



Health Care Town Hall

Congressman Robert C. "Bobby" Scott

Monday, July 10, 2017

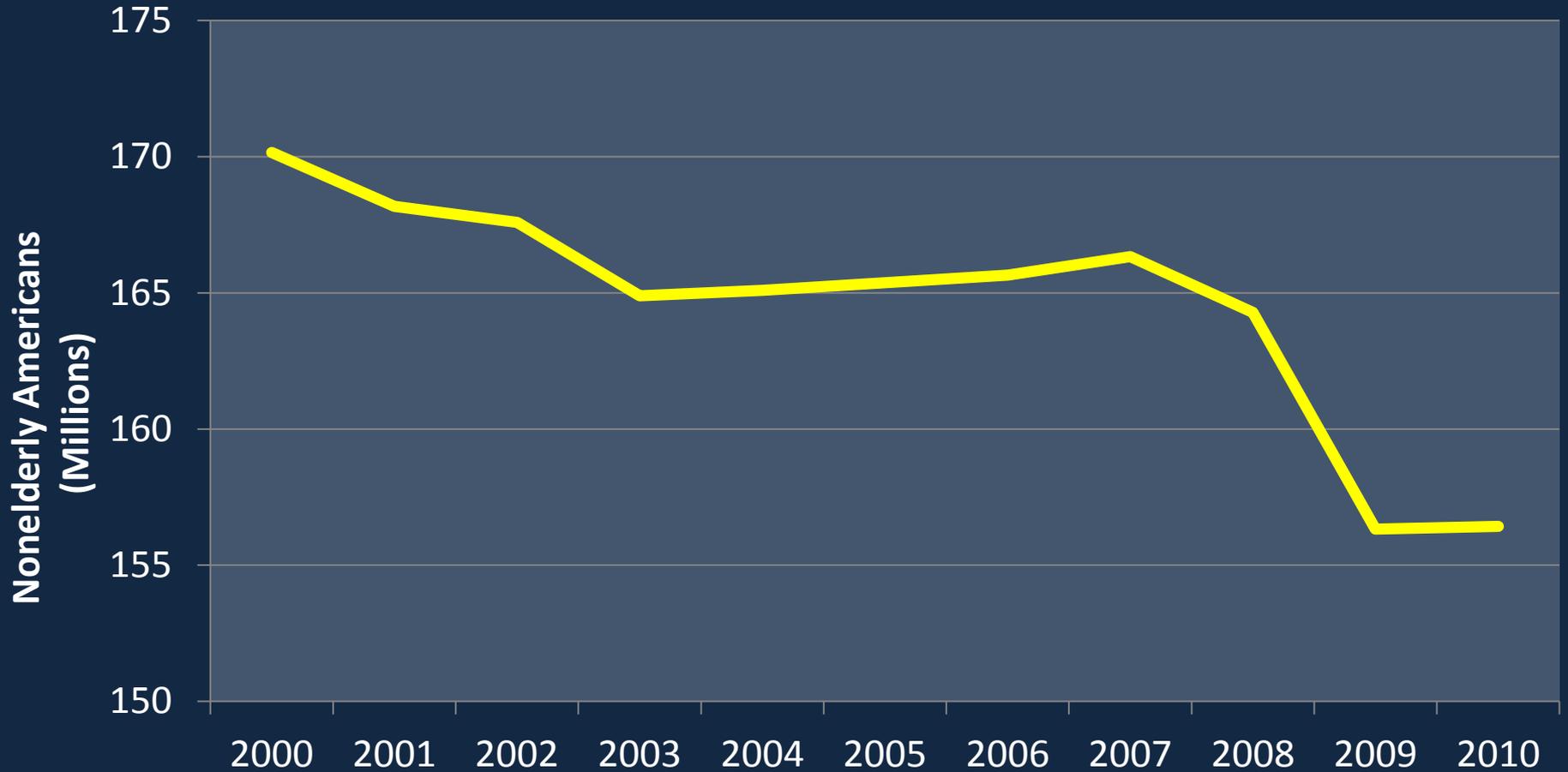
Suffolk, Virginia

Before the Affordable Care Act (ACA)

- You could be denied coverage or charged exorbitant premiums if you had a preexisting condition.
- Employer-based coverage was declining and those who lost job-based coverage had few or no options.
- The cost of caring for the uninsured was shifted onto American families through higher premiums – an additional \$1,000 annually.

Declining Employer-Sponsored Coverage

2000-2010



Compiled by Democratic Staff on the Education and the Workforce Committee
Source: Census Bureau, *Health Insurance Coverage Status and Type of Coverage by Selected Characteristics*, years 2000-2010.

A Look at Insurance Policies Before the ACA

Individual Coverage

- Roughly one in five individuals who applied for coverage were denied altogether.
- Others could be charged much higher premiums.

Example of rating tiers:

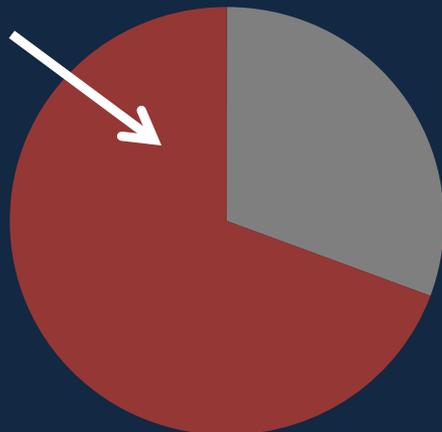
- Super Preferred: -7%
- Super Preferred: -5%
- Preferred 1: base rate
- Preferred 2: +6.5%
- Preferred 3: +13.5%
- Standard 1: +20%
- Standard 2: +30%
- Standard 3 : +40%
- Modified 1: +60%
- Modified 2: +80%
- Modified 3: +150%
- Modified 4: +162%
- Modified 5: +300%

A Look at Insurance Policies Before the ACA

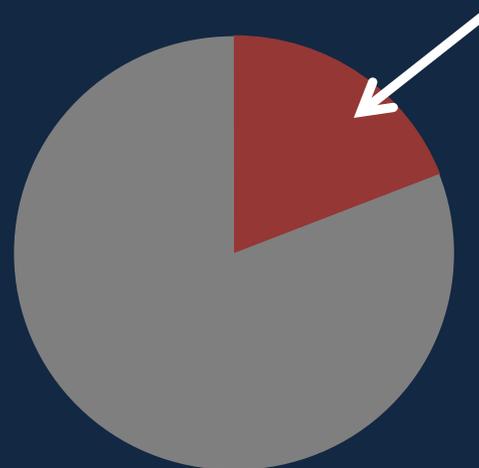
Individual Coverage, 2008

What did plans cover?

