

# LEGISLATIVE UPDATE

## Better Care Reconciliation Act of 2017

July 14, 2017

On July 13, 2017, Senate Republicans released the revised Better Care Reconciliation Act of 2017 (BCRA), which repeals parts of the Affordable Care Act (ACA) and reforms Medicaid. The Congressional Budget Office is expected to release its score of the bill early next week, then a key procedural vote is planned by the end of the week to be on track for a final vote the following week. To read the bill, follow this [link](#). While the revised BCRA leaves the Indian Health Care Improvement Act intact and includes some minor changes to its original plan for Medicaid reform, this bill will still take a significant toll on the Indian Health Service, Tribal 638, Urban Indian Health Program (I/T/U) system of care and American Indian and Alaska Native (AI/AN) consumers. Some of the primary impacts of the bill are outlined below:

- The BCRA will give states the option to convert their Medicaid program to a per capita cap or block grant system starting in 2020. The use of a slower growth index starting in 2025 will also be devastating to Medicaid in the long run. While qualified services at IHS and Tribal 638 facilities will be exempt from cap, the I/T/U system of care will still be impacted by cuts to eligibility, benefits, and provider rates that result from states trying to reduce costs.
- Medicaid Expansion, which has gained coverage for 290,000 AI/ANs nationally,<sup>1</sup> will be phased out at a slower rate compared to the House bill.
- Cost-sharing subsidies that reduce deductibles, copayments, and coinsurance for lower-income consumers will be eliminated after 2019, including AI/AN-specific cost-sharing protections. Other key AI/AN-specific provisions of the ACA will not be affected.
- A 5% increase in Federal Medical Assistance Percentage (FMAP) will be offered as an incentive for states to impose mandatory work requirements for their Medicaid program. AI/ANs experience high rates of unemployment, which would cause AI/ANs who live in states who adopt this requirement to become even more dependent on limited IHS funds.
- Premium tax credits will be cut across the board, and the eligibility criteria for these tax credits will be reduced from 400% Federal Poverty Level (FPL) to 350% FPL.
- While Section 138 of the BCRA appears to add authorization for 100% FMAP for any health facility that sees AI/AN Medicaid patients, clarification is needed around this provision and its impact on changing this policy from facility-based to population-based.
- The individual-shared responsibility payment will be repealed and replaced by a “continuous coverage” requirement.

The UIHI will offer a full analysis of the bill once it is formally filed. In the meantime, read the [National Indian Health Board](#) or [Center for Budget and Policy Priorities](#) analyses. To voice your concerns with the Better Care Reconciliation Act, contact your legislator. You can find your Senator’s contact information [here](#).

### References

1) Center for Budget and Policy Priorities, Coverage for American Indians and Alaska Natives at Risk Under Senate GOP Health Bill. <https://www.cbpp.org/research/health/coverage-for-american-indians-and-alaska-natives-at-risk-under-senate-gop-health>



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