

# Lives on the Line

How the health care debate hits home in Alabama



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# Welcome!

## Goals of this presentation:

- Gain a better understanding of federal health care debate
- Get an overview of health coverage in Alabama
- Learn about Medicaid eligibility and the “coverage gap”
- Discuss actions we can take to help



# 30,000-foot view: Cloudy!

## Context:

- 20 million newly insured under ACA
- Mixed uptake of Medicaid expansion
- Marketplace choices narrowing, premiums rising
- Popular ACA consumer protections
- Setback for “repeal and replace”
- SCHIP enhanced match and reauthorization

## What's at stake?

- Under Senate plan, 22-32 million lose coverage over 10 years (CBO)
- More than \$750 billion cut in federal Medicaid spending over 10 years (CBO)
- Loss of Medicaid's entitlement status
- Winner states, loser states
- Possible jump in state SCHIP costs



# 10,000-foot view: A coverage patchwork

- Total AL population nearly 5 million
- Work-based plans < 3 million
- **Medicaid & ALL Kids** > 1 million
- Medicare (65 and older) < 1 million
- Individual plans < 500,000
  - Marketplace < 200,000
- **Uninsured** > 500,000



# Marketplace outlook: uncharted waters!

## Context:

- 178,414 Alabamians enrolled
- Premium subsidies
- One insurer, shrinking plan options
- “Repeal and replace”? Repeal-only?
- Political interference: shorter 2018 Open Enrollment

## What’s at stake?

- Coverage for 178,414 Alabamians
- Affordability
- “Access to coverage” vs. coverage
- More political interference: Navigator support, enforcement of mandate/penalties, etc.
- Market uncertainty



# AL Medicaid outlook: prolonged drought!

## Context:

- Recurrent budget shortfalls, “Band-Aid” approach
- Level funding in proposed 2018 budget
- Lack of RCO start-up funding
- Expansion option survives under ACA
- New governor, new priorities? (e.g., End Child Hunger initiative)
- #IamMedicaid campaign

## What’s at stake?

- Continued poor health rankings
- “Loser state” under Trump policies
- Capped federal funding?
- Proposed changes threaten most vulnerable
- Opting out on economic development



# What is Congress proposing?

Five “different” plans, with the same core goals:

<u>Goal</u>	<u>First House Bill</u>	<u>House Passed Repeal</u>	<u>BCRA</u> (June Senate Bill)	<u>Repeal No Replace</u> (July Senate Bill)	<u>BCRA Redux</u> (Second July Bill)
<b>Cutting Coverage</b>	24 million	23 million	22 million	32 million	22 million
<b>Raising Premiums</b>	20 percent	20 percent	20 percent	25 percent (100 percent by 2026)	20 percent
<b>Cutting Medicaid</b>	\$880 billion	\$834 billion	\$772 billion	\$842 billion	\$772 billion
<b>Tax Breaks for Wealthy &amp; Corporations</b>	\$544 billion	\$664 billion	\$541 billion	\$613 billion	\$541 billion

*(Source: Former CMS Acting Administrator Andy Slavitt)*

# What just happened (yesterday!)?

- U.S. Senate voted 51-50 to begin limited debate on unspecified health bill.
- After 20 hours of debate, vote could come as early as Friday.
- Senate parliamentarian decides which provisions meet “Byrd rule” for simple majority vote & which require 60 votes. So far, 60-vote hurdle applies to these & more:
  - 6-month “lockout” period after lapsed coverage
  - Defunding Planned Parenthood
  - “Age tax”
- Many more hurdles ahead of fast-tracked vote.
- Calling your senators is even more important now!



## Consider the impact of the BCRA (lowest) cuts:

- Between 2020 and 2026, AL would lose \$1.8 billion.
- Averaged over these 7 years, that means a \$250 million annual hit to our General Fund.



# Alabama's Medicaid funding

**Total Alabama Medicaid funding FY 2016 = \$6.3 billion**

General Fund portion = \$722 million (11.4%)

Other state sources (e.g., hospitals, nursing homes, pharmacies) \$1.2 billion (19.3%)

**Federal match = \$4.4 billion (69.3%)**

**For our “bare-bones” Medicaid, federal cuts mean 4 choices:**

1. Raise state taxes – History is not encouraging.
2. Cut payments to docs and other providers (layoffs, closings).
3. Cut benefits (few optional services, people lose care).
4. Cut eligibility (which categories would you choose?).