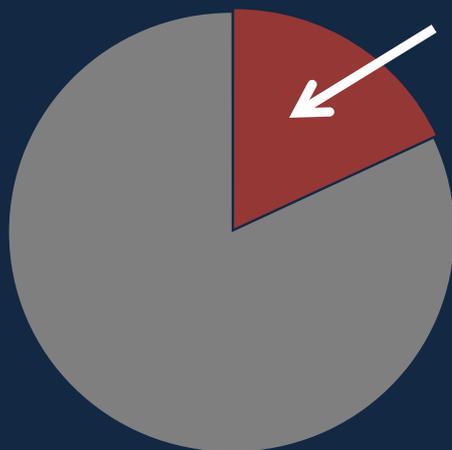
62%
lacked
coverage
for
maternity
care



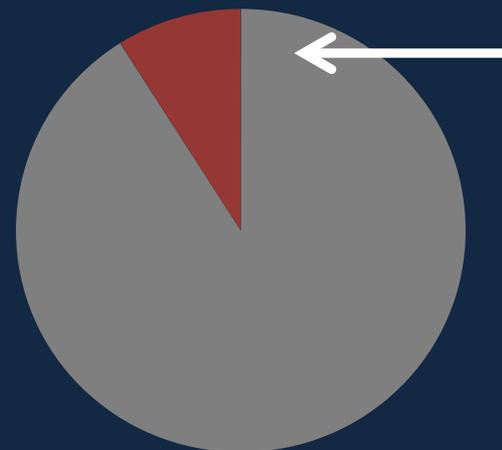
32% lacked
coverage for
substance use
treatment



18% lacked
coverage for
mental health
services



9% lacked
coverage for
prescription
drugs

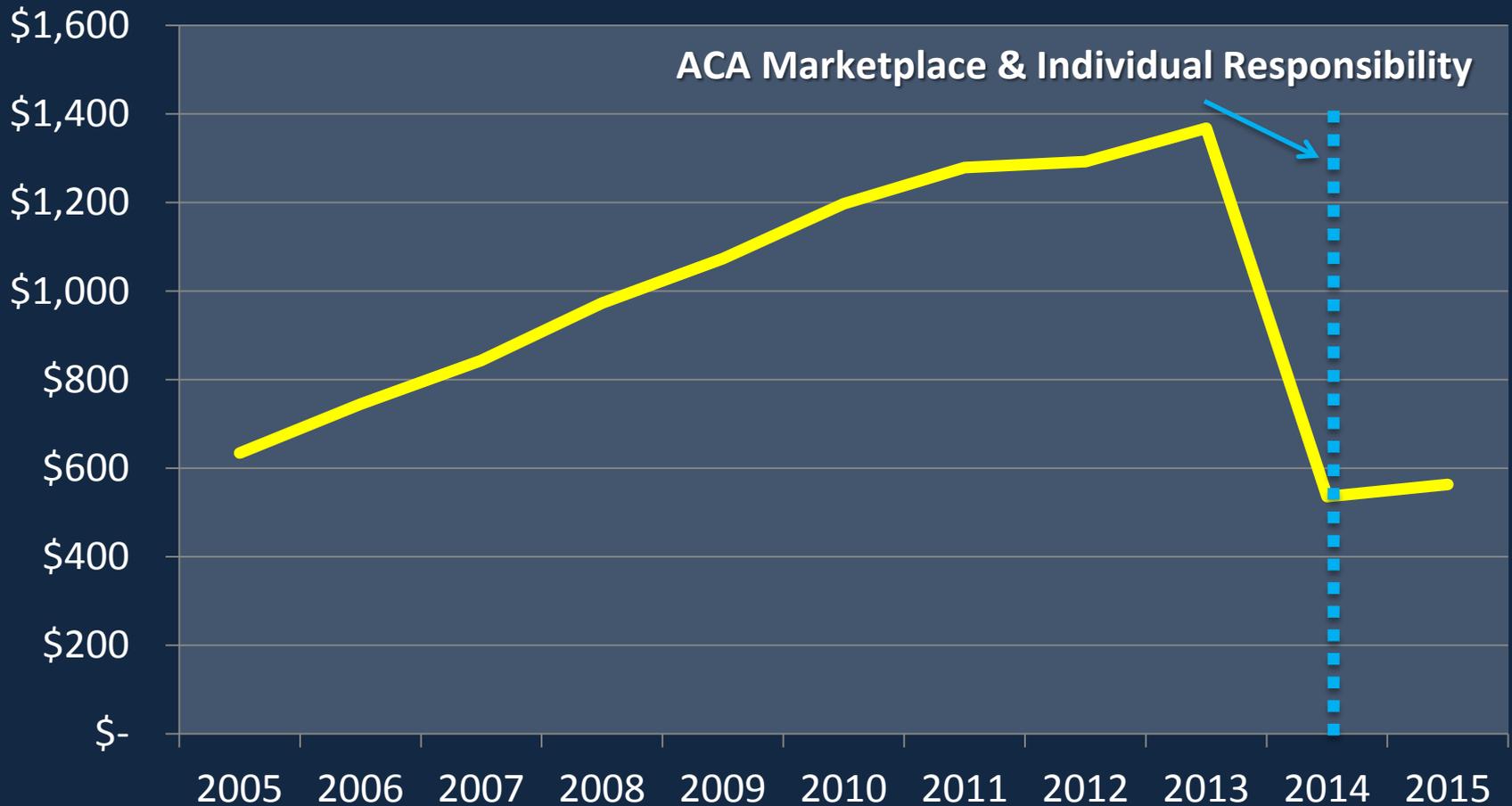


The Affordable Care Act is Comprehensive

- Health insurance reform needed a comprehensive and universal approach – otherwise people would wait until they get sick to buy insurance.
- Covers everyone to prevent “cherry picking” or adverse selection.

