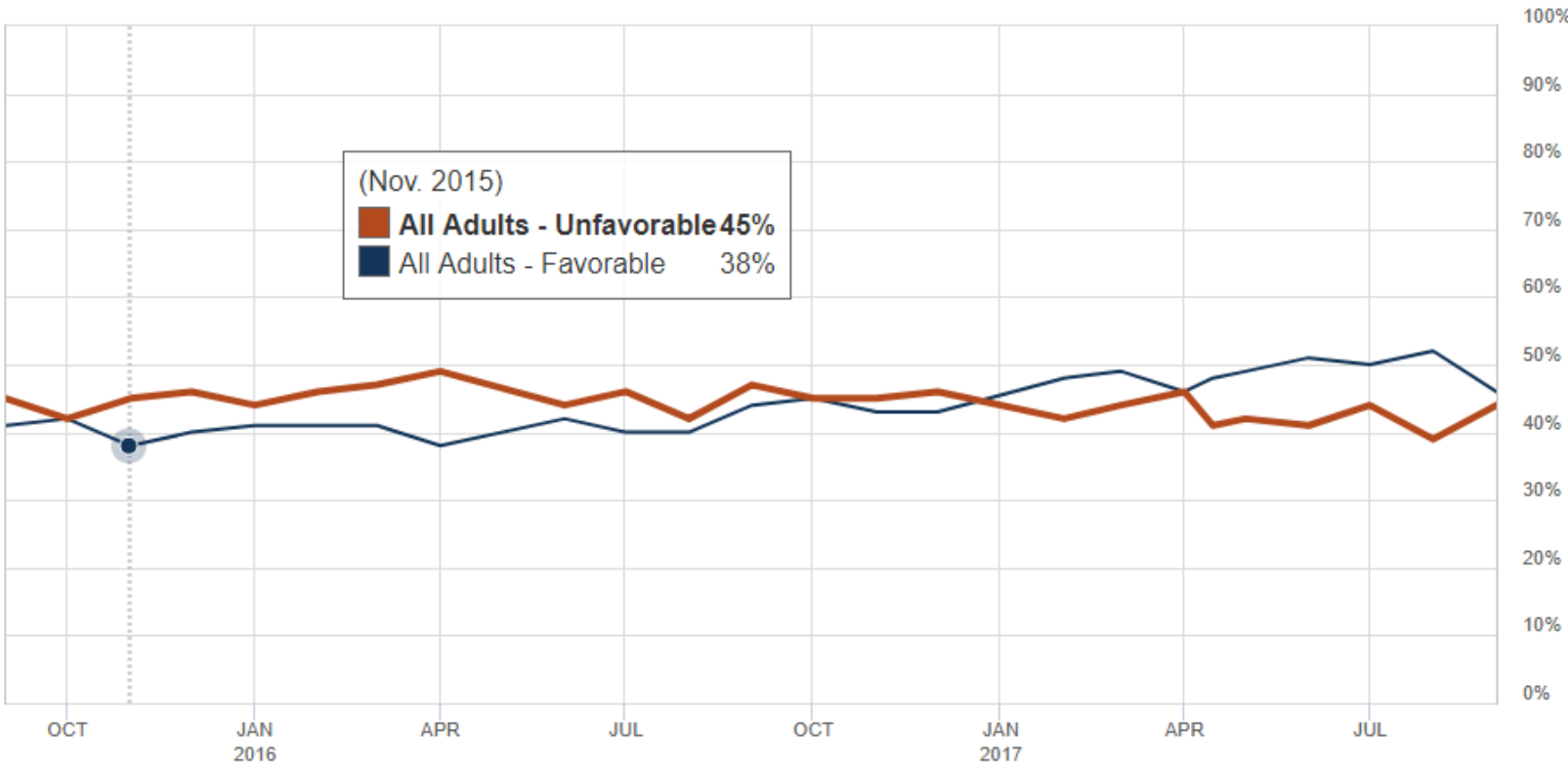
SOURCE: Kaiser Family Foundation analysis of the National Health Interview Survey, 1999-2014.