# The young faces of Alabama Medicaid

- Most (nearly 600,000) of Alabama's 1 million Medicaid patients are children in low-income families.



## And older ones, too . . .

- Most of the rest (nearly 300,000) are low-income seniors and people with disabilities.



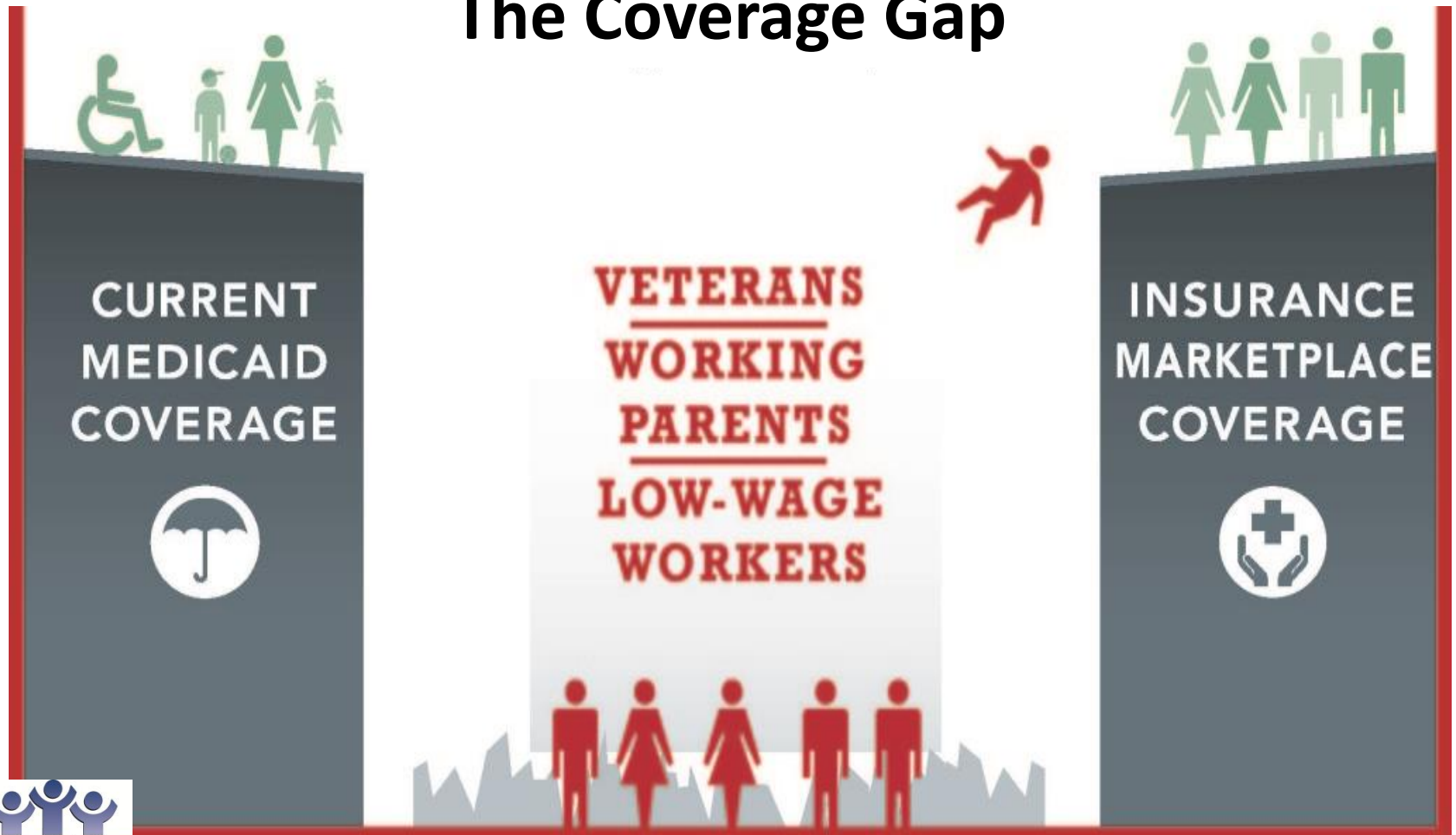
## And there are many more . . .

- Pregnant women with low income make up the next largest group (around 130,000).
- Low-income women age 40-64 can get breast and cervical cancer screenings and treatment through Medicaid.
- About 61,000 parents and caretaker relatives with extremely low incomes (less than \$303 per month for a family of three) also receive Medicaid.



