

LEGISLATIVE UPDATE

American Health Care Act

May 9, 2017

On Thursday, May 4, 2017, the U.S. House of Representatives passed the American Health Care Act (AHCA), [H.R. 1628](#), by a vote of 217-213. The bill has now been sent to the Senate, where it will be considered by the Committees on Budget, Finance and Health, Education, Labor and Pensions Committees, and possibly others. While AHCA leaves the Indian Health Care Improvement Act (IHCA) intact, the reductions in federal Medicaid funding will take a toll on the Indian Health Service, Tribal 638, Urban Indian Health Program (I/T/U) system of care, and the gutting of regulations and consumer protections can harm American Indian and Alaska Native consumers with private insurance. The primary impacts of the bill are outlined below:

- The House bill would, for the first time, convert Medicaid to a “per capita cap” program, which would give states a set amount of money for each Medicaid enrollee. States may look to cuts in Medicaid eligibility, benefits, and provider reimbursement as a result of the federal funding reductions. The Congressional Budget Office estimated in March that the bill would cut Medicaid spending by \$880 billion.
- The plan would gradually roll back the Affordable Care Act’s (ACA) Medicaid expansion by eliminating the enhanced federal reimbursement to states for anyone from the expansion population who leaves the Medicaid rolls.
- The plan will allow states to apply for waivers that would allow insurance companies in their states to eliminate the ACA’s essential health benefits and charge older people more than five times what they charge young people for the same policy.
- The MacArthur Amendment will allow states to apply for waivers that exempt insurance companies in the state from federal requirements protecting people with [pre-existing conditions](#), and the Upton Amendment provides \$8 billion to help lower premiums for high-risk insurance plans.
- The plan would replace the ACA’s income-based tax credits and subsidies with age-based tax credits. Older people with lower incomes would be worse off under this provision compared to the ACA.¹
- The plan would eliminate the requirement to purchase insurance through the ACA’s marketplaces in order to receive federal tax credits. The bill encourages people to maintain coverage by prohibiting insurance companies from dropping coverage or charging more for pre-existing conditions, as long as their insurance does not lapse.
- Taxes that were included in the ACA to pay for the subsidies that help people buy insurance would be eliminated.

You can find out how your House representative voted on H.R. 1628, [here](#). To voice your concerns with the AHCA, contact your legislator. You can find your Senator’s contact information [here](#).

References

1) American Health Care Act. March 13, 2017. Cost Estimate. <https://www.cbo.gov/publication/52486>



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For the Love of Native People



Urban Indian
Health Institute
A Division of the Seattle Indian Health Board

