



Senate healthcare bill “bad deal” for all Utahns who depend on healthcare

Secret process delivers skimpier coverage with higher premiums and deductibles—along with unprecedented cuts to Utah Medicaid

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After weeks of secret backroom meetings that shut out industry experts, doctors, insurers, and everyday people, Senate Republicans unveiled the draft of their new healthcare bill on Thursday morning.

The Senate bill maintains many of the harmful elements of the House-passed American Health Care Act (AHCA)—from slashing financial assistance to Utah families and raising deductibles without limits, to unprecedented cuts to Utah’s Medicaid funding. Plus, the Senate bill goes beyond the AHCA by creating a simple pathway for states to opt out of essential health benefits (which allows de-facto discrimination against pre-existing conditions), while also rewarding insurance companies with windfall bail-outs and high-income earners with retroactive tax cuts.

The undersigned Utah organizations urge Utah’s Senators Orrin Hatch and Mike Lee to oppose the Senate healthcare bill. We demand a full and vigorous Senate hearing process—including the Senate Finance Committee which Sen. Hatch chairs—to seek input and ideas from Utah healthcare experts and consumers in order to create a better policy proposal.

Utah Health Policy Project
Voices for Utah Children
Disability Law Center of Utah

Alliance for a Better Utah
Comunidades Unidas (Communities United)
Utah Statewide Independent Living Council
Legislative Coalition for People with Disabilities
Utah Family Voices

"Whether it's the secret process that created this legislation, or the harmful policies it contains, the Senate healthcare bill is a bad deal for Utah families," says Matt Slonaker, executive director of the Utah Health Policy Project. "The bill will raise premiums and deductibles for tens of thousands of Utah families, while eliminating Medicaid as a program Utahns can depend on. Bad process makes bad policy, and this bill is a prime example."

"The Disability Law Center is extremely concerned that the senate's proposal slashes Medicaid even more deeply than the house version over time," says Andrew Riggle, public policy advocate at the Disability Law Center. "We are deeply afraid this will ultimately force Utah to cut some or all optional services, including those 34,000 Utahns with disabilities depend on to be independent, productive, and contributing members of the communities."

Here is what we know about the Senate bill—and its impact on Utah:

-Limit premium subsidies to people earning less than 350% of the federal poverty level (ACA stopped subsidies at 400% of poverty)—exposing approximately 10,000 more middle-income Utahns to unsubsidized premium costs. In 2017, 350% of the poverty line is \$41,580 for a single person and \$85,050 for a family of four—compared to the ACA's 400% of poverty ceilings of \$47,080 and \$97,000, respectively.

-Reduce the "benchmark" or average plan from Silver to Bronze, limiting the effectiveness of subsidies to lower premiums while also increasing out-of-pocket costs like co-pays and deductibles. (Note: The Senate bill resets the actuarial value of the benchmark plan to 58% compared to 68-72% under the ACA. This means the average plan will pay only 58% of the average consumer's healthcare costs compared to 70% under the ACA).

-Remove guardrails to the 1332 waiver process that any changes to private insurance must 1) maintain coverage levels, or 2) provide comparable quality plans. This allows states to scrap the essential health benefits that Utah families depend on—from maternity care to prescription drug coverage to free well-child checks and immunizations—without worrying if new coverage results in thousands of people losing their coverage or the re-emergence of junk insurance plans/.

-Limits Medicaid funding with per-capita caps and goes beyond the House bill by pegging the annual growth rate to Consumer Price Index (CPI) after 2025 (after pegging it to Medical Consumer Price Index plus 1% through 2025). Since Medicaid costs grow much faster than regular CPI, this will create a future budget crisis for Utah when considering Medicaid coverage for kids and pregnant women against other state spending priorities. The per-capita model significantly reduces the funding available to cover the vulnerable Utahns who rely on Medicaid.

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Media Resources:

Senate Republican Health Care Bill (H.R. 1628)
<https://www.budget.senate.gov/bettercare>
(PDF) <https://www.budget.senate.gov/imo/media/doc/SENATEHEALTHCARE.pdf>

The Senate health bill is out. Here's your speed read (Axios)
<https://www.axios.com/the-senate-bill-is-out-heres-your-speed-read-2446201141.html>

What's in the Senate's Obamacare repeal bill (Politico)
<http://www.politico.com/story/2017/06/22/gop-health-care-bill-key-points-239858>

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