# Obamacare (ACA): Deeply Divided views by American Voters

■ All Adults - Favorable ■ All Adults - Unfavorable



All | 24m | 12m | 6m      Data Labels  On  Off      [Share/Download](#)

Source: KFF.org: Kaiser Health Tracking Poll: The Public's View on the ACA



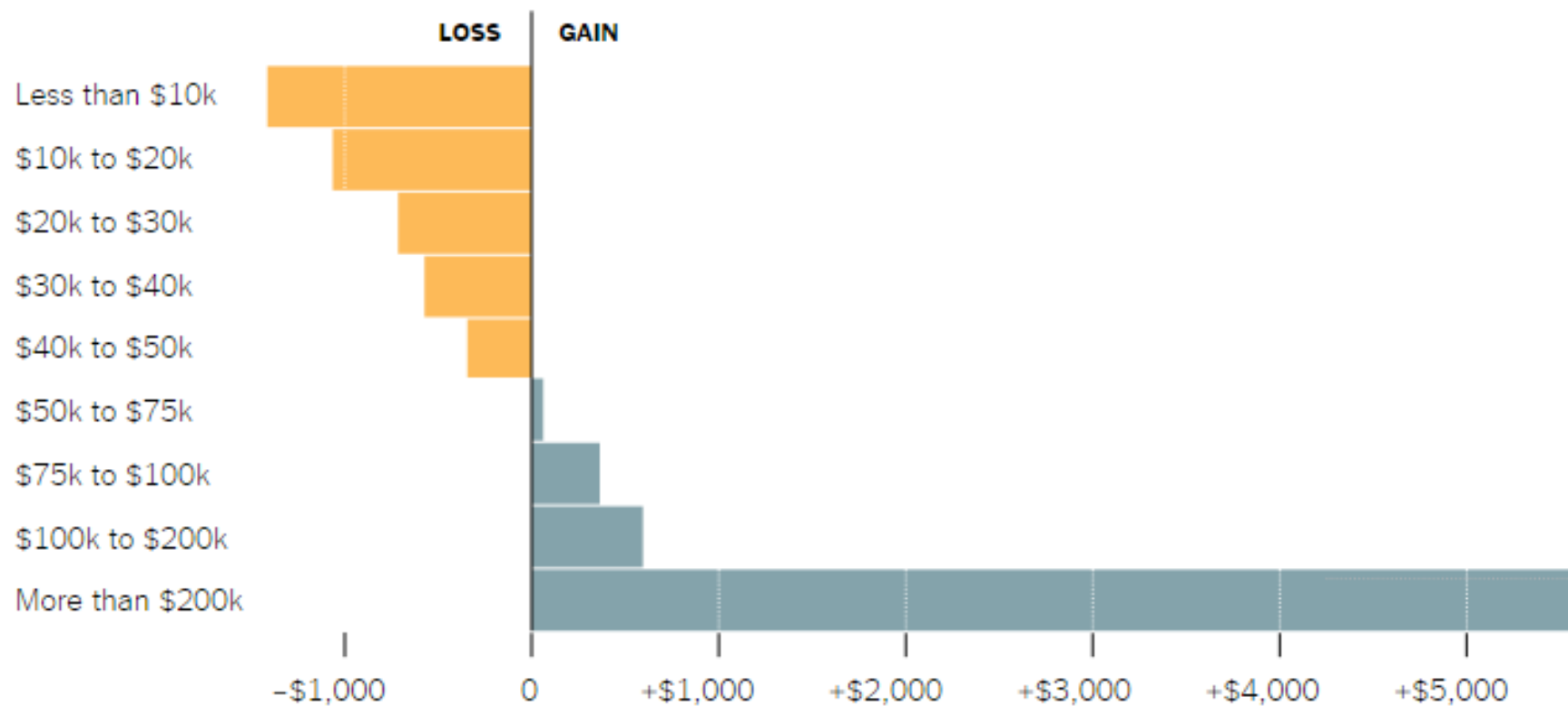


# Key Objectives of ACA Repeal/Replace

- Repeal ACA tax increases
- Deregulate health insurance marketplace
- Expand HSAs
- Reduce federal outlays by reducing federal subsidies for health insurance coverage
- Cap Federal Exposure on Medicaid cost share with states



