



# American Health Care Act (AHCA) Fact Sheet

## THE BOTTOM LINE

The AHCA benefits people who are healthier and wealthier and disadvantages people who are sicker and with lower incomes.

The Congressional Budget Office has estimated that at least 23 million Americans will lose their health insurance coverage by 2026.

The AHCA would cut \$834 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 AHCA would return us to the days where people, including an estimated 275,000 Nebraskans, could be discriminated against because of preexisting conditions.

## BIG CHANGES FROM THE ACA

**TAX CREDITS:** The ACA's tax credits are based on income. People with lower incomes get higher amounts of credits, and credits go up as premiums go up. Credits also differ based on geography.

Under the AHCA, tax credits are based on age, with older people getting 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.

**OLDER PEOPLE CAN BE CHARGED MORE:** Under the ACA, an older person can only be charged three times as much as a younger person. The AHCA would allow states to charge an older person five times as much. The CBO estimates that older, low-income people would be hit hardest by the AHCA's changes. For example, a 64 year old earning \$26,500/year would see her premiums go from \$1,700/year now to \$13,600/year under the AHCA.

**MEDICAID CHANGES:** After 2020, Medicaid would be changed to a "per capita cap" system, unlike now where states are reimbursed at least half of Medicaid 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. Also, in 2020, states could choose to use a "block grant"-- a fixed pot of money instead of a match rate --for certain Medicaid groups. Both of these approaches are extremely harmful and could lead to Nebraskans losing Medicaid coverage or a reduction in Medicaid services.

**HIGH RISK POOLS:** The AHCA creates a "Patient and State Stability Fund." States can use these dollars for a number of purposes, including the creation of high risk pools, where sicker people are segregated out from healthy people into a separate insurance market. These are historically underfunded and don't work effectively to provide good coverage.

## THE AHCA ELIMINATES

**ACA-RELATED TAXES:** The bill includes \$664 billion in tax cuts - mostly for the wealthy.

**PROTECTIONS FOR PEOPLE WITH PREEXISTING CONDITIONS:** States could waive the ACA's 10 essential health benefits (a comprehensive, standard set of benefits) and "community rating," the protection in the ACA that keeps insurers from charging people more because they are sick. In other words, the AHCA would make it harder for people with pre-existing conditions to get coverage by driving up costs and weakening the benefits package insurers have to offer.

**FINANCIAL ASSISTANCE FOR PEOPLE WITH LOW INCOMES TO HELP WITH THEIR OUT-OF-POCKET COSTS, LIKE COPAYMENTS OR DEDUCTIBLES**

**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% more for coverage for a year.

**REQUIREMENT THAT LARGE EMPLOYERS PROVIDE EMPLOYEES WITH INSURANCE**

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