New York State Case Study: Average Statewide Individual Health Insurance Premiums

2005 – 2015



The ACA Provides Meaningful Benefits & Consumer Protections

Benefits for Everyone:

- ✓ No discrimination based on pre-existing conditions
 - ✓ No rescission of benefits
- ✓ Preventive care without co-pay or deductible
- ✓ Young adults can stay on their parents' policies until age 26
 - ✓ Caps on out-of-pocket spending
 - ✓ No annual/lifetime limits on coverage

Benefits for Those With Insurance:

- ✓ Greater security if you choose to switch jobs or start your own business
- ✓ Marketplace alternatives if other coverage is inadequate or unaffordable
- ✓ Reduced cost shifting – more people have insurance and can pay for care

Benefits for Those Without Insurance:

- ✓ Access to a comprehensive plan through the Marketplace or Medicaid in expansion states
- ✓ Financial assistance for families with incomes at or below \$97,000 (family of four)

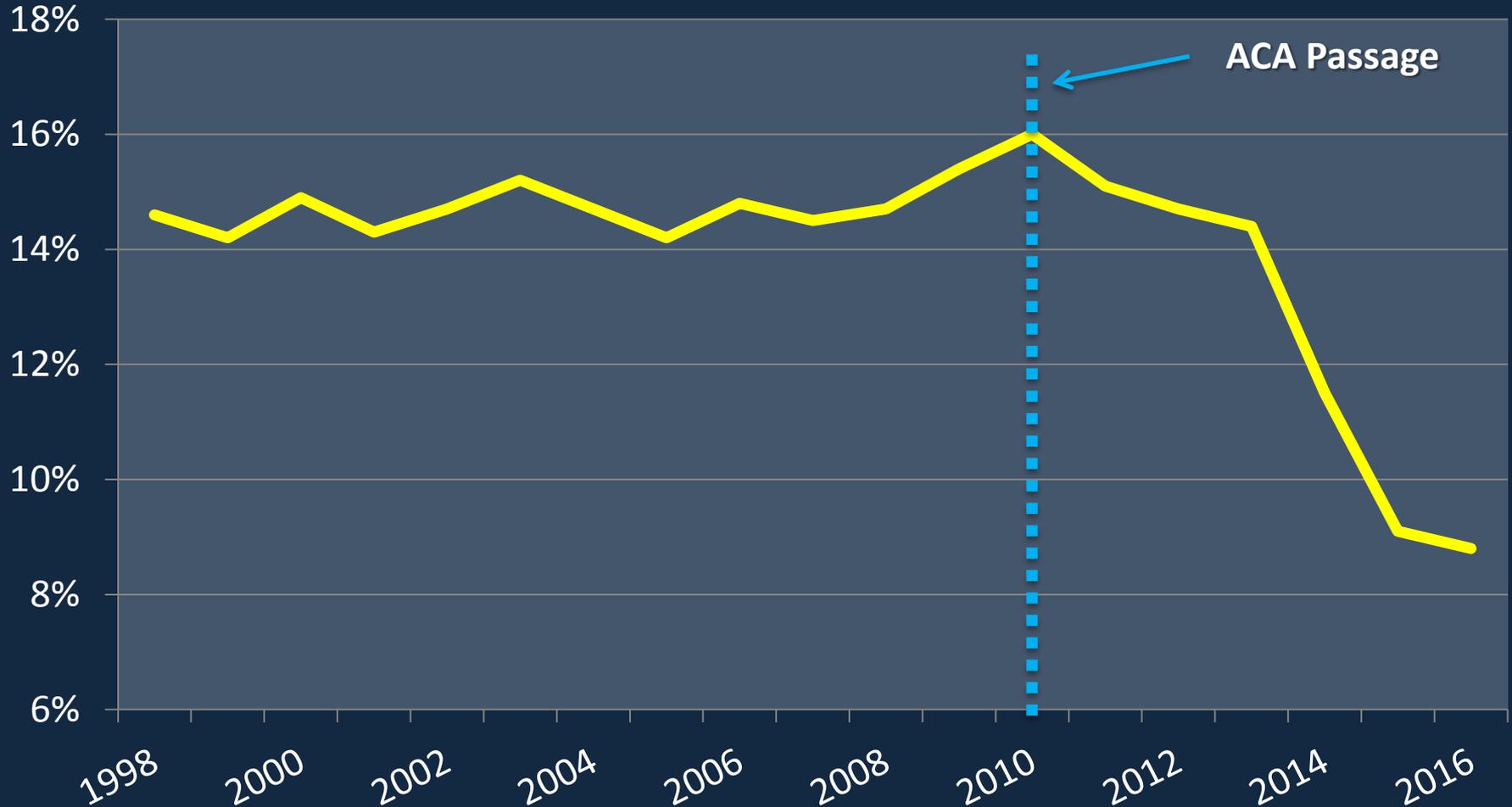
The Affordable Care Act

7 Years Later

- Overall, over 20 million previously uninsured Americans have gained health insurance coverage.
- 129 million Americans with preexisting health conditions, including 17 million children, no longer have to worry about being denied coverage or charged higher premiums due to their health status.
- More than 11 million seniors have saved more than \$23.5 billion on their prescription drugs since 2010 – an average savings of \$2,127 per senior.
- Unnecessary hospital readmissions in Medicare have fallen for the first time on record, dropping 8 percent between 2010 and 2015. Since 2010, Medicare beneficiaries have avoided 565,000 hospital readmissions.
- 87,000 lives and nearly \$20 billion have been saved due to a 17 percent reduction in hospital-acquired conditions, such as infections, from 2010 to 2014.