# Average net change in federal tax and health benefits in 2022 for a family earning:



Source: "Under the Republican Health Care Plan," New York Times, March 22, 2017. Graph from the Urban Institute's Health Policy Center and the Urban- Brookings Tax Policy Center





# Common Element of House and Senate Reforms: *Limiting federal budget exposure to rising medical costs*

1. Premium subsidy converted to fixed tax credit
2. Medicaid federal share converted to per capita formula
3. Cadillac Tax: Delayed but not repealed



# Changes in Insurance Subsidies

## Under the AHCA Proposal

- People would still receive subsidies, which would phase out at incomes of \$75,000 per year
- The amount would be tied to a person's age, not income, so low-income people would get less help.
- The subsidies would not vary with the cost of insurance, so people in high-cost areas would also not get as much help

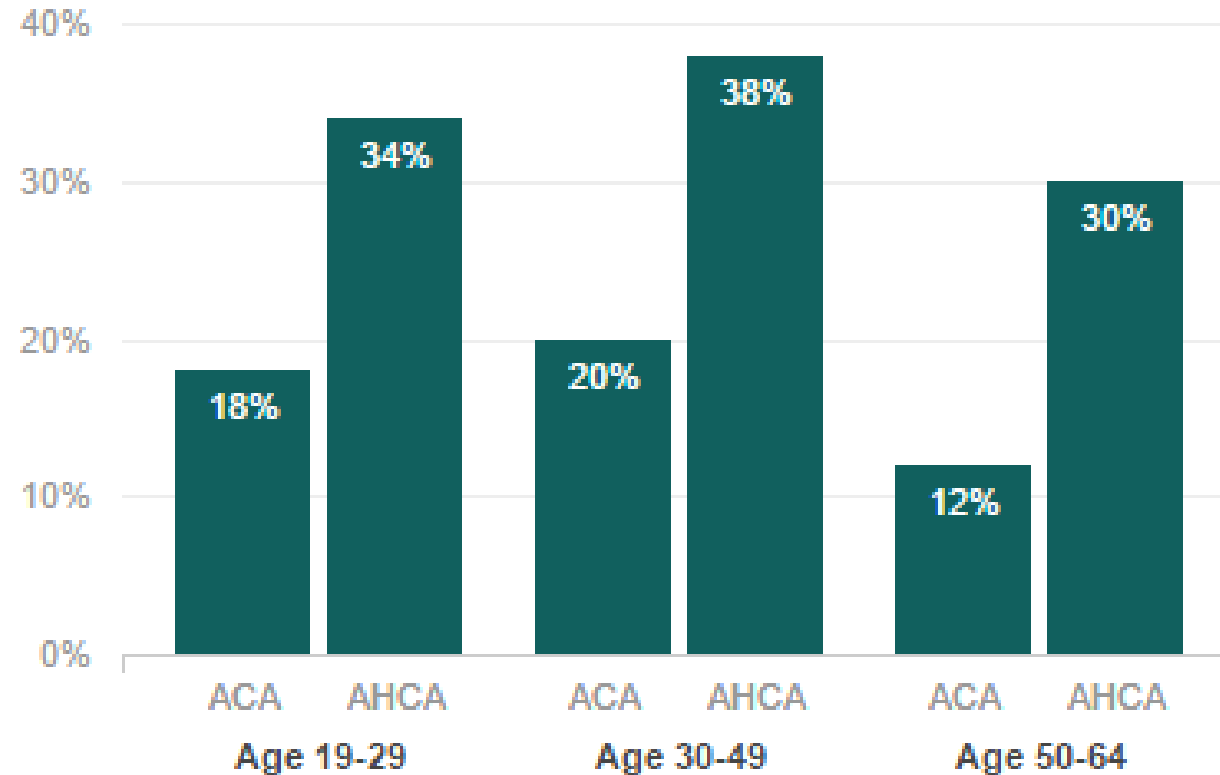
### New tax credit proposal

Age	Credit
20-29	\$2,000
30-39	\$2,500
40-49	\$3,000
50-59	\$3,500
60+	\$4,000



# A Higher Uninsured Rate, Particularly Among Low-Income, Older Americans

INCOME BELOW 200% OF FPL

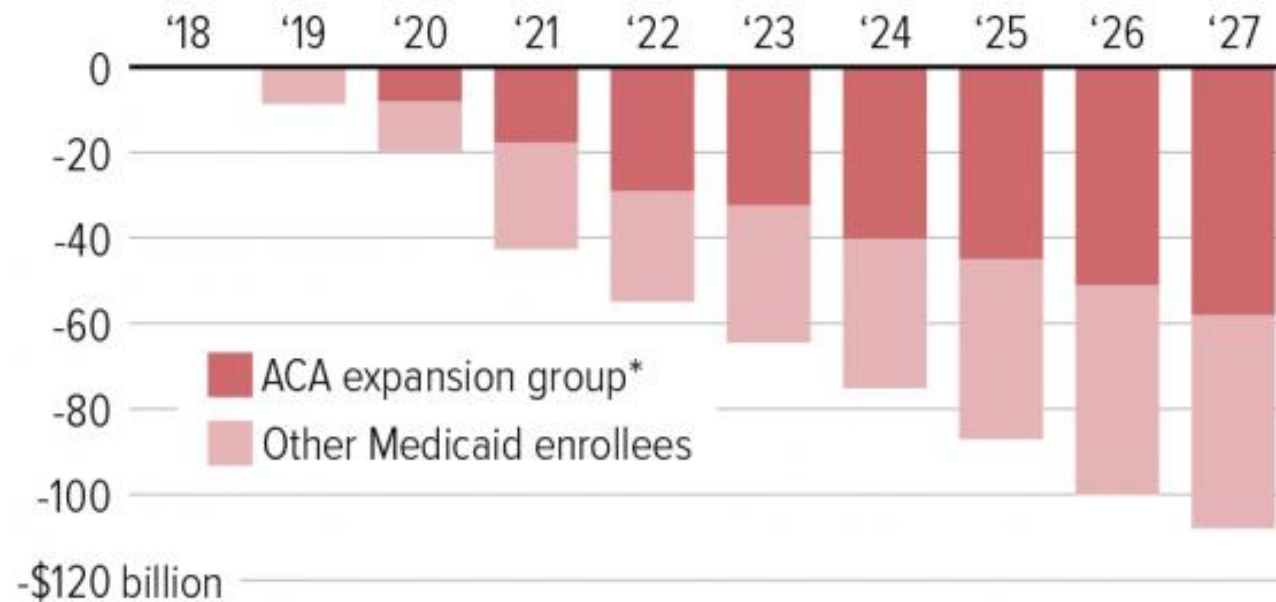


Source: "5 Charts That Explain The CBO Report On The Republican Health Plan," NPR, March 15, 2017. Graph from the Congressional Budget Office



