AFSCME OPPOSES HEARTLESS SENATE HEALTH CARE BILL

On June 22, after weeks of drafting behind closed doors, Majority Leader Mitch McConnell (R-KY) released the Senate’s bill to repeal the Affordable Care Act (ACA) and gut Medicaid. The bill is being rushed to the Senate floor for a vote the week of June 26. The bill largely tracks legislation approved by the House in early May, a bill that President Trump recently called “mean.” But, in some ways, the Senate bill is even more heartless. Over the long run, the Senate bill makes deeper cuts to Medicaid. States will be forced to restrict eligibility, reduce health care services and cut provider payments. In order to compensate for the reduced federal Medicaid funding, states will be forced to cut other public services, such as education, transportation and law enforcement. Below are highlights of the Senate bill.

**Impact on Workers’ Health Plans**

- Maintains the so-called “Cadillac tax” on high-cost health plans, delaying the implementation of the tax from 2020 to 2026.

- Allows states to waive rules that require health plans to include 10 essential health benefits. Employer-sponsored health plans could impose annual and lifetime limits on the essential health benefits which include hospitalization, prescription drugs, mental health and substance abuse treatment, maternity care and other services.

**Cuts to Medicaid**

- Ends guaranteed federal funding to the states for Medicaid and replaces it with a fixed per capita amount in 2020. The amount is adjusted annually, but at a rate that will not keep pace with the growth in costs, shifting more and more of the funding burden onto states. The per capita cap provision in the Senate bill is worse than the House bill.

- Eliminates Medicaid funding for the Community First Choice Option, which is helping to fund home care services in a number of states.

- Ends the ACA’s Medicaid expansion, phasing-down extra federal funding to states that opted to cover all low-income adults up to 138% of poverty level. The federal funding is phased out between 2020 and 2024.

**Tax Cuts for the Wealthy and Well-Connected**

- Reduces the Medicare tax on earnings above $200,000 ($250,000 for couples) beginning in 2023. This cut in funding will weaken the financial health of the Medicare hospital trust fund.

American Federation of State, County and Municipal Employees, AFL-CIO

1625 L Street, NW • Washington, DC 20036   Lee Saunders, President • Elissa McBride, Secretary-Treasurer
• Cuts taxes on insurance and pharmaceutical companies and other corporations. Altogether, the tax cuts for the wealthy and for corporations are expected to total more than $600 billion over 10 years.

Harm to Those Who Purchase Coverage on Their Own

• Reduces tax credits that help make coverage more affordable for those who purchase health insurance through an ACA exchange. Plans offered on the exchange will be skimpier, with fewer benefits and higher out-of-pocket costs.

• Includes an “age tax” that allows insurance companies to charge older people five times what they charge young adults.

• Provides insurance companies with a backdoor way of screening out those with pre-existing conditions.

The Congressional Budget Office has not released its official “score” of the bill which will estimate the number of people who will lose coverage and the impact on the federal budget. But millions of low-income Americans, including children, would lose their health coverage. The bill would make it harder and more expensive for families to get affordable home care and nursing home services for an elderly parent or child with severe disabilities. The bill would lead to a loss of jobs in health care across the country and cause more rural hospitals to close their doors.

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