National Uninsurance Rate Drops Dramatically after ACA

1998 – 2016



Growth in Average Annual Premiums in Employer-Sponsored Insurance Has Slowed

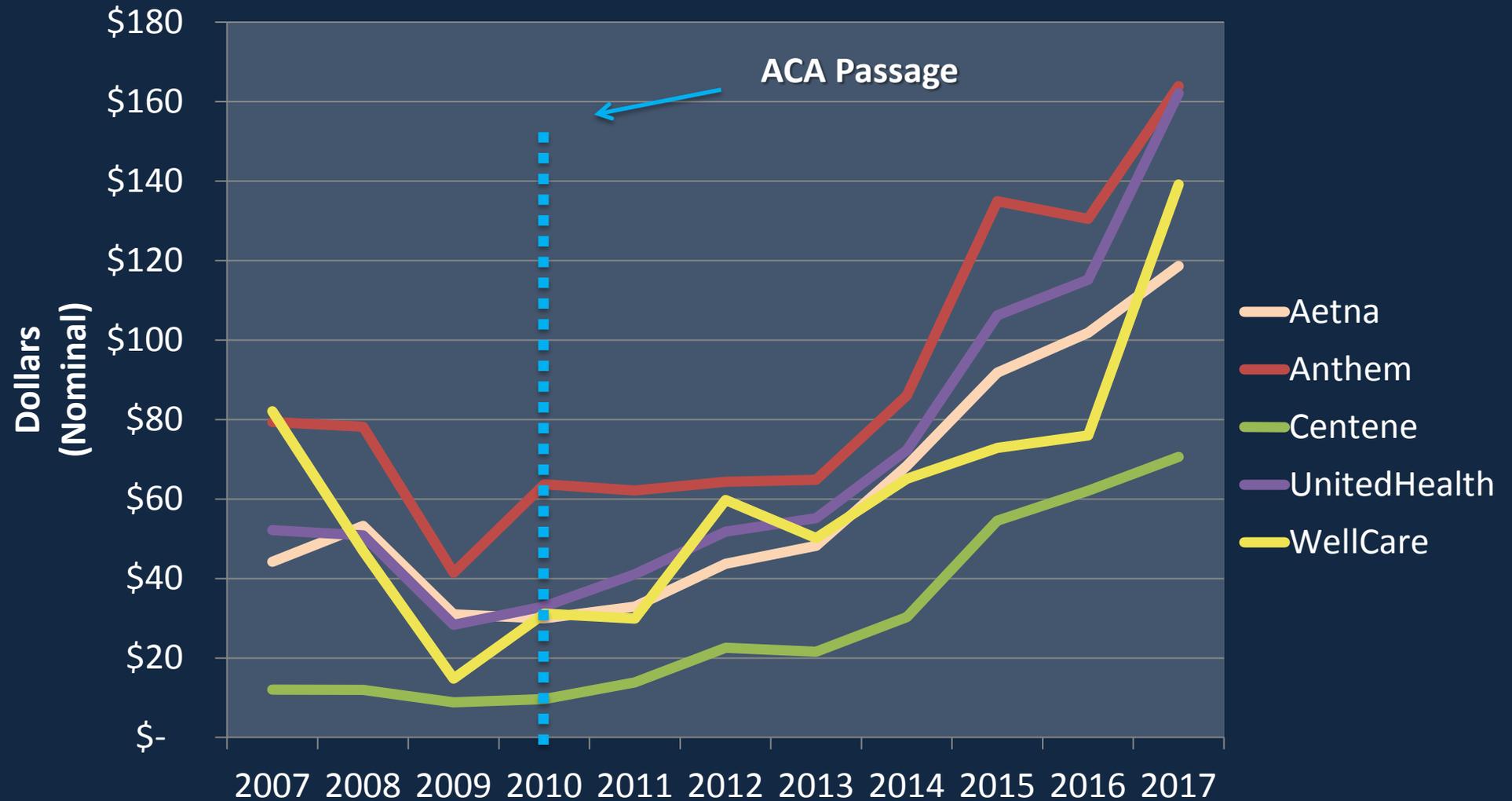
Family Coverage, 2000 – 2016

— Average Premiums Presuming 2000-2010 Growth — Actual Average Premiums



Health Care Company Stock Prices

2007-2017



Average Premium Growth

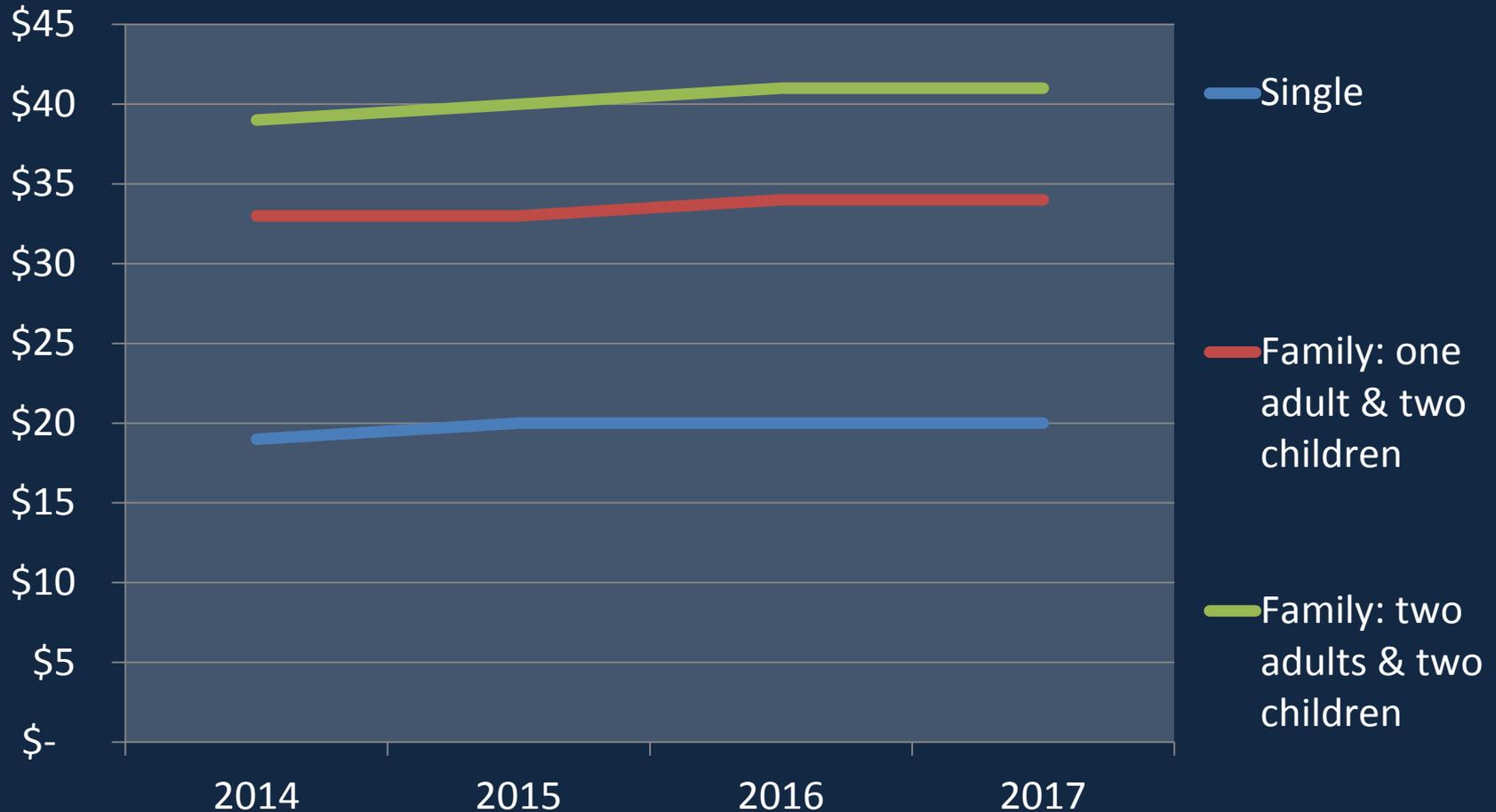


Compiled by Democratic Staff on the Education and the Workforce Committee