## Medicaid Cuts in House GOP Plan Would Total More than \$500 Billion Over 10 Years and Grow Over Time

Cut in federal Medicaid funds, relative to current law



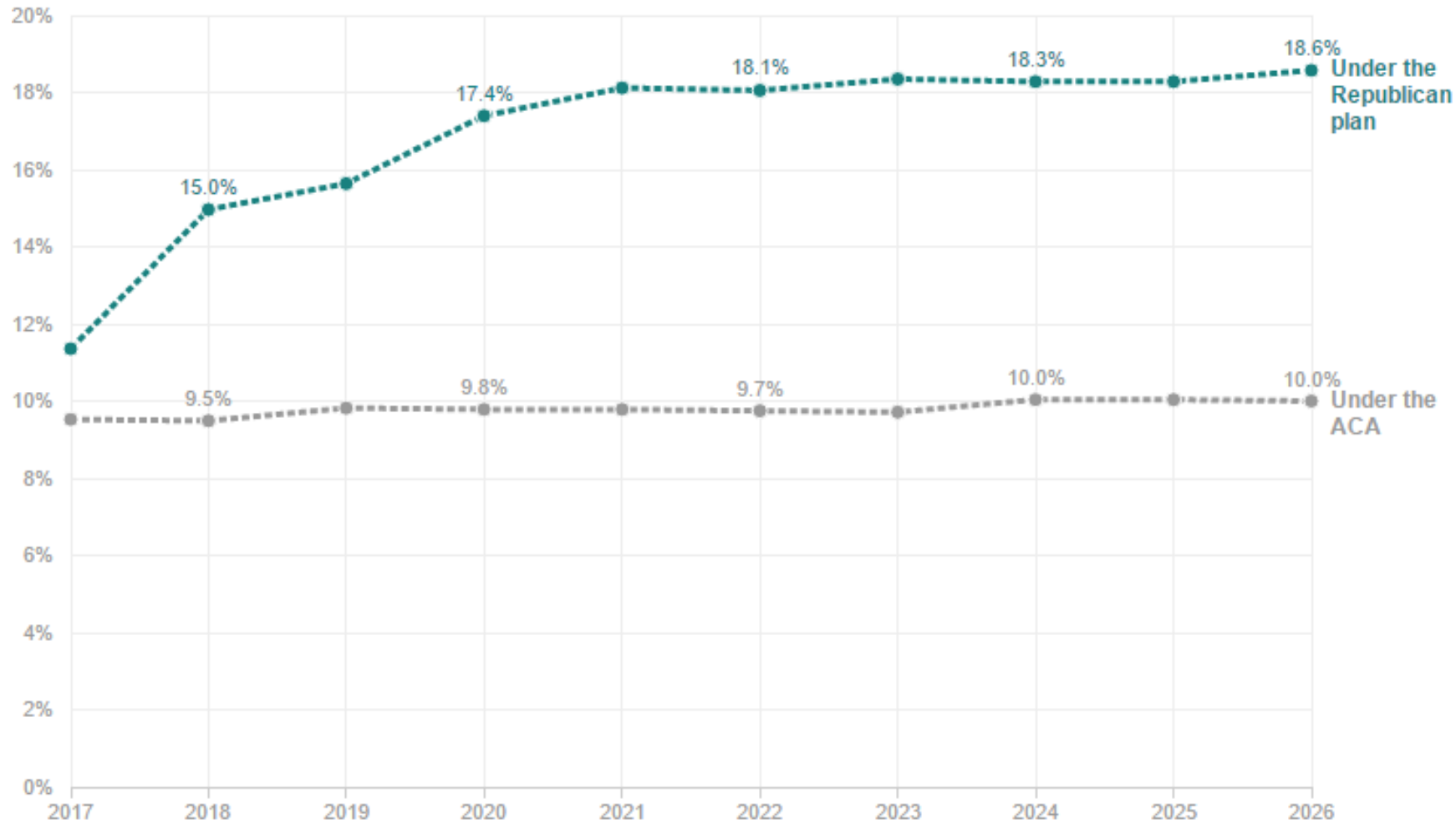
\*Enrollees under the Affordable Care Act's Medicaid expansion

Source: CBPP analysis using Jan. 2017 Congressional Budget Office Medicaid baseline and inflation estimates

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# Share Of Uninsured U.S. Residents Would Rise Under GOP Plan

