



Action Alert

Tuesday, June 27, 2017

Senate Bill Data Analysis #2

Newly Updated CBO-calibrated Data Included to Assist [Hospital Name], [Hospital State] as You Contact Your Senators

On June 26, the Congressional Budget Office (CBO) estimated that, under the [Better Care Reconciliation Act](#) (BCRA), nationally 22 million people would lose coverage by 2026, 15 million of whom would be Medicaid recipients. CBO also estimated that the bill would reduce federal funding to the Medicaid program by \$772 billion from 2017 through 2026, a 26 percent reduction in 2026 compared to current law.

The bill, which could face its first major test in the Senate in the coming weeks, would make extensive changes to the Medicaid program by phasing out the ACA's enhanced match for expansion populations by 2024 and transitioning the program to a per capita cap funding structure. The bill also would restructure the ACA's advanced premium tax credits, among other changes (for a detailed summary of BCRA, as well as a side-by-side comparison of the House and Senate bills and talking points, see our [special advocacy resource page](#)).

The AHA continues to urge senators to oppose the BCRA and go back to the drawing board and develop legislation that continues to provide coverage to all Americans who currently have it.

Below we provide updated data on the impact that the BCRA would have on Medicaid and private health insurance coverage, and federal spending on Medicaid and marketplace subsidies, in your state and the nation. These data are based on the June 22 BCRA draft and have been updated from the estimates you received yesterday – they are now calibrated to the CBO scoring of the June 22 draft. Please share these data with your senators and tell them how these reductions hurt your community. Watch for further developments, as the situation on Capitol Hill is fluid and could change quickly.

Table 1: Change in Private Health Coverage, Medicaid Coverage and Number of Uninsured under the BCRA (# of Enrollees) in the U.S. and Your State

Category	2018		2026	
	U.S.	Your State	U.S.	Your State
Employment-based Coverage	-4 M		-244 K	
Non-group Coverage, Including Marketplaces	-7 M		-7 M	
Medicaid	-4 M		-15 M	
Increase in Uninsured	15 M		22 M	

Note: Table 1 shows the change in coverage in the private insurance market and Medicaid, as well as the increase in the number of uninsured, under the BCRA compared to current law in calendar years 2018 and 2026. The Medicaid losses above include, where applicable, losses resulting from the fact that, in scoring BCRA, CBO used its March 2016 baseline that projected that certain non-expansion states would expand Medicaid in the future. Non-group coverage includes coverage purchased through the exchanges as well as outside of the exchanges. Loss of coverage in the private insurance market and Medicaid may not add up to the total number of uninsured due to additional loss of coverage in the Basic Health Program (which affects New York and Minnesota).

Table 2: Net Change in Tax Credits/Federal Marketplace Subsidies under the BCRA in the U.S. and Your State

Fiscal Year	U.S.	Your State
2018	-\$12 B	
2026	- \$56 B	

Note: Table 2 shows the effect on federal spending under the BCRA, as compared to the ACA, in the non-group market. Factors contributing to reduced federal spending include the removal of the individual mandate resulting in fewer insured individuals receiving tax credits and subsidies, repeal of the Basic Health Program (BHP), repeal of the cost-sharing reductions and advanced premium tax credits, and the implementation of the new tax credit structure. The \$12B reduction in 2018 is primarily the result of repeal of the individual coverage mandate. The \$56B reduction in 2026 also accounts for the BCRA tax credits, which go into effect in 2020.

Table 3: Change in Federal Medicaid Spending under the BCRA in the U.S. and Your State

	FY 2018	Cumulative Total for FY 2017 - 2026
U.S. Total	-\$12 B	-\$772 B
Your State		

The Medicaid losses above include, where applicable, losses resulting from the fact that, in scoring BCRA, CBO used its March 2016 baseline that projected that certain non-expansion states would expand Medicaid in the future.

Sources: KNG Health Consulting, LLC analysis of H.R. 1628 Better Care Reconciliation Act of 2017, released June 22; and American Community Survey (2015 Data Release), U.S. Census Bureau. Other data sources included: the 2016 Actuarial Report on the Financial Outlook for Medicaid, documents and datasets from the Agency for Healthcare Research and Quality, the Bureau of Labor Statistics, the Centers for Medicare & Medicaid Services, Office of the Assistant Secretary for Planning and Evaluation, and the Kaiser Family Foundation. This data analysis is tied to the BCRA CBO estimate released June 26. These estimates do not reflect the following aspects of the BRCA: (1) state selection of base period for establishing Medicaid per-capita caps; (2) state selection of block grants instead of being subject to the per-capita caps; (3) state stability funds; (4) modifications to Medicaid DSH allotments.