



Most Arizona Republicans Vote To Repeal ACA; State Health-Care Industry Concerned

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Almost all of Arizona's Republicans threw their support behind the replacement for the Affordable Care Act, which narrowly passed the U.S. House on Thursday.

Four of Arizona's five House Republicans voted for the American Health Care Act. Republican Rep. Andy Biggs, who represents a conservative district in the East Valley, joined Arizona's Democrats in opposing the bill.

Before the vote, Biggs criticized the legislation for not being a "clean repeal of Obamacare" and said he was disappointed that two amendments he had submitted were not adopted.

Even the state's Republican members of the House who voted for the bill struck a measured tone.

Congressman Paul Gosar, part of the far-right House Freedom Caucus, acknowledged the bill was not a full repeal, but said there were enough "conservative, time-tested" changes to this version of the AHCA to win his vote.

"Millions of Americans are drowning right now under the tidal wave of Obamacare regulations and mandates that have destroyed our entire health-care system. The American Health Care Act is a life raft to those suffering and represents a down payment towards a true market-based solution," Gosar said in a statement following the vote.

Congresswoman Martha McSally echoed those sentiments, saying she faced a "binary decision" and that the AHCA wasn't a "perfect bill."

"I will continue to work with state and local stakeholders and closely monitor this bill throughout the legislative and implementation process to ensure that my constituents have access to the care they need, that the most vulnerable are protected, and that Southern Arizona is better off in the future," McSally said in a statement.

Congressmen David Schweikert and Trent Franks were the other Republicans from Arizona to vote yes.

The bill passed without a full analysis from the Congressional Budget Office, but some in Arizona's health-care industry say the new version of the AHCA will dramatically scale back Medicaid funding and, in the short term, cause premiums to rise for certain groups.

As written, the AHCA would allow states to apply for a waiver to what's known as the "community rating" requirement, which protected people with expensive medical conditions from being charged more than others.

"By removing that, insurance plans could charge people with pre-existing conditions significantly more to the tune where they could no longer be able to afford health insurance," Marcus Johnson of Vitalist Health Foundation, which helps enroll people in Arizona's marketplace, said.

The AHCA allocates billions of dollars to help cover those with pre-existing conditions, but an initial analysis from **Avalere Health shows that funding** would not be nearly enough to cover everyone. Arizona has about 48,000 people with pre-existing conditions in its marketplace.

If Arizona pursues a waiver to establish a high-risk pool, Johnson said it's unclear whether Arizona would have the funding to cover the "demand of our aging and low-income population."

Arizona could also request exemptions from the "essential health benefits" that the ACA requires every insurance plan to include.

The Republican legislation also has major implications for Medicaid. It phases out the extra federal funding that Arizona received to expand the program.

More than 400,000 people in Arizona have joined the rolls of the state's Medicaid program since the state restored and expanded it. The new legislation keeps that enhanced funding for those already enrolled so long as they don't fall off the program, which is common among that population.

"This increases uncompensated care and forces hospitals to cost shift to commercial payers and businesses. There really isn't any free lunch in all of this," Debbie Johnston with the Arizona Hospital and Healthcare Association told KJZZ.

Johnston said the hospitals that won't be able to cost shift because of their payer mix may become financially unviable.

"We are deeply disappointed with the passage because it will jeopardize coverage for hundreds and hundreds of thousands of Arizonans," Johnston said.

"When you shift the risk and the blame from the federal government to states, it is going to make state government much more challenging with much less resources to do it," Dr. Daniel Derksen, director of the University of Arizona's Center for Rural Health, said about the changes to Medicaid.

"This isn't increasing or preserving choices. This is really reducing choices," Derksen said.

Along with rolling back the expansion, the AHCA changes Medicaid from an open-ended federal program to one that's capped. That most likely means less money for a state like Arizona, which already has a low-cost program.

Dr. Jeffrey Singer, who's a surgeon in the Valley and a fellow at the Cato Institute, said that's a good thing.

“By freeing states from the shackles of Washington, that money can go a lot farther. States need to be able to control their budgets because the way Medicaid is growing, it’s not leaving room for anything else,” Singer said.

In response to the vote, a spokesperson for Governor Doug Ducey emphasized that the legislation is still a work in progress:

"The governor remains supportive of the effort to repeal and replace Obamacare. As he has maintained, he wants a replacement that improves health care for Arizonans and ensures that no one has the rug pulled out from under them. The House bill is the first step in this process, not the last. Now, the Senate will have its say, and we will be working with Senators McCain and Flake to ensure the bill is improved in a way that addresses Arizona's concerns and still achieves the ultimate goal, which is repealing Obamacare and restoring insurance markets that function so Arizonans can have access to high-quality and affordable health care."