



# American Health Care Act Fact Sheet

## THE BOTTOM LINE

The Congressional Budget Office estimates that **24 million Americans will lose their health insurance coverage by 2026**. By that year, it is estimated that a total of 52 million Americans will be uninsured. It would also likely make it more difficult for middle-to-low-income Nebraskans, seniors, and people with health conditions to afford coverage.

The AHCA would also **cut \$880 billion from Medicaid nationally through the year 2026**. Medicaid is currently the only way for about 230,000 Nebraskans - mostly children, seniors, and people with disabilities - to get coverage. This means great risk for the health coverage of many Nebraskans who need insurance the most.

*The American Health Care Act (AHCA) is the bill in the U.S. House of Representatives to repeal and replace the current Affordable Care Act (ACA).*

## WHAT'S IN THE BILL

### KEEPS FROM ACA

- Young adults can stay on their parents' plans until age 26
- People with pre-existing conditions can't be denied or charged more for coverage
- No annual or lifetime limits on coverage
- Insurance plans must provide the same 10 Essential Health Benefits (comprehensive, standard set of benefits) as under the current ACA

### KEEPS FROM ACA, BUT CHANGES

- **Tax Credits:** Under the ACA, tax credits are based on income. People with lower incomes get more assistance to buy coverage, and credits go up as premiums go up.  
The AHCA proposes age-based tax credits where older people get higher credits than younger people. The credits aren't based on actual premium costs and range from \$2,000/year for people under age 30 to \$4,000/year for people over age 60. Some people who currently earn too much money to get tax credits would be able to receive them, but many people who currently get credits will find that they aren't as helpful and may not be able to afford insurance anymore.
- **Medicaid Expansion:** States can take up Medicaid expansion through 2020. Expansion states can continue receiving the enhanced federal funding through 2020.

### ELIMINATES

- Financial assistance for people with low incomes to help with their out-of-pocket costs, like copayments or deductibles
- ACA-related taxes amounting to a \$600 billion tax cut for the very wealthy
- Tax penalty for not having insurance (individual mandate): Instead, the AHCA proposes a "continuous coverage requirement" where people without insurance for 63 or more days can be charged 30 percent higher premiums for one year
- Requirement that large employers provide employees with insurance

### OTHER BIG CHANGES

- **Per Capita Cap in Medicaid:** After 2020, Medicaid would be changed to a "per capita cap" system, unlike now where states are reimbursed at least 50 percent of the costs by the federal government.  
Under a per capita cap, states get a set amount of federal dollars for each Medicaid client based on state spending in 2016 plus inflation. This could lead to Nebraskans losing Medicaid coverage or a reduction in Medicaid services.
- Older people can be charged five times as much as younger people for coverage, instead of the current limit at three times as much, leading to higher costs for older adults.

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