Sources: KFF, *Analysis of 2016 Premium Changes in the Affordable Care Act's Health Insurance Marketplaces*; Commonwealth Fund, *Growth and Variability in Health Plan Premiums in the Individual Insurance Market before the Affordable Care Act*; NEJM, *Obamacare's Skyrocketing Premiums? Why the Sky Isn't Falling*

ACA Tax Credit Adapts to Actual Cost

Example 1: Out of Pocket Monthly Premium for Silver Plan at 100% Federal Poverty Level



For 2017 plans, 100% FPL is \$11,880 for a single person; \$24,300 for a four-person family.

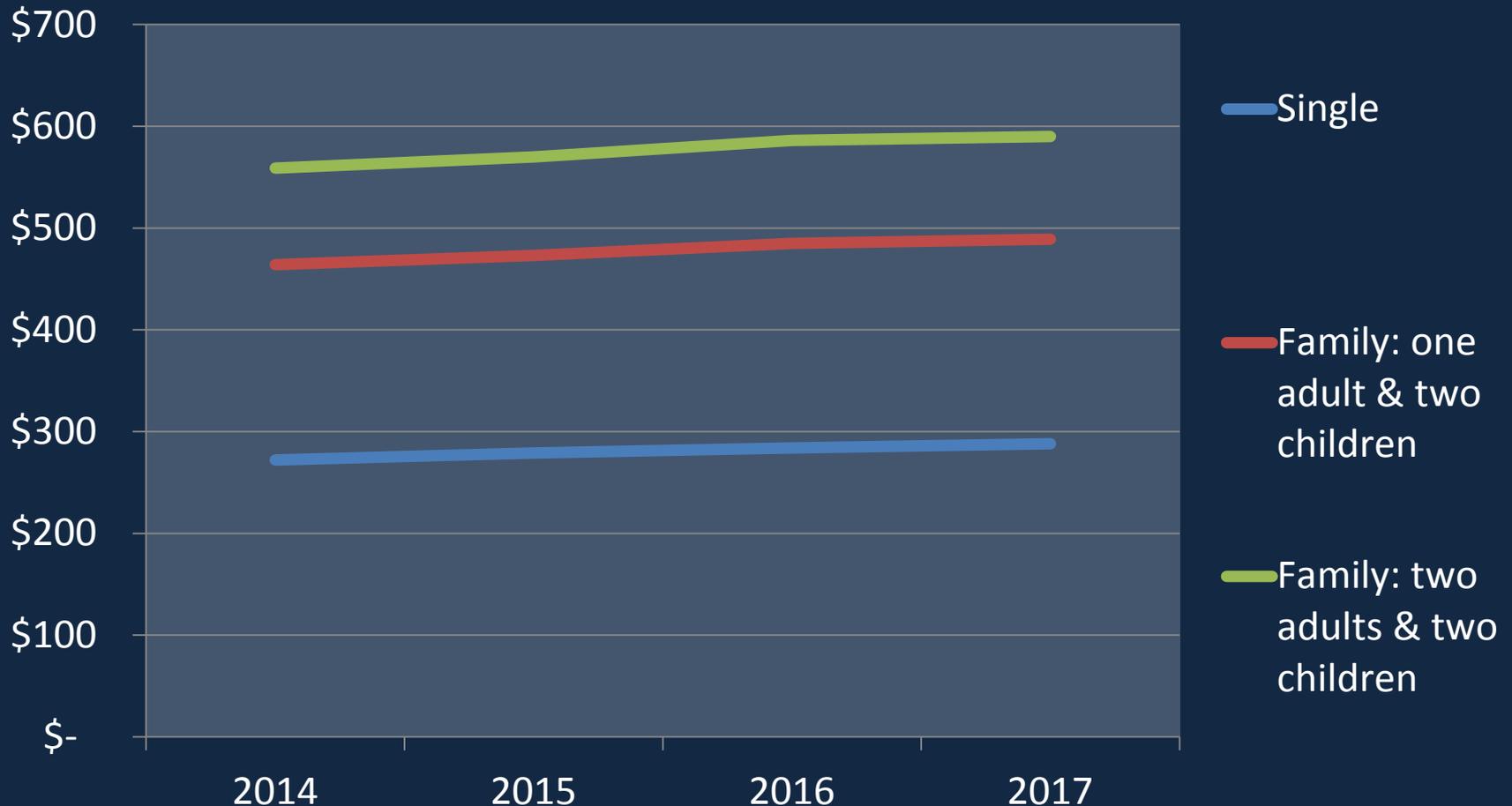
Compiled by Democratic Staff on the Education and the Workforce Committee