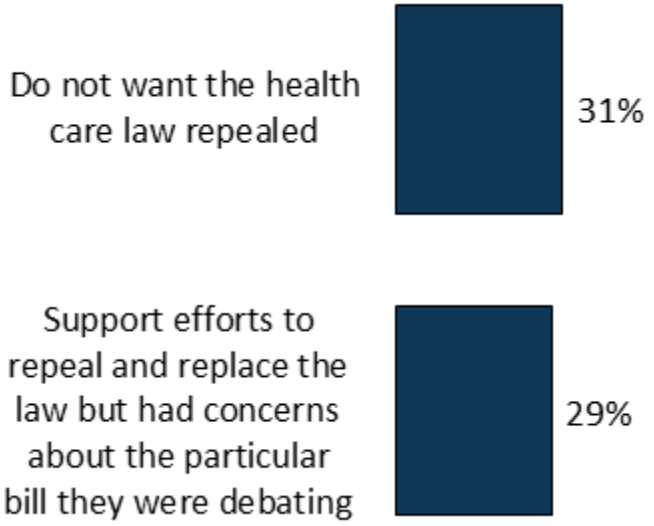
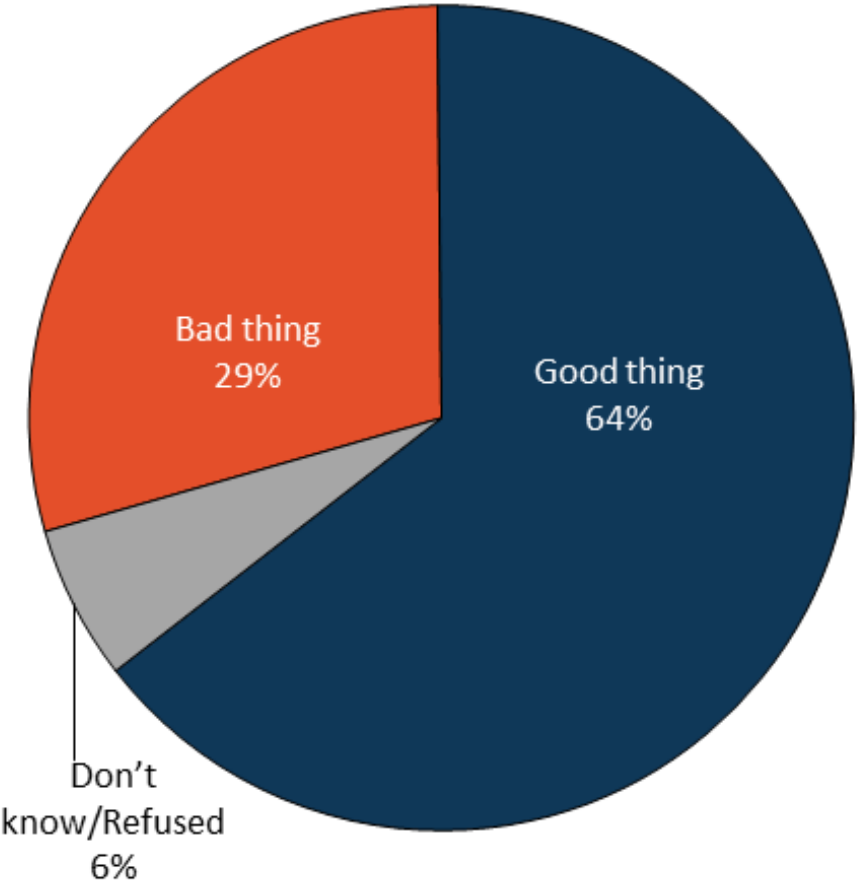


Source: Congressional Budget Office via NRP.org



# Majority Say AHCA Not Passing Is a Good Thing; But Divided on Their Reasoning

In general, do you think it is a good thing or a bad thing that Congress did not pass the bill?



NOTE: For the second question, Don't know/Refused responses not shown.  
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted March 28 – April 3, 2017)



