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New GOP Healthcare Bill Threatens Health and Financial Security for all Utahns

Latest changes to bill would eliminate protections from pre-existing conditions, essential health benefits, and annual and lifetime caps on coverage

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As early as next week the U.S. House of Representatives could vote on a revised American Health Care Act (AHCA), an updated version of the GOP-sponsored legislation to repeal the Affordable Care Act (ACA) that failed to receive a floor vote in late March.

Different this time is the addition of the MacArthur amendment, an [eight-page document](#) designed to win votes from conservative Republican members of the House by allowing states to bring back discrimination against pre-existing health conditions and eliminate essential health benefits. The stated goal of the amendment is to reduce insurance premiums, but the actual result for many Utah families would be to make their health insurance both more unaffordable and inaccessible.

UHPP believes any opportunity to eliminate ACA policies like pre-existing condition protections or essential health benefits would be welcomed and pursued by state lawmakers and administrative agencies based on their multi-year track record of opposition to Obamacare's federal regulations.

"Congress took a bad bill and made it even worse by going after the consumer protections that a majority of Utahns want from their health insurance—including safeguards from pre-existing health conditions and knowing their coverage will be there when they need it," says Matt Slonaker, executive director of the Utah Health Policy Project (UHPP). "This bill brings back the worst aspects of our old healthcare system by letting insurance companies read your medical records, raise your premiums based on how sick you might be, and create bad incentives to make tens of thousands of Utahns newly uninsurable."

The amended GOP bill would:

- Allow states to bring back discrimination against pre-existing conditions and raise premiums for older consumers
- Bring back annual and lifetime caps on coverage benefits for employer-sponsored health insurance, as well as the individual and small group markets
- Raise premiums and deductibles for tens of thousands of Utah families
- Allow insurers to cap and cut benefits like maternity care, mental healthcare, prescription drugs, lab tests, and hospitalization
- Cut benefits, enrollment, and reimbursements for Utah's 350,000 kids, pregnant women, and seniors who depend on Medicaid

In addition to trying to rush a vote on a bill that affects hundreds of millions of Americans and 20 percent of the U.S. economy without any hearings, readings, debate, [or input from doctors, hospitals, or insurers](#), the leadership of the House of Representatives also didn't realize that [the MacArthur amendment included an exemption](#) from pre-existing condition discrimination for members of Congress, their families, and their staffs.

The legislation's intent to strip away protections for pre-existing conditions has attracted the majority of criticism. Prior to the implementation of the Affordable Care Act (ACA), insurance companies in Utah and across the country used pre-existing health conditions as the basis to deny coverage or raise premiums beyond affordable limits for many consumers. From 2007 through 2009, the four largest for-profit health insurance companies (Aetna, Humana, UnitedHealth, and WellPoint) used medical history as the basis to deny health insurance coverage to 651,000 people, an average of one out of every seven applicants. These four insurers kept a list of 400 deniable medical conditions, according to an [October 2010 report from the U.S. House of Representatives Committee on Energy and Commerce](#).

A list of the most common declinable pre-existing conditions [compiled by the Kaiser Family Foundation](#) from insurance records is posted below:

Table 2: Examples of Declinable Conditions In the Medically Underwritten Individual Market, Before the Affordable Care Act

Condition	Condition
AIDS/HIV	Lupus
Alcohol abuse/ Drug abuse with recent treatment	Mental disorders (severe, e.g. bipolar, eating disorder)
Alzheimer's/dementia	Multiple sclerosis
Arthritis (rheumatoid), fibromyalgia, other inflammatory joint disease	Muscular dystrophy
Cancer within some period of time (e.g. 10 years, often other than basal skin cancer)	Obesity, severe
Cerebral palsy	Organ transplant
Congestive heart failure	Paraplegia
Coronary artery/heart disease, bypass surgery	Paralysis
Crohn's disease/ ulcerative colitis	Parkinson's disease
Chronic obstructive pulmonary disease (COPD)/emphysema	Pending surgery or hospitalization
Diabetes mellitus	Pneumocystic pneumonia
Epilepsy	Pregnancy or expectant parent
Hemophilia	Sleep apnea
Hepatitis (Hep C)	Stroke
Kidney disease, renal failure	Transsexualism

SOURCE: Kaiser Family Foundation review of field underwriting guidelines from Aetna (GA, PA, and TX), Anthem BCBS (IN, KY, and OH), Assurant, CIGNA, Coventry, Dean Health, Golden Rule, Health Care Services Corporation (BCBS in IL, TX) HealthNet, Humana, United HealthCare, Wisconsin Physician Service. Conditions in this table appeared on declinable conditions list in half or more of guides reviewed. NOTE: Many additional, less-common disorders also appearing on most of the declinable conditions lists were omitted from this table.

