

Talking Points

American Health Care Act

Updated March 2017

During the week of March 6, Republican members of the U.S. House of Representatives introduced the American Health Care Act (AHCA), legislation designed to repeal and replace the Affordable Care Act. While the Michigan Health & Hospital Association is open to reforms to the Affordable Care Act, the association is troubled by a number of elements within the AHCA.

We need to protect our state's investment in making Michigan a healthier state

- Michigan hospitals committed to a \$10 billion reduction in Medicare payments to ensure state residents have access to expanded health insurance coverage under the Affordable Care Act. This amount represents Michigan hospitals' commitment to the following:
 - Universal health benefits for Michiganders
 - Improved population health to reduce the necessity of sick care
 - Better care coordination to ensure the right care is sought in the right setting
 - Reduced emergency department utilization
 - Improved quality and patient safety
- Michigan deserves its fair share from Washington, DC. Money our state sends to the federal government needs to be invested in our state to continue benefitting the health and well-being of our families and communities.

Congress must slow down and fully deliberate any attempts to repeal and replace the Affordable Care Act — do it right, don't do it fast

- Congress must engage in a process that is thoughtful and focused on ways to improve our healthcare system, particularly when it comes to vulnerable populations like seniors, the disabled and the poor.
- The uncertainty created for hospitals, patients and communities under the AHCA is concerning and needs to be addressed before proceeding through the legislative process. There are a number of reasons the MHA cannot support the bill as introduced, including:
 - The nonpartisan Congressional Budget Office has yet to score the legislation
 - The AHCA does not detail how tax credits called for in the proposal would be funded
 - Under the AHCA, billions of dollars in hospital cuts and penalties would continue, but coverage would be reduced rather than expanded
 - The AHCA does nothing to ensure the viability of the individual insurance marketplace, nor does it guarantee affordable health insurance coverage or access to care
- A responsible replacement should include:
 - The promise of federal support for Medicaid expansion at the current matching rate
 - A plan for keeping the individual health insurance marketplace stable and solvent
 - Eligibility assurances for people with pre-existing conditions
 - Protections against rescinding health insurance benefits after a person becomes ill

-MORE-

Brian Peters, Chief Executive Officer

2112 University Park Drive | Okemos, MI 48864 | (517) 323-3443 | www.mha.org

Despite the flaws in the Affordable Care Act, nearly 1 million people in Michigan now have healthcare coverage as a direct result of the law.

- As currently written, the AHCA could force an end to the Healthy Michigan Plan beginning Jan. 1, 2020.
- Any changes to the Affordable Care Act must ensure continued healthcare coverage for Michiganders who have benefitted from the law.
 - More than 650,000 Michiganders receive health insurance coverage through the Healthy Michigan Plan (Medicaid expansion)
 - Another 320,000 Michiganders access health insurance benefits through Michigan's federally facilitated insurance marketplace
 - In many Michigan counties, more than 30 percent of the population uses Medicaid for its healthcare benefit
- Healthcare coverage is vitally important to working Michigan residents and their families. State residents rely on hospitals and health systems to provide them with:
 - A full range of high-quality, lifesaving services, including preventive benefits
 - Community education and resources that further improve the quality of their lives and the health of the communities in which they live.
- There is ample evidence that the number of people in Michigan who are uninsured has declined substantially under the Affordable Care Act. However, many Michigan hospitals and healthcare systems are concerned about the risk of losing the coverage gains finally achieved under the Affordable Care Act and what that could potentially mean for the physical and economic health of patients and their families.

Listed below is a summary of the MHA's major concerns with the coverage and access components of the AHCA:

- The freeze and phase-out of Medicaid expansion starting in 2020
- Decreased levels of financial assistance for those buying private coverage on the exchanges, and shifting the assistance from a subsidy model to one that uses tax credits based on both age and income
- Providing \$100 billion to states to care for lower income Americans and "stabilize individual marketplaces" with no details about the long-term protection of existing, traditional Medicaid for the disabled, elderly, children and other vulnerable populations
- The repeal of the insurance mandate for both individuals and employers, as well as several other taxes employed by the Affordable Care Act to help pay for coverage expansion, including the tax on health insurers, the medical device tax and more.

For more information, contact [Ruthanne Sudderth](#) or [Laura Appel](#) at the MHA.