Source: Kaiser Family Foundation Premium Calculator

Notes: 2014 values divide annual premiums by 12; All estimates assume residency in Newport News and adults are non-smokers, 40 years of age without an offer of employer-sponsored insurance.

ACA Tax Credit Adapts to Actual Cost

Example 2: Out of Pocket Monthly Premium for Silver Plan at 300% Federal Poverty Level



For 2017 plans, 300% FPL is \$35,640 for a single person; \$72,900 for a four-person family.

Compiled by Democratic Staff on the Education and the Workforce Committee

Source: Kaiser Family Foundation Premium Calculator

Notes: 2014 values divide annual premiums by 12; All estimates assume residency in Newport News and adults are non-smokers, 40 years of age without an offer of employer-sponsored insurance. Single plan in 2014 is not eligible for a tax credit and shows actual cost.

- Over the past seven years, Republicans have voted over 60 times to repeal parts or all of the Affordable Care Act.
- In May, House Republicans passed the American Health Care Act (also known as Trumpcare) to repeal and replace the Affordable Care Act.
 - The legislation was passed before any nonpartisan CBO analysis on the legislation was complete.
- Just a few weeks ago, the Senate pulled a scheduled vote on their version of Trumpcare due to lack of support.

- The House-passed version and the current Senate version are similar, with some major differences.
- The legislation continues to evolve in the Senate in attempts to gain sufficient support.

What Does the Current Bill Do?

- Provides tax relief for high-income families, insurers, drug companies, and manufacturers of medical devices.
- Changes the current tax credits and cost-sharing subsidies that help families afford health insurance in the Marketplace; changes the income threshold for tax credits so that fewer moderate-income families qualify.
- Allows insurers to charge older adults much higher premiums than what they charge young adults for the same coverage – a practice that is currently prohibited.
- Guts Medicaid – a program that funds health care and supportive services for the elderly, people with disabilities, students, and families – by cutting billions.
- Allows states to roll back protections included in the ACA, including:
 - The protection that requires insurers to provide a minimum set of health benefits, such as maternity care and emergency services
 - The protection that prohibits annual and lifetime limits in coverage, including in plans sponsored by employers

**The Congressional Budget Office
released its assessment of the
latest version of Trumpcare that is
under consideration in the Senate.**

Congressional Budget Office's Analysis

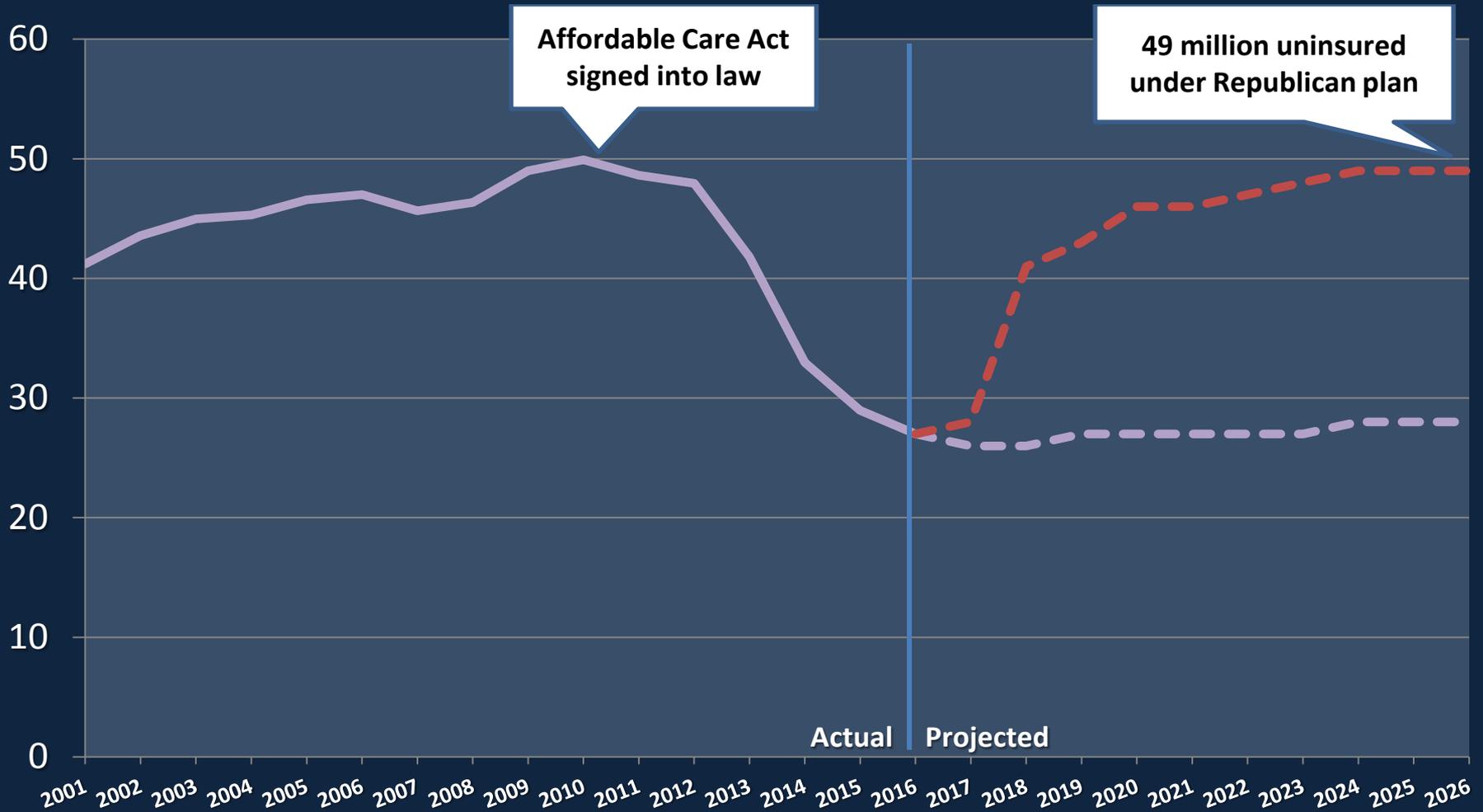
“The increase in the number of uninsured people relative to the number projected under current law would reach 19 million in 2020 and 22 million in 2026.”