According to a [December 2016 report from the Kaiser Family Foundation](#), 23% of non-elderly Utahns (391,000 people) have a declinable pre-existing condition, which prior to the ACA included anything from chronic back pain, asthma, depression, cancer, or pregnancy.

Supporters of the AHCA claim that high risk pools—segregated and federally-supported insurance markets for people with chronic and expensive conditions—will enable consumers with pre-existing conditions to maintain coverage. But the pre-ACA experience with high risk pools in Utah and across the nation demonstrates their inadequacy. Not only did Utah's former high risk pool constantly run short of money, but it also excluded coverage of pre-existing conditions for 6 to 10 months, charged expensive premiums, locked out people with coverage gaps of 62 days or more, and attracted a maximum of 3,900 people to purchase its coverage.

The revised AHCA bill still includes the original harmful provisions that would raise premiums and deductibles for tens of thousands of Utah families, increase premiums

for Utahns over age 40 and those living in rural areas, and cut \$839 billion from the overall Medicaid budget, eliminating life-saving care for thousands of Utahns with disabilities, children, and seniors. When the nonpartisan Congressional Budget Office (CBO) “scored” the initial ACHA in mid-March, [they predicted the legislation](#) would cause 24 million Americans to lose their health insurance coverage by 2026, including 7 million Americans with employer-sponsored health insurance.

Health advocates point out that Utah has experienced dramatic healthcare and financial improvements through the impact of the ACA, Medicare, Medicaid, and the Children’s Health Insurance Program (CHIP)—including a 37% drop in the state’s uninsured rate since 2010, peace of mind about pre-existing conditions, and the elimination of “job-lock” that trapped people in poor employment situations because they were uninsurable in the individual market. Passage of the AHCA would not only eliminate those gains and securities, but also place Utah families in much greater financial peril due to coverage denials and unpayable medical bills.

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Media Resources:

H. R. 1628 American Health Care Act (as amended)

<https://www.gpo.gov/fdsys/pkg/BILLS-115hr1628rh/pdf/BILLS-115hr1628rh.pdf>

MacArthur Amendment to H.R. 1628

<http://docs.house.gov/billsthisweek/20170424/MacArthur%20Amendment.pdf>

UHPP Talking Points on the AHCA with the MacArthur Amendment

<http://www.healthpolicyproject.org/wp-content/uploads/ACA-Repeal-1pager-8js.pdf>

UHPP Report on Impact of Replacing ACA with AHCA in Utah

<http://www.healthpolicyproject.org/wp-content/uploads/17-03-UHPP-CongUpdate-1js.pdf>

This concludes the first part of this press release.

For more information on how the [MacArthur amendment](#) creates a new waiver option for states, read on.

The MacArthur amendment allows states to pursue the following actions through special waivers:

1) Remove protections for consumers with pre-existing health conditions starting in 2019. This change would allow insurers to evaluate a person's health status when determining their premiums. It would return "medical underwriting" to the individual market and small group markets, allowing insurers to charge consumers higher premiums for medical conditions like cancer, pregnancy, asthma, or depression. Prior to the elimination of medical underwriting by the ACA in 2010 for children and 2014 for adults, insurers routinely used higher premiums to exclude sick people from their coverage. To receive a waiver, the state would have to set up either a high risk pool or a reinsurance program, although nothing in the amendments requires those tools to be used to help individuals charged higher premiums because of their pre-existing conditions.

2) Eliminate or change the ten essential health benefits for the individual and small group markets starting in 2020. This waiver would allow states to change the list of required benefits defined by the ACA, including requirements for maternity care, mental healthcare, lab tests, preventive care, and prescription drugs. Prior to the ACA only 12% of plans sold in the individual market included maternity care, and only after a 10-month waiting period with additional surcharges. In another example, a plan could remove insulin from its prescription drug list in order to exclude any consumers with diabetes.

This waiver would also allow states to bring back annual and lifetime caps on benefits, and eliminate caps on out-of-pocket expenses for the large group and self-insured employer plans.

3) Raise the age ratio for insurance premiums in the individual and small group markets higher than the new 5:1 ratio established by the AHCA. This change could be made starting in 2018.

The waiver process outlined in the MacArthur amendment makes approval very easy

for states. Basically, a state would need to attest that their waiver would reduce premiums or stabilize the insurance market to gain approval. In addition, if the Department of Health and Human Services (HHS) didn't act on a waiver in 60 days, it would be automatically approved.

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About UHPP

[Utah Health Policy Project \(UHPP\)](#) is a nonpartisan, nonprofit organization advancing sustainable health care solutions for underserved Utahns through better access, education, and public policy. Since 2006 UHPP has worked hard to develop solutions to create a health system that provides better access to higher quality health care at a lower cost. We pride ourselves on being an open resource for the public, community leaders, the media, businesses, health care providers and policymakers.



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