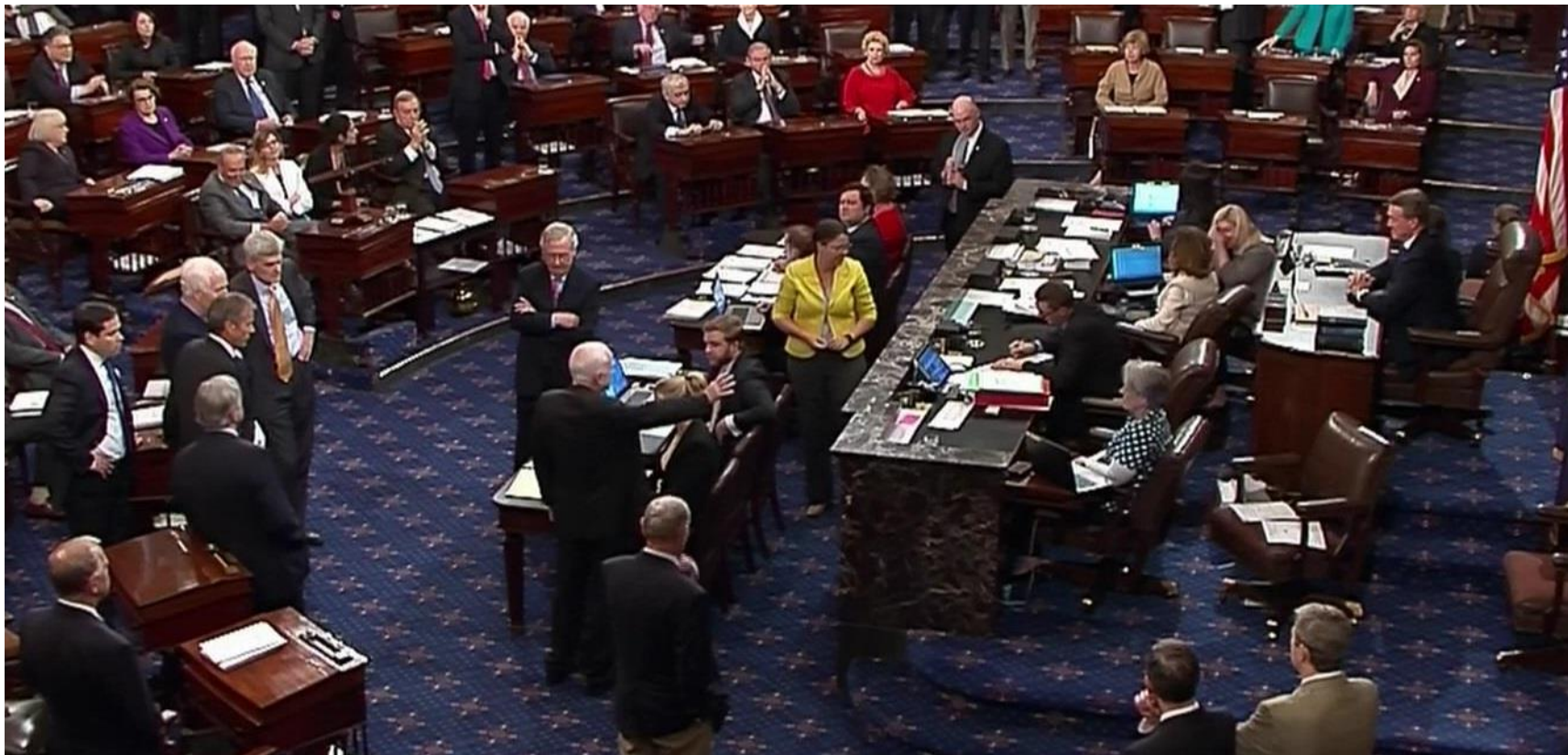


# 2017 Obamacare Repeal Timeline

- March 7 - American Health Care Act (AHCA) introduced in the House by Republicans.
- March 24 - The House pulled the AHCA from floor due to lack of votes
- May 4 - The House passed an amended version of the AHCA.
- June 22 - The Senate released a discussion draft of the Better Care Reconciliation Act (BCRA).
- June 27 - Senate vote was postponed
- July 17 - Senate vote postponed again
- July 25 - Senate voted on motion to proceed to debate the House health reform bill. The original Senate health reform bill, BCRA, defeated
- July 26 - Senate rejected the bill to repeal the ACA without a replacement.
- July 28 - By a 49-51 vote, the Senate failed to pass the “skinny repeal bill”.



