Sen. McConnell, after a White House lunch with Republican Senators and President Trump, said that he would call a vote next to take up a bill to repeal and replace the ACA. The latest version of the Senate’s Better Care Reconciliation Act, or BCRA, was released July 20, 2017.

The major changes listed on the Senate Budget Committee website are:

- Help to cover more out-of-pocket costs. Adds $70 billion to $112 billion to encourage state-based reforms to drive down premiums through cost-sharing, health saving accounts (HSAs) and other innovative ideas.
- Allow use of health savings accounts (HSAs) to pay for premiums.
- An additional $45 billion for substance abuse treatment and recovery.
- More options to buy lower-premium plans. Individuals who enroll in catastrophic plans would be eligible for the tax credit so long as they meet other requirements. Anyone in the individual market would be allowed to purchase a lower-premium health insurance plan, including those with federal tax credit assistance.
- Does not repeal three ACA taxes: net investment income tax, the additional Medicare Health Insurance Tax, or the income tax on certain health insurance executives.
- Medicaid. Changes disproportionate share hospital (DSH) calculation from per Medicaid enrollee to per uninsured. Allows waivers home and community based services for aged, blind and disabled populations. In a public health emergency, Medicaid expenditures will not be counted toward per capita caps or block grant allocation. Provides a block grant option to allow states to add expansion population under the block grant.
- Enhanced focus on higher risk individuals. Creates a fund to make payments to insurers for associated costs for high risk individuals enrolled in qualified health plans on the exchanges.

According to the CBO analysis, the new version of the BCRA would reduce federal deficits by $420 billion over the 2017-2026 period, the net result of a direct spending decrease of $903 billion partially offset by a $483 billion decrease in revenues. The deficit reduction is greater by $99 billion than the previous version.

Of special interest to states, the reduction in Medicaid spending is $772 billion, or 85 percent of the reduced spending, directly impacting states’ budgets. The Medicaid spending reductions are slightly higher than the previous BCRA version – by $16 billion over the ten-year period.

The effects of the bill on the number of uninsured is little changed from the earlier version. In 2018, 15 million more people would be uninsured than under current law and would reach 22 million in 2026.

The CBO released on July 19 an estimate of the impact of a repeal of the Affordable Care Act without any replacement. Here is the CBO summary of how insurance premiums and insurance coverage would be impacted:

- The number of people who are uninsured would increase by 17 million in 2018, compared with the
number under current law. That number would increase to 27 million in 2020, after the elimination of the ACA’s expansion of eligibility for Medicaid and the elimination of subsidies for insurance purchased through the marketplaces established by the ACA, and then to 32 million in 2026.

- Average premiums in the nongroup market (for individual policies purchased through the marketplaces or directly from insurers) would increase by roughly 25 percent—relative to projections under current law—in 2018. The increase would reach about 50 percent in 2020, and premiums would about double by 2026.

The repeal of the Medicaid expansion would cost states $842 billion between 2017 and 2026, according to the CBO score of a straight repeal of the ACA.

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