More than 300,000 Alabamians are caught in . . .

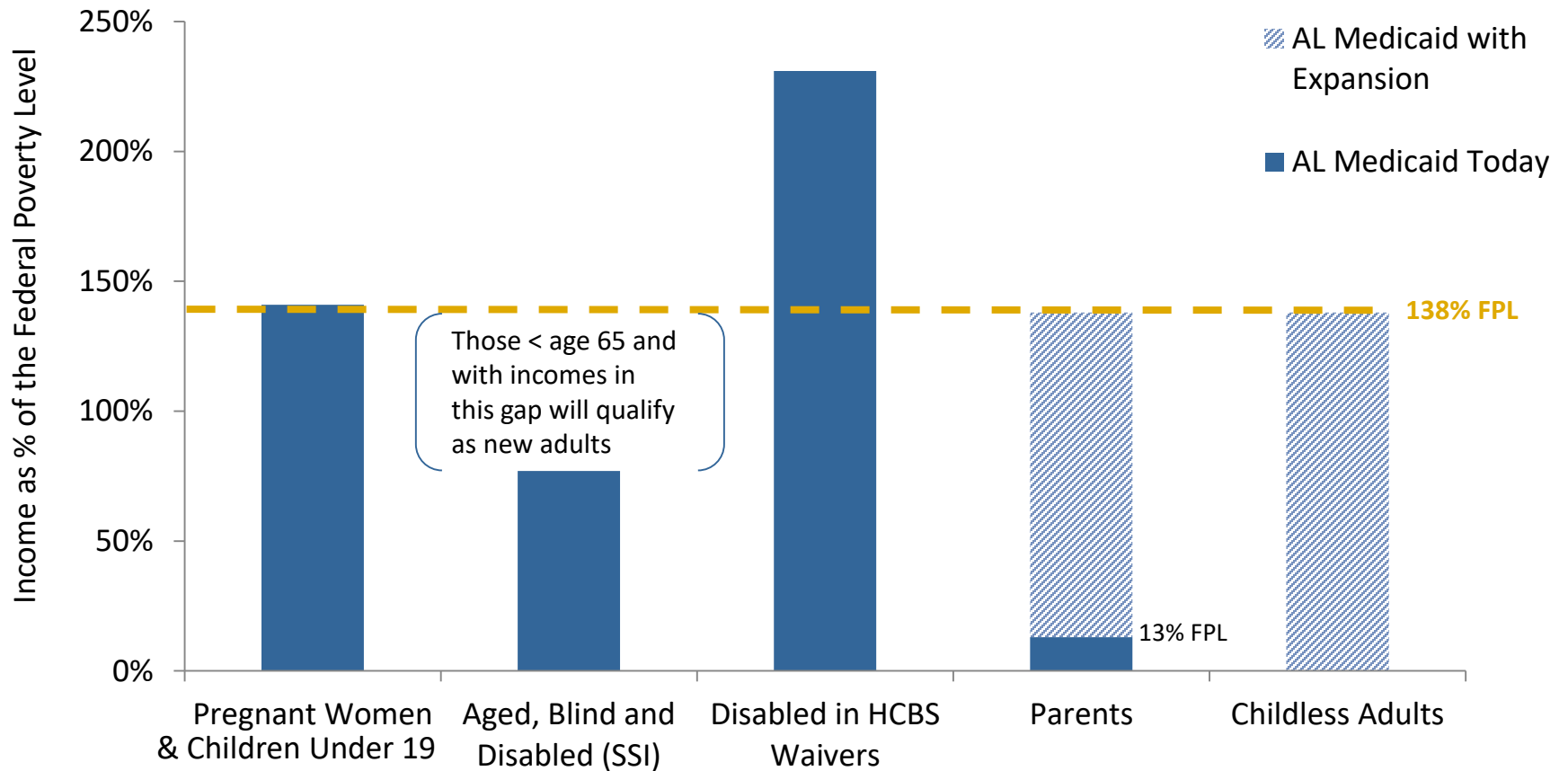
## The Coverage Gap





# What causes the gap?

## Alabama Medicaid's low eligibility limits



# The Alabama opportunity

## Raise your voice!

- Join the *#IamMedicaid* campaign.
- Tell your U.S. Senators and House members to “keep and repair” ACA.
- Encourage your state legislators to Close the Coverage Gap.

*When they say: “There’s not enough pie to go around,”*

*We say . . .*





# Alabama needs a bigger pie!



# Thank you for being a strong community voice!



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