“Because nongroup insurance would pay for a smaller average share of benefits under this legislation, most people purchasing it would have higher out-of-pocket spending on health care than under current law.”

“Insurance covering certain services would become more expensive—in some cases, extremely expensive—in some areas because the scope of the EHBs [essential health benefits] would be narrowed through waivers affecting close to half the population...”

Number of Uninsured Would Skyrocket under Trumpcare

Uninsured in millions

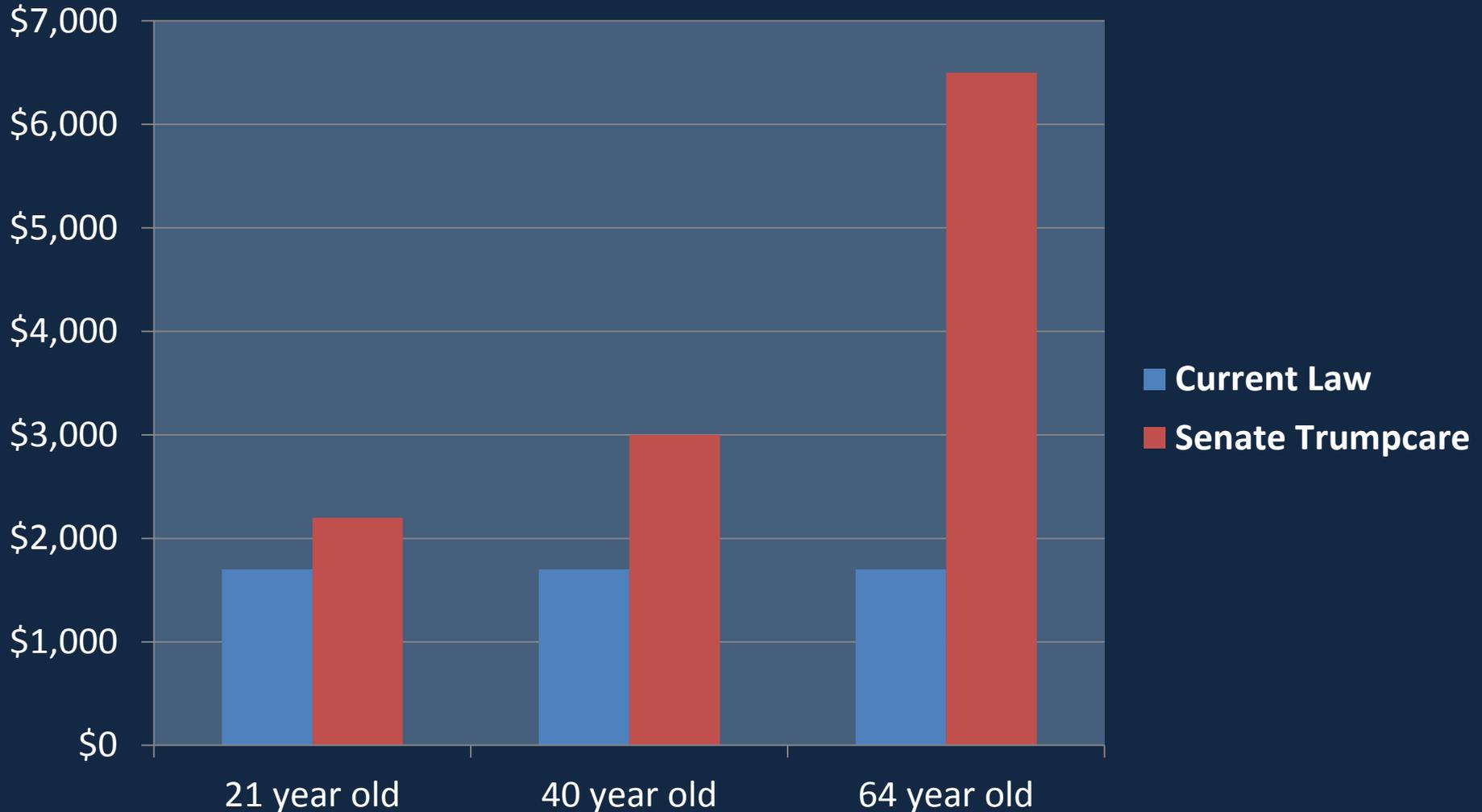


Compiled by Democratic Staff on the Education and the Workforce Committee

Source: Census Bureau, *Health Insurance Coverage Status and Type of Coverage by Selected Characteristics*, years 2001-2015; Congressional Budget Office., *Cost Estimate of the Better Care Reconciliation Act of 2017*

