

Key Features of the American Health Care Act

MARCH 19, 2017

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Key features of the AHCA

- Charge elderly 5X more than young (ACA 3X).
- Replace ACA income-based subsidies with age-based subsidies, \$2K/yr for young, \$4K/y for elderly, up to \$75K annual income
- A 21 yo with a \$15K annual income would get a \$2K subsidy (13% of income), while a 21 yo earning \$75K would also get a 2K subsidy (2.6% of income).
- For most people, especially the elderly, these subsidies will be much less than the ACA's subsidies

Example of subsidies for young and elderly

In 2026:

- 21 yo, income \$26K, premium \$5,100/yr

- ACA: subsidy \$3,400/yr, **pays \$1,700/yr**

- AHCA: **pays \$1,450/yr**

- 64 yo, income \$26K

- ACA: premium \$15,300/yr, subsidy \$13,600/yr, **pays \$1,700/yr**

- AHCA: premium \$19,500/yr, subsidy \$4,900/yr, **pays \$14,600**

Key features of the AHCA (cont)

- **Medicaid funding** changed to per capita cap
 - No flexibility for epidemics, natural disasters, recessions, etc
 - Markedly lower level of federal funding.
 - Most eligibilities or services are required by law, so most cuts would come from home and community care for severely disabled adults and children, drug coverage, durable medical equipment, adult rehab and preventive services

Key features of the AHCA (cont)

- **Repeals taxes** on wealthy people and corporations:
 - 0.9% surcharge on Medicare tax for >\$200K(\$117 billion*)
 - 3.8% tax on capital gains investments (\$158 billion)
 - 2.3% tax on medical devices (\$20 billion)
 - Pharmaceutical company drug tax (\$25 billion)
 - Tax on health insurance companies (\$145 billion)
 - Cadillac tax on luxury plans postponed 5 years (\$49 billion)

** = all tax cut amounts are the total over 10 years*

CBO Score of AHCA

- \$900 billion less tax revenue by 2026
- By 2026, 24 million more uninsured (28 million with ACA, 52 million with AHCA)
- In 2018 and 2019, premiums would be an average of 10-15% higher
- After 2020, the AHCA lowers standards for plan quality (actuarial value). This would reduce premiums a lot for the young, but they'd still be lots higher for the elderly
- This means the young would pay less for less, but the elderly would pay more for less

AHCA: Conclusions

- A true health care plan would not cut health care
- It is not necessary to cut taxes for the wealthy to pay for health care coverage for all. In fact, tax cuts are an impediment.
- So why are they doing this?
- The AHCA looks more like an excuse for tax cuts on the wealthy than a bill to provide health care coverage.
- That is why we are working to stop it. Join us!