Medicaid, the AHCA and Older Adults

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Jennifer Goldberg, Director of Health Care Advocacy

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Justice in Aging is a national organization that uses the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources.

Since 1972 we’ve focused our efforts primarily on populations that have traditionally lacked legal protection such as women, people of color, LGBT individuals, and people with limited English proficiency.
AMERICAN HEALTH CARE ACT

H.R. 1628
“Repeal and Replace” ACA
Passed House on May 4, 2017
Pending in the Senate
AHCA Impact on Older Adults

1. Loss of coverage
2. Cuts Medicaid
3. Weakens Medicare
1. LOSS OF COVERAGE
Medicaid Expansion

Limited Age Rating

Pre-Existing Condition Protections

Essential Health Benefits

ACA

Need Based Premium Subsidies
Medicaid Expansion
Limited Age Rating
Pre-Existing Conditions Protections
Essential Health Benefits
Need Based Premium Subsidies
AHCA
UNDER AHCA
14M
LOSE Coverage in 2018
UNDER AHCA
23M
LOSE Coverage
in 2026
UNDER AHCA

5.1M

LOSE Coverage in 2026

Age 50-64
Over five million older adults are projected to lose health insurance by 2026 under the AHCA

Number of adults ages 50-64 without health insurance in 2026, in millions:

<table>
<thead>
<tr>
<th></th>
<th>Current Law</th>
<th>American Health Care Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>4.9 million</td>
<td>10.0 million</td>
</tr>
<tr>
<td>&gt; 200% Poverty</td>
<td>2.5</td>
<td>3.9</td>
</tr>
<tr>
<td>&lt; 200% Poverty</td>
<td>2.4</td>
<td>6.1</td>
</tr>
</tbody>
</table>

Share of Adults with Pre-Existing Conditions Generally Increases with Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>15%</td>
</tr>
<tr>
<td>25-29</td>
<td>20%</td>
</tr>
<tr>
<td>30-34</td>
<td>21%</td>
</tr>
<tr>
<td>35-39</td>
<td>20%</td>
</tr>
<tr>
<td>40-44</td>
<td>23%</td>
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<tr>
<td>45-49</td>
<td>27%</td>
</tr>
<tr>
<td>50-54</td>
<td>34%</td>
</tr>
<tr>
<td>55-59</td>
<td>39%</td>
</tr>
<tr>
<td>60-64</td>
<td>47%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Premium&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Premium Tax Credit&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Net Premium Paid&lt;sup&gt;c&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Law</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Individual with Annual Income of $26,500 (175 Percent of FPL)&lt;sup&gt;d&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 years old</td>
<td>5,100</td>
<td>3,400</td>
</tr>
<tr>
<td>40 years old</td>
<td>6,500</td>
<td>4,800</td>
</tr>
<tr>
<td>64 years old</td>
<td>13,600</td>
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<tr>
<td><strong>H.R. 1628 in an Illustrative State Not Requesting Waivers for Market Regulations</strong></td>
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<tr>
<td>21 years old</td>
<td>4,200</td>
<td>2,450</td>
</tr>
<tr>
<td>40 years old</td>
<td>6,550</td>
<td>3,650</td>
</tr>
<tr>
<td>64 years old</td>
<td>21,000</td>
<td>16,100</td>
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<td><strong>H.R. 1628 in an Illustrative State with Moderate Changes to Market Regulations</strong></td>
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<tr>
<td>21 years old</td>
<td>3,700</td>
<td>2,450</td>
</tr>
<tr>
<td>40 years old</td>
<td>5,750</td>
<td>3,650</td>
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</tr>
<tr>
<td><strong>SINGLE INDIVIDUAL WITH ANNUAL INCOME OF $68,200 (450 PERCENT OF FPL)&lt;sup&gt;d&lt;/sup&gt;</strong></td>
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<tr>
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<td>0</td>
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<td>6,500</td>
<td>0</td>
</tr>
<tr>
<td>64 years old</td>
<td>15,300</td>
<td>0</td>
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Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.
Premium Increases
64 y/o with income of $26,500

CURRENT LAW
$1,700

AHCA
$13,600

*State with some waivers
Premium Increases

64 y/o with income of $26,500

CURRENT LAW

$1,700

AHCA

$16,100

*State with no waivers
Premium Increases
64 y/o with income of $26,500

800% - 950%
2. CUTS MEDICAID (BIGGEST THREAT)
CUTS MEDICAID
$839B
Over 10 Years
Three Kinds of Medicaid Cuts

1. Unwinds Medicaid Expansion
2. Per Capita Caps & Block Grants
3. “Other”
MEDICAID

6M Older Adults

LTSS, Medicare co-pays

22% of Medicaid spending
MEDICAID

Federal Standards

State Options
ENTITLEMENT

NEED EXISTS

STATE SPENDS

FEDS MATCH
A FUNDAMENTAL CHANGE
CAPS=CUTS

Block Grant
Feds send fixed amount to state for whole program

Per Capita Cap
Feds send fixed amount to state for each enrollee

NO ENTITLEMENT
\[ A \times B \times C = \text{Federal Allocation (Elderly)} \]

- **A**: Avg cost of Medicaid per 65+ in 2016
- **B**: CPI-M + 1%
- **C**: # of 65+ enrollees in YEAR
The first factor doesn’t account for aging population.
The Number of Californians Age 65 or Older Is Projected to Rise by Two-Thirds Between 2016 and 2030

Note: Population is estimated for July 1, 2016 and projected for July 1, 2030. Source: Budget Center analysis of Department of Finance data
Average Medicaid Cost per Beneficiary (2011)
HUGE IMPACT ON SENIORS

Loss of eligibility
Loss of services
Loss of access
If the goal is to save $$, there is no saving older adults from Medicaid cuts
3. WEAKENS MEDICARE
TAX CUT

$883B

Partly Medicare Payroll Tax
Medicare Trust Fund Solvency

ACA AHCA

2028 2025
THE PROCESS
TAKING ACTION