

AMERICAN HEALTH CARE ACT AND MEDICAID REFORM

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Background:

The AHCA passed in the House in early May. Now, the AHCA is in the Senate where they are debating changes (largely behind closed doors). Once the amended AHCA passes in the Senate, it will be sent back to the House for approval. In current form, the AHCA eliminates \$900 billion in taxes on higher income tax payers and health care providers or insurers. The AHCA also cuts Medicaid funding by \$880 billion over 10 years, phasing out Medicaid Expansion. Medicaid Expansion gave each state an option to cover more people in their state with the federal government paying for most of it. In the AHCA, after phasing out Medicaid Expansion, the federal government will provide less money overall to each state for the Medicaid program through a block grant or per capita cap.

Talking Points:

- **Cuts:** Spending caps or block grants ignore the unique needs of state Medicaid programs, which have varying spending patterns based on state-specific demographics, medical technology use, public health crises, and more.
- **Costs:** These cuts only shift costs to state's who will either raise taxes or cut benefits and eligibility. People who are homeless experience high rates of chronic illness and ER visits; this is exacerbated without reliable coverage! We should be paying for prevention.
- **Early Investment:** Investing early in affordable, quality preventative care promotes recovery and saves taxpayer dollars in the long term by mitigating chronic homelessness, disability, criminal justice involvement and frequent hospital stays.
- **Less Flexibility:** Spending caps or block grants are cuts. With less money states will be forced to make tough decisions and have less flexibility. The program is already very flexible.
- **Opioid Epidemic:** Medicaid is paying to treat many people with opioid addiction. We need this funding to continue treatment. Cuts would be devastating to efforts to fight addiction.
- **Less Coverage:** The CBO score told us 23 million would lose coverage. Offering tax credits as a substitute for Medicaid funding will not work. This is especially true for those experiencing homelessness who can not afford premiums. Tax credits are not a viable alternative. Period.
- **Care before Employment:** People must be healthy before they are able to work and pay for their own care. We also know that most individuals on Medicaid are already working.
- **A Phase Out is Unacceptable:** Pushing back the phase out of Medicaid Expansion by a few more years does not change how devastating this bill would be (it only delays).

Values/Morals: Providing comprehensive health care to everyone is the right thing to do!