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CBO predicts tens of thousands of Utahns at risk of losing health coverage

Skimpier coverage and discrimination against pre-existing conditions allowed by GOP bill will decrease some premiums—but at the cost of 23 million Americans losing their insurance coverage

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Almost three weeks after all four Utah members of the House of Representatives voted to pass the American Health Care Act (AHCA), Utahns learned the true impact of the bill today when the Congressional Budget Office (CBO) published an updated [report](#).

Compared to current law, the CBO predicts that **23 million Americans** would lose their health insurance coverage by 2026 if the AHCA is enacted. About 14 million of these newly-uninsured Americans would lose Medicaid coverage, while 6 million would lose coverage on the individual market and 4 million would be dropped by their employer-based insurance. These coverage losses would increase the U.S. uninsured rate from its current historic low of 10% to between 16% and 18% over the next ten years.

The impact in Utah—where 197,187 Utahns are covered by ACA marketplace plans, 340,000 children, pregnant women, seniors, and people with disabilities receive Medicaid, and 1.8 million Utahns with employer-based coverage benefit from free preventive care, protections for pre-existing conditions, and a ban on annual and lifetime benefit caps—would be similarly disastrous.

“Good policy should be evaluated not just by its results, but how it accomplishes them,” says Matt Slonaker, executive director of the Utah Health Policy Project (UHPP). “Lowering premiums for the lucky few by kicking older, poorer, and sick Utahns to the curb is a gimmick, not smart or effective policy. Neither is selling plans that strip

away vital benefits like mental healthcare, preventive care, and lab tests so that your health insurance won't help you when you need it most. Today's CBO report shows again that Congress is abdicating its responsibility to pursue healthcare reform that actually makes the majority of Utah families physically and financially more secure."

While the CBO predicted the GOP plan could lower average premiums in some states by 4 to 20 percent by 2026, the reason why is troubling: the AHCA would spike premiums and out-of-pocket costs for many older, sicker, and low-income Utahns—causing them to drop their coverage. Excluding these consumers from the marketplace would decrease average premiums for those lucky or healthy enough to stay insured, but it would also spike Utah's uninsured rate and increase demand for charity care at Utah's clinics and emergency rooms.

The AHCA restricts access to coverage in five ways:

- First, the AHCA allows insurers to charge Utahns over age 40 much higher premiums, which the CBO predicted would cause many older people to drop their coverage.
- Second, the AHCA's skimpier tax credits would provide insufficient financial support for many Utahns—especially those who earn low, moderate, or fluctuating incomes, are older, or have kids covered by Medicaid or CHIP—leading them to drop their coverage as it becomes unaffordable.
- Third, the AHCA's tax credits fail to account for higher premiums and costs in rural areas, leading to reduced coverage in Utah's many rural counties.
- Fourth, the CBO anticipates that Utah and other states will pursue waivers to let insurers cut major benefits like mental health, maternity care, and basic medications from their plans, leading to "Swiss cheese" plans underlined with fine print that restrict more benefits than they actually pay for.
- Fifth, the AHCA allows states to pursue a new waiver that would let insurers discriminate against Utahns with pre-existing health conditions—creating an avenue to push people with even minor medical conditions out of coverage and into flimsy high-risk pools or make them permanently uninsurable.

In addition, the CBO predicted that states that pursue waivers to both restrict essential health benefits and return discrimination against pre-existing conditions--a course of action favored by many Utah lawmakers--would experience "unstable" insurance marketplaces by 2020.

Despite over 85% of Americans favoring protections for pre-existing conditions, the AHCA would allow states like Utah to bring back discrimination against even minor health conditions. This would allow insurers to charge premiums as high as \$5,000 a month based on a person's health history, effectively pricing these consumers out of coverage.

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 ([pdf](#)). The bill also cuts \$839 billion from the Medicaid program—exposing Utah's 340,000 Medicaid recipients to cuts in benefits, enrollment, and access.

As amended, the American Health Care Act (AHCA) will:

- Allow states to use waivers to bring back discrimination against Utah kids and adults with pre-existing conditions and raise premiums for older consumers
- Allow insurers to bring back annual and lifetime caps on coverage benefits for Utah workers covered by employer-sponsored health insurance
- Raise premiums and deductibles for tens of thousands of Utah families
- Allow insurers to limit and cut benefits like maternity care, mental healthcare, prescription drugs, lab tests, and hospitalization
- Cut benefits, enrollment, and reimbursements for Utah's 340,000 kids, pregnant women, and seniors who depend on Medicaid

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Media Resources:

May 24th CBO Report on the American Health Care Act
<https://www.cbo.gov/publication/52752>

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>

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