# Senator John McCain casts a historic vote





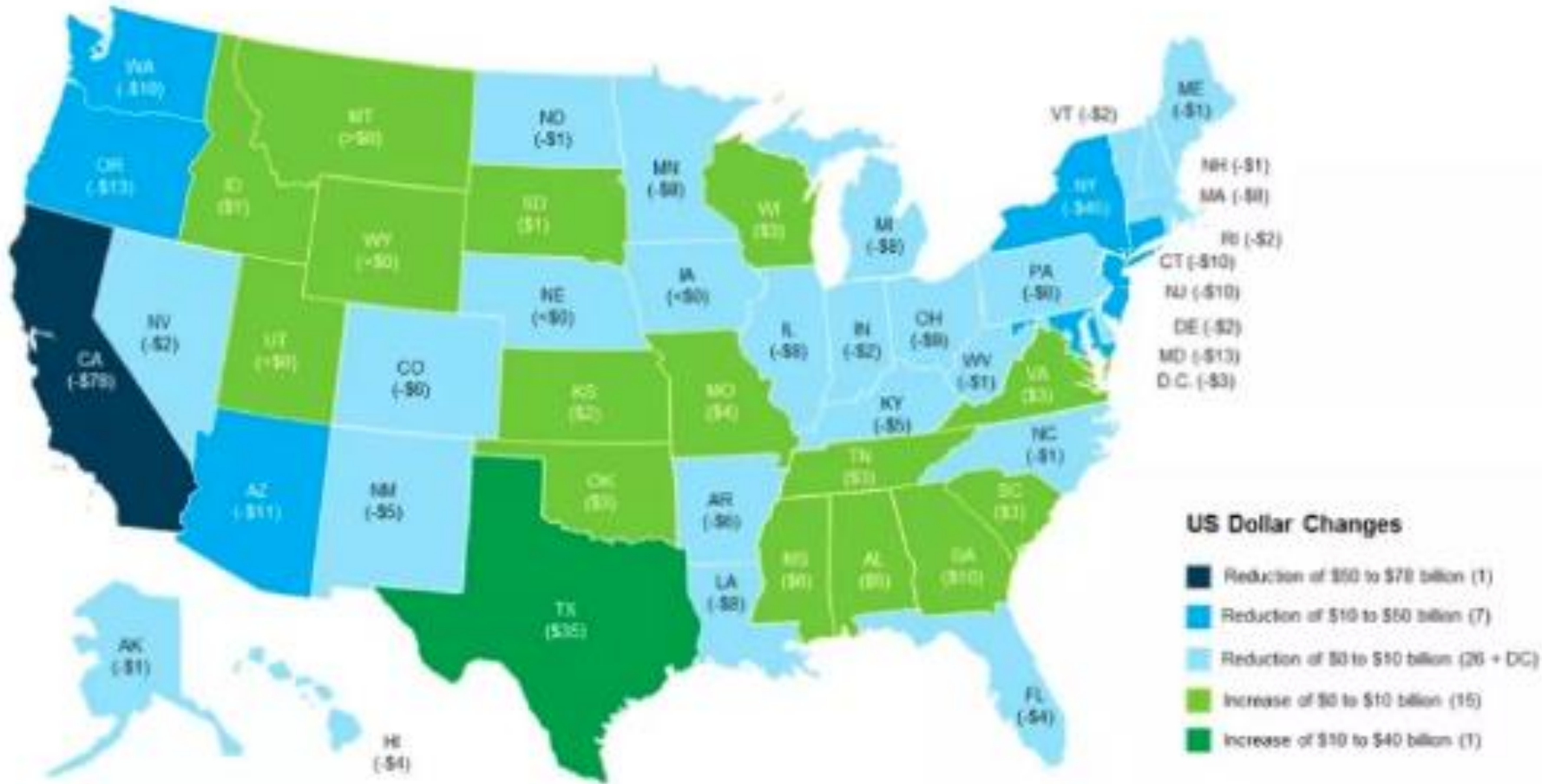


# Sept 13: Graham/Cassidy Repeal Bill introduced





# Healthcare Block Grants: Winners/Losers through 2026





# Capped Medicaid Reduces Federal Spending in all States through 2036

