Potential ACA Repeal: Philadelphia Impacts
The ACA covers 225,000 Philadelphians, mostly through Medicaid.
That’s one in every six adults in Philadelphia who get their coverage through the ACA
Medicaid covers about 650,000 Philadelphians—children and adults.

About one in four Medicaid beneficiaries in Philadelphia are newly eligible adults under the ACA.
Philadelphia has as much at stake as many states

<table>
<thead>
<tr>
<th>STATE</th>
<th>Total Medicaid Enrollees</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Mexico</td>
<td>772,084</td>
</tr>
<tr>
<td>Connecticut</td>
<td>750,009</td>
</tr>
<tr>
<td>Mississippi</td>
<td>677,630</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>650,000</td>
</tr>
<tr>
<td>Iowa</td>
<td>624,062</td>
</tr>
<tr>
<td>Nevada</td>
<td>620,757</td>
</tr>
<tr>
<td>West Virginia</td>
<td>569,492</td>
</tr>
<tr>
<td>Kansas</td>
<td>416,379</td>
</tr>
<tr>
<td>Hawaii</td>
<td>345,085</td>
</tr>
<tr>
<td>Utah</td>
<td>304,178</td>
</tr>
<tr>
<td>Idaho</td>
<td>298,332</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>290,809</td>
</tr>
<tr>
<td>Maine</td>
<td>269,051</td>
</tr>
</tbody>
</table>

19 states have state Medicaid programs that are smaller than Philadelphia county’s Medicaid enrollment.
Benefits of Medicaid expansion to those covered:

Medicaid expansion under the ACA associated with:
• significantly increased access to primary care (12.1 percentage points),
• fewer skipped medications due to cost (−11.6 percentage points),
• reduced out-of-pocket spending (−29.5%),
• reduced emergency department visits (−6.0 percentage points), and
• increased outpatient visits (0.69 visits per year).*

Earlier Medicaid expansions associated with a significant reduction in adjusted all-cause mortality (by 19.6 deaths per 100,000 adults, for a relative reduction of 6.1%).
  • Mortality reductions were greatest among older adults, nonwhites, and residents of poorer counties.**

*Changes in Utilization and Health Among Low-Income Adults After Medicaid Expansion or Expanded Private Insurance JAMA October 2016
**Mortality and Access to Care among Adults after State Medicaid Expansions NEJM September 2012
Benefits to Individuals with Private Insurance and Medicare

• No out of pocket costs for all preventive care (6.1M people statewide)
• No annual or lifetime limits on coverage (4.6M people statewide)
• No bans on pre-existing conditions (5.5M people statewide)
• Children can remain covered by their parents policies until 26 (89,000 people statewide)

Data from insurepa.org
In Philadelphia fewer people are avoiding care due to cost

Source: Public Health Management Corporation (PHMC) Household Health Survey, 2000-2014/15
City Budget Impacts

- ACA has brought $150M in capitation payments to CBH for new eligibles (FY2016)

- The City Health Centers have gone from
  - Pre ACA 40% insured/60% uninsured to
  - Post ACA 60% insured/40% uninsured
American Health Care Act (AHCA) Makes Major Changes to the Medicaid Program: *Changes to Medicaid Expansion*

- Repeals enhanced federal support for expansion on December 31, 2019.
  - Already enrolled retain eligibility, but due to churn, est. most will lose coverage within 2 yrs
- Repeals requirement to cover Essential Health Benefits (which includes mental health and substance use treatment)
The AHCA Makes
Major Changes to the Medicaid Program:
Changes to the Entire Medicaid Program

- Eliminates federal commitment to match state expenditures for the actual cost of care
- States would receive capped amount for each enrollee (a “per capita cap”), indexed for inflation
- Would force states to spend less than projected
  - Cuts in eligibility and services
- Other changes to eligibility that limit coverage
## Comparison of ACA and AHCA

### Individual Market Provisions (1 of 2)

<table>
<thead>
<tr>
<th>Issue</th>
<th>ACA</th>
<th>AHCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Mandate and Employer Mandate</td>
<td>Requires individuals to insurance or face tax penalties. Large companies must provide insurance to employees.</td>
<td>Eliminates; but penalty (increase in premium of 30%) if an individual does not keep continuous coverage</td>
</tr>
<tr>
<td>Tax Credits</td>
<td>Tax credits to individuals 100-400% FPL on sliding scale to help offset the cost of premiums</td>
<td>Subsidies by age, instead of income; flat amount per age for everyone under $75,000 ($150,000 family), sliding scale above that</td>
</tr>
<tr>
<td>Cost Sharing Subsidies</td>
<td>Provides tax credits to help some people pay deductibles and co-payments</td>
<td>Eliminates</td>
</tr>
<tr>
<td>Age Rating by Insurers</td>
<td>Plans may only charge three times more to oldest</td>
<td>Plans may charge five times more to oldest</td>
</tr>
</tbody>
</table>
## Comparison of ACA and AHCA
### Individual Market Provisions (2 of 2)

<table>
<thead>
<tr>
<th>Issue</th>
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</thead>
<tbody>
<tr>
<td>Dependent coverage until 26</td>
<td>Children can stay on their parents’ policies until age 26</td>
<td></td>
</tr>
<tr>
<td>Pre-existing conditions policy</td>
<td>Requires insurers to cover people regardless of pre-existing medical conditions and bars charging more based on health history</td>
<td></td>
</tr>
<tr>
<td>Essential health benefits</td>
<td>Requires that all plans include a minimum set of benefits</td>
<td></td>
</tr>
<tr>
<td>Prohibitions on annual and lifetime limits</td>
<td>Prohibits insurers from limiting how much they will pay for an individual’s care on an annual or lifetime basis</td>
<td></td>
</tr>
</tbody>
</table>

Coverage comprehensive, but with much less financial subsidy for the lowest income people.
AHCA Other Impacts

• Eliminates the Prevention and Public Health Fund
  – Cut funding for immunizations, epidemic response, health promotion ($7.7m for Philadelphia)

• Defunds Planned Parenthood
Potential Effects of AHCA in Philadelphia

ACA Repeal
- Tens of thousands just above poverty level likely unable to afford coverage
- Less preventive and primary care
- More visits to emergency departments
- Financial strain on providers serving uninsured

Medicaid Changes
- 160,000 newly eligible may lose coverage beginning in 2020
- 480,000 previously eligible, including 270,000 children, may see dramatic reduction in services offered
President Trump, flanked by Representatives Steve Scalise, left, of Louisiana and Kevin Brady of Texas, discussed the repeal and replacement of the Affordable Care Act in a meeting with House Republican leaders at the White House on Tuesday.
Process: What will happen next and when?

• Markup of “American Healthcare Act” begins this week
• Congressional Budget Office “score” on cost and coverage in the next week (?)
• Bill goes to Rules Committee -> House floor week of 3/20
• The Senate may skip committee and bring to floor week of 3/27
  • Requires only a simple majority vote