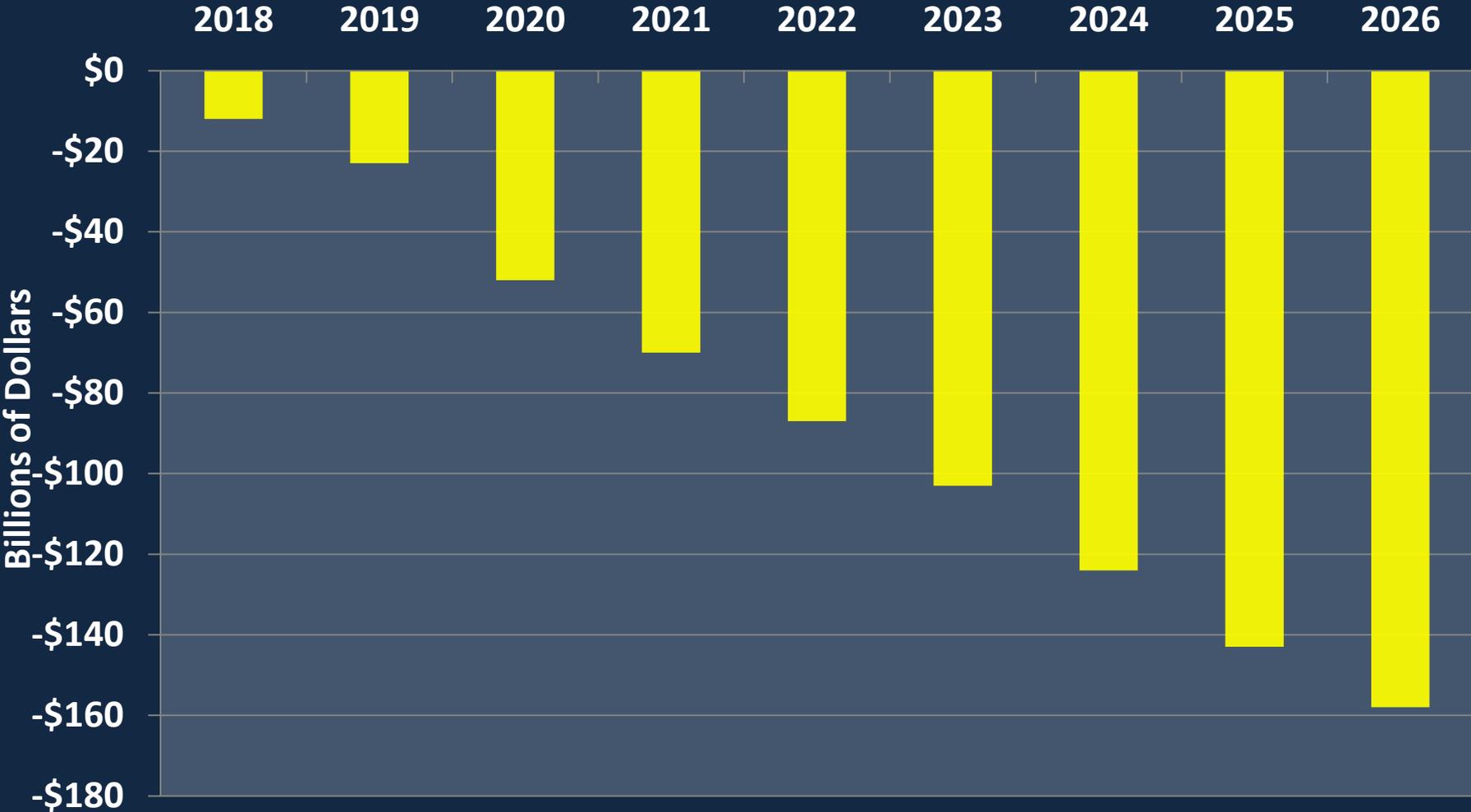
Trumpcare Increases Costs

Premium for a Single Individual With Annual Income of \$26,500
(After tax credit cost for a silver plan)



Source: Congressional Budget Office, *Cost Estimate of the Better Care Reconciliation Act of 2017*

Nearly \$800 Billion in Cuts to Medicaid



Source: Congressional Budget Office, *Cost Estimate of the Better Care Reconciliation Act of 2017*

By Every Measure, Trumpcare is Worse Than Current Law

Number of People with Insurance ↓

22 million more people without insurance and 4 million people lose access to job-based coverage almost immediately.

Quality of Coverage ↓

In about half the country, states would seek to severely limit coverage of essential health benefits, such as maternity and newborn care, prescription drugs, mental health services, and addiction treatment. Insurers would also once again be able to put annual and lifetime caps on coverage, including in large employer plans.

Protections for People with Preexisting Conditions ↓

By eviscerating the ACA's guaranteed comprehensive essential health benefits package, insurers could charge extra for the coverage that people with pre-existing conditions need, such as coverage for chemotherapy.

Continued...

Cost of Coverage ↑

Imposes an 'age tax' on older Americans between the ages of 50 and 64, who will see their premiums skyrocket. A typical low-income 64-year-old would pay, on average, \$4,800 more in premiums in 2026 than under current law to purchase a silver plan, while also having to pay thousands of dollars more in deductibles.

Jobs ↓

All else being equal in the economy, earlier estimates showed that the House-passed version of Trumpcare could result in 1 million fewer jobs, hurting American workers and the economy.

Tax Breaks for Millionaires ↑

More than \$600 billion in tax breaks to the rich and corporations. On average, those making more than \$1 million a year would receive a tax cut of \$50,000 a year.

Compiled by Democratic Staff on the Education and Workforce Committee

Sources: Congressional Budget Office, *Cost Estimate of the Better Care Reconciliation Act of 2017*; CBPP, *House GOP Health Plan Eliminates Two Medicare Taxes, Giving Very Large Tax Cuts to the Wealthy*; Economic Policy Institute, *Millions of people have a lot to lose under the AHCA*; CBPP, *New CBO Estimate: 22 Million More Uninsured Under Senate Republican Health Bill*

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