

Paying More for Less: American Health Care Act

Medicare guarantees access to health care for older adults and people with disabilities. Together with Medicare and Medicaid, the Affordable Care Act (ACA) builds health security for Americans of all ages. The House of Representatives passed the **American Health Care Act (AHCA)**, which repeals essential policies in the ACA, ends Medicaid as we know it, and undermines Medicare—forcing older adults and people with disabilities to **pay more for less**.

The AHCA harms people not yet on Medicare.

- 23 million Americans would lose health coverage if Congress rushes to pass AHCA.ⁱ
- Medicare eligibility begins at age 65 for most. People ages 55-64 often find it hard to stay in the full-time job market or to find new employment after a job loss, making access to health coverage critically important.ⁱⁱ
- The AHCA would shift drastically higher costs to people in their 50s and 60s by allowing insurers to charge an “age tax” on health insurance premiums.
- The ACA limits the premiums people 60-64 pay to three times what younger people pay, but the AHCA lets insurers charge older adults five times (or more if state law allows) what a younger person pays for the same health plan.ⁱⁱⁱ
- The AHCA would make less assistance available to people with low incomes, to help pay for insurance premiums and cost-sharing. Combined with the “age tax,” older adults would be among those hardest hit by the law’s changes.^{iv}
- The AHCA would effectively end the Medicaid expansion, leading to coverage losses for low-income people in their 50s and 60s and for people with Social Security Disability Insurance who are in the required two-year waiting period for Medicare.

People Harmed by the AHCA: Just the Facts

If the AHCA goes into effect, 14 million more people would be without insurance in 2018, 19 million in 2020, and 23 million in 2026.

Nearly 3.3 million people between ages 55 and 64 have coverage through the Marketplaces, representing the largest share of enrollees nationwide—26%.

People with disabilities also have coverage through the ACA, especially those who have Social Security Disability Insurance but are in the required two-year Medicare waiting period.

Over 750,000 people receive formal disability determinations per year, which means over 1.5 million people are in the two-year waiting period at any time and frequently turn to the ACA for coverage before their Medicare takes effect.

In 2017, most people who are eligible for both Medicare and Medicaid have incomes below \$12,060/year—the federal poverty level.

In 2010, 56% of people with both Medicare and Medicaid had a cognitive or mental impairment, and 55% lived with one or more functional impairments in activities of daily living like bathing or dressing. Both were higher than for people with Medicare alone.

The AHCA harms people with Medicare, today and in the future.

- By capping federal funding—through what’s known as a **per-capita cap**—the AHCA cuts \$834 billion from Medicaid over 10 years.^v
- These Medicaid cuts will harm the 11 million people with Medicare who also have Medicaid by leading states to reduce important Medicaid benefits, like long-term home care and nursing home services.^{vi}
- In 2011, Medicaid spent \$146.9 billion for people with Medicare, mostly for long-term care.^{vii}
- The AHCA rolls back improvements to the long-term financial outlook for Medicare by cutting taxes for wealthy taxpayers and corporations.^{viii}
- The repeal of one tax would reduce the Medicare Hospital Insurance (Part A) trust fund, which pays for hospital care for people with Medicare, by \$58 billion^{ix} and benefit mostly millionaires.^x
- The AHCA would also repeal a tax on pharmaceutical companies that helps fund Medicare Part B, which pays for doctors’ visits and outpatient care, likely increasing Part B premiums over the long term.^{xi}

People Who Need the ACA: Annie

Several years ago, Annie was diagnosed with cancer and was uninsured. She worked hard and long hours earning a modest middle-class income as a waitress, but health insurance was not offered through her employer. Her cancer might have been detected much earlier if she had coverage.

Once she was diagnosed, Annie scrambled for coverage. Fortunately, under new ACA rules she qualified to enroll in a health plan that would cover her treatments. She had multiple surgeries at a major cancer hospital. Although these treatments were successful, the illness resulted in disability.

Annie remained fully insured post-surgery during the two-year waiting period for Medicare, after which she was able to enroll. **Together, the ACA and Medicare saved Annie’s life.**

ⁱ Congressional Budget Office Cost Estimate, “H.R. 1628, American Health Care Act of 2017: As passed by the House of Representatives on May 4, 2017” (May 2017), available at <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf>.

ⁱⁱ National Council on Aging (NCOA), “Mature Workers Facts” (Last visited December 2016), <https://www.ncoa.org/news/resources-for-reporters/get-the-facts/mature-workers-facts/>.

ⁱⁱⁱ Congressional Budget Office Cost Estimate, “H.R. 1628, American Health Care Act of 2017: As passed by the House of Representatives on May 4, 2017” (May 2017), available at <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf>.

^{iv} Kaiser Family Foundation, “Tax Credits under the Affordable Care Act vs. the American Health Care Act: Interactive Maps” (April 2017), available at <http://kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/>.

^v Congressional Budget Office Cost Estimate, “H.R. 1628, American Health Care Act of 2017: As passed by the House of Representatives on May 4, 2017” (May 2017), available at <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf>.

^{vi} Kaiser Family Foundation, “What Could a Medicaid Per Capita Cap Mean for Low-Income People on Medicare?” (March 2017), available at <http://kff.org/medicare/issue-brief/what-could-a-medicare-per-capita-cap-mean-for-low-income-people-on-medicare/>.

^{vii} Kaiser Family Foundation, “What Could a Medicaid Per Capita Cap Mean for Low-Income People on Medicare?” (March 2017), available at <http://kff.org/medicare/issue-brief/what-could-a-medicare-per-capita-cap-mean-for-low-income-people-on-medicare/>.

^{viii} Kaiser Family Foundation, “What Are the Implications for Medicare of the American Health Care Act?” (March 2017), available at <http://kff.org/medicare/issue-brief/what-are-the-implications-for-medicare-of-the-american-health-care-act/>.

^{ix} Joint Committee on Taxation, “Estimated Revenue Effects Of The Tax Provisions Contained In Title II Of H.R. 1628, The ‘America Health Care Act Of 2017,’ As Passed By The House Of Representatives” (May 2017), available at <https://www.jct.gov/publications.html?func=startdown&id=5000>.

^x Center on Budget and Policy Priorities, “House-Passed Health Plan Would Speed Medicare Trust Fund’s Depletion by Two Years” (May 2017), available at <http://www.cbpp.org/blog/house-passed-health-plan-would-speed-medicare-trust-funds-depletion-by-two-years>.

^{xi} Center on Budget and Policy Priorities, “House Health Bill: Tax Cuts for Wealthy, Insurers, and Drug Companies Paid for by Low- and Middle-Income Families” (May 2017), available at <http://www.cbpp.org/research/federal-tax/house-health-bill-tax-cuts-for-wealthy-insurers-and-drug-companies-paid-for-by>.