



House Passage of ACA Repeal Bill Leaves Some Jubilant, Others Anxious

Shannon Firth

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As the dust settles on Thursday's [House passage of the American Health Care Act \(AHCA\)](#), lawmakers and analysts are thinking about why it happened the way it did, what impact it could have, and what might happen next.

Republicans Feel Validated

"As a physician, I finally, after 7 years, get the federal government out of my exam room," Rep. Ralph Abraham, MD (R-La.), told *MedPage Today* in a phone interview on Thursday afternoon.

Of the Affordable Care Act (ACA), he said, "It's not sinking. It's already sunk." If the AHCA becomes law, "we will be the lifeboats for our patients, for the American people. Premiums will come down. Patients will be able to choose their doctor and keep their doctor again."

Asked about concerns that coverage for people with pre-existing conditions could become unaffordable under the bill, Abraham said the bill had layers of protections to prevent that from occurring, "from continuous coverage, to refundable tax credits, to lower premiums, just on and on and on. Coverage cannot be denied ... This [legislation] provides much more of a safety net for those with pre-existing conditions than Obamacare ever did."

In response to concern about the quality of healthcare under this new bill, Rep. Andy Harris, MD (R-Md.), said, "People just have to understand Obamacare doesn't work."

Noting that Maryland's largest health insurer just requested to raise premiums by an average of more than 50%, he added, "If you can't afford to buy the insurance, it doesn't make a difference what insurance you [are eligible to] buy."

The bill shifts decisions about the quality of coverage onto the states and it does include some guardrails for the changes that states can implement, he explained. For example, if a state decides to eliminate the requirement that those with pre-existing conditions are charged the same amount as everyone else for their health insurance, then the state must establish high-risk pools to insure high-cost patients. Harris said recreating high-risk pools is one of the most significant components of the new bill, because that would lower premiums for the average person.

But fellow lawmaker Rep. John Garamendi (D-Calif.), a former California insurance commissioner, disputed the notion that high-risk pools were effective. "I ran a high-risk pool when I was insurance commissioner ... It flat out did not work." People in high-risk pools are incredibly sick and incredibly expensive, and California wasn't able to pay for the costs of those in the pool. To keep it afloat, the state capped the pool at about 22,000 people out of a population of about 32 million, and even then it wasn't financially viable, he said.

Democrats are Dismayed

What bothered Rep. Ami Bera, MD (D-Calif.), most about the new repeal-and-replace bill is the number of people who will become uninsured if it's implemented. In March, the Congressional Budget Office (CBO) put the figure at 24 million over a decade.

This time, he said, Republicans rushed to a vote after posting the bill at 8 p.m. the day before they were leaving town in order to avoid giving the CBO time to calculate the bill's impact. "[Republicans] know it's going to score badly," he told *MedPage Today* in a phone interview.

While Republicans say the bill preserves access to healthcare for those with pre-existing conditions, Bera is skeptical. In the states that opt out of covering certain essential health benefits, "many patients who have cancer, diabetes, and asthma are going to find it very hard to get healthcare," he said. "I don't think it's an exaggeration to say that some people are going to get sicker and some may actually die."

As for the current ban on insurers charging more for those with pre-existing conditions, "Clearly there will be insurance discrimination," said Garamendi. "No matter how they want to put lipstick on this pig, the elimination of the guaranteed benefit package, together with giving states the authority to further erode protections against discrimination on pre-existing conditions -- it will happen."

Paul Ginsburg, PhD, director of the Center for Health Policy at the Brookings Institution, a left-leaning Washington think tank, said he believes moderates who were unhappy with many of the bill's provisions were persuaded to vote for it with the thought that the Senate would offer something better. "I think that was the logic: 'We'll just get this to the Senate so they can fix it.'"

That might not happen, he said, because many senators are close with state governors or former governor themselves and have major concerns about the impact this plan would have on the Medicaid program.

"I think the most interesting thing about this bill is that it passed even though no one likes it," said Michael Cannon, director of health policy studies at the Cato Institute, a libertarian think tank in Washington.

"They're calling it a repeal bill. But it's really a failure to take a step in the direction of repeal and that's because it doesn't repeal the core elements of Obamacare, not even with the waivers," he told *MedPage Today*.

The core of the law, community rating -- where everyone gets charged basically the same rate, with a very few exceptions -- is what is responsible for driving premiums higher, he added.

"Unless you repeal community rating ... you're not really repealing this law. And Republicans aren't repealing community rating."

In the end, "This bill will backfire and is more likely to give us single-payer than a market system for healthcare," he predicted.

Medicaid Changes Among the Most Significant

"If you are looking for the biggest footprint, it would be the changes to the Medicaid program, without question," said Karen Pollitz, senior fellow at the Kaiser Family Foundation.

She noted that 75 million Americans have coverage under Medicaid today, and the bill would shift the program from an entitlement to a block grant or per-capita cap funding formula that substantially limits the federal funding for the program, affecting everyone from the Medicaid expansion enrollee "to grandmothers in nursing homes with dementia."

So what will happen now that the bill has passed the Senate? Opinions vary. Lawmaker Harris said he wasn't persuaded by news reports suggesting that the Senate is developing its own version of a repeal-and-replace bill. "They could have proposed a Senate bill at any time. They didn't. So I suspect they're going to use the House bill as the foundation for their plan."

But Julius Hobson, MA, senior policy advisor at the Polsinelli law firm in Washington, disagreed, arguing that it's very likely that the Senate won't pass anything resembling the House bill. "In the last week to 10 days, all the discussion in the House has been about pre-existing conditions, and the discussion in the Senate from Day One has been about Medicaid cuts and what that means," Hobson said. "With that sort of situation, you knew that what the House was doing wasn't going to make it."

Charles Sauer, a legislative fellow at the Goodman Institute, a right-leaning think tank in Dallas, agreed that the bill was likely to change in the Senate, but said that the Senate was still likely to include tax credits, high-risk pools, and health savings accounts (HSAs) in its bill, similar to the House bill. HSAs are especially important because, he said, "If you don't have any choices in the individual market, you need to figure out a way to give people choices."

Although the Senate may produce a different kind of bill than the House, "it's unlikely that it will be something that builds off of the protections of the Affordable Care Act, rather than eliminating those protections," said Dania Palanker, JD, MPP, of Georgetown University's Center on Health Insurance Reforms.