The American Health Care Act (AHCA): Florida Delegation Should Urge Congress to Slow Down

**Background:** The American Health Care Act (“AHCA”) both repeals and replaces much of the Affordable Care Act (ACA) and fundamentally changes the Medicaid program. In a troubling departure from the usual legislative process, the bill was rushed though relevant House Committees without any input from health economists or other experts and without any public hearings. And now, the bill, which was not introduced until late on March 6, is being rushed to a full vote before the April 6 recess. This stunning lack of deliberation and transparency is unprecedented.

**Widespread concerns with the AHCA:** The bill puts tremendous pressure on our state budget and would leave Florida residents paying more for less. This bill does nothing to lower costs, improve care or protect coverage for children, families, seniors and people with disabilities. Virtually every major provider group—from physicians to nurses to hospitals-- has come out in opposition.

**Loss of affordable marketplace coverage:** The Congressional Budget Office (CBO) found that the AHCA would result in over 24 million more people without insurance over the next 10 years. This includes the vast majority newly insured Floridians, many of whom were able to purchase insurance for the first time through the marketplace because of income related subsidies. Of the over 1.5 million Floridians who purchased insurance through the marketplace, over 90% received subsidies to help pay for their premium and the vast majority (over 70%) also received assistance in paying for other costs, e.g. copayments. The AHCA replaces this assistance with tax credits based on age instead of income. The credits are inadequate, given the actual cost of insurance—particularly for people over 50. Further, the CBO found that the AHCA would increase the cost of private insurance between 15 and 20%.

**Loss of critical Medicaid funding:** The CBO also found that funding for the Medicaid program would decrease by $880 billion over 10 years. This loss off funding will adversely impact the over 4 million Floridians who rely on Medicaid, including the majority of people in nursing homes and (with KidCare) almost half of all children. It would also have a devastating impact on the state budget as Medicaid currently provides the largest source of federal dollars (over 54%) flowing it the state.

**Fundamental change to Medicaid financing:** AHCA proposes to cap Medicaid funding—either through a block grant for certain populations (kids, nondisabled adults) or a per capita cap. While these caps have some different details and mechanics, both would be extremely adverse for Florida Medicaid beneficiaries and the state budget. Currently, the federal government guarantees payment for 61% of the program’s costs. Thus, when more people qualify for the program during economic downturns, or when the state faces increased costs due to unforeseen natural or medical “disasters” (e.g. hurricanes, Zika) or if a life saving drug comes onto the market (e.g. Hepatitis C cure), federal funding has been available to match the state’s increased costs. A *shift to capped funding eliminates the guarantee of federal matching dollars for the state’s health care costs.* This will ultimately leave the state with deciding how to ration services. For example, if a new drug is developed for Alzheimer’s, federal dollars will not be available to help pay for the increased cost. Thus, either elderly patients will not get the treatment; or, if they do, other beneficiaries, including children, will go without medically necessary care.

For questions, contact Miriam Harmatz, miriam@floridalegal.org or Katy Huddleston, katy@floridalegal.org: March 22, 2017

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3 Id. at 3
4 Kaiser Family Foundation, FL Medicaid Fact Sheet (Jan. 2017)
5 Changes in Health Care Policy: How Could Florida Be Affect? Georgetown Univ CF (Mr. 7, 2017)