

FACT SHEET

January 12, 2017

Five Million Californians Could Lose Coverage Under ACA Repeal: Data by Congressional District

Over five million Californians rely on the resources provided by the Affordable Care Act, either to get their coverage through the Medicaid (Medi-Cal) expansion, or to get financial assistance to afford and buy a private health plan through Covered California. Repeal of the ACA would be a loss of over \$22 billion/year to California's health system (and 209,000 jobs lost) in 2017-18 and beyond. This includes \$17.3 billion for covering 4.1 million Californians in Medi-Cal, and over \$5 billion in tax credits (averaging over \$309/month) for over 1.2 million in Covered California. Repeal of the ACA would directly impact not just these 5 million Californians, but also millions of other consumers who will be left in a smaller and sicker insurance pool, with skyrocketing premiums as a result. The chart below details enrollment by California Congressional district with the best and most recent available estimates and numbers for mid-2016. Enrollment has continued to grow beyond this in both Medi-Cal and Covered California

CALIFORNIA ENROLLMENT IN ACA COVERAGE						
		Covered California as of June 2016			Medi-Cal Expansion as of July 2016	
District	Representative	Total Enrollees June 2016	Enrollees with Subsidies June 2016	Total Enrollees Ever Served	Total Adult Expansion (Estimate)	Total Enrollees Receiving Direct Assistance from ACA**
All	California	1,356,909	1,204,526	2,671,361	3,648,000	4,852,526
1	LaMalfa [R]	27,708	25,646	49,325	75,000	100,646
2	Huffman [D]	33,893	29,213	62,126	63,000	92,213
3	Garamendi [D]	20,587	19,077	40,790	65,000	84,077
4	McClintock [R]	30,679	27,548	56,138	47,000	74,548
5	Thompson [D]	26,882	24,043	52,779	60,000	84,043
6	Matsui [D]	20,075	18,617	41,481	88,000	106,617
7	Bera [D]	23,200	21,424	46,325	56,000	77,424
8	Cook [R]	18,482	17,008	34,781	87,000	104,008
9	McNerney [D]	23,401	21,803	46,889	80,000	101,803
10	Denham [R]	25,462	23,757	49,841	86,000	109,757
11	DeSaulnier [D]	26,100	22,286	51,052	54,000	76,286
12	Pelosi [D]	31,488	25,200	64,604	68,000	93,200
13	Lee [D]	30,667	25,898	61,023	69,000	94,898
14	Speier [D]	25,509	22,029	52,041	55,000	77,029
15	Swalwell [D]	26,829	23,399	53,312	45,000	68,399
16	Costa [D]	18,609	17,823	35,864	105,000	122,823
17	Khanna [D]	25,616	22,294	53,175	43,000	65,294
18	Eshoo [D]	23,588	18,822	48,714	33,000	51,822
19	Lofgren [D]	23,440	21,033	49,665	76,000	97,033

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CALIFORNIA ENROLLMENT IN ACA COVERAGE						
		Covered California as of June 2016			Medi-Cal Expansion as of July 2016	
District	Representative	Total Enrollees June 2016	Enrollees with Subsidies June 2016	Total Enrollees Ever Served	Total Adult Expansion (Estimate)	Total Enrollees Receiving Direct Assistance from ACA**
20	Panetta [D]	27,570	24,814	55,086	65,000	89,814
21	Valadao [R]	12,840	12,351	27,937	99,000	111,351
22	Nunes [R]	19,306	18,070	37,722	68,000	86,070
23	McCarthy [R]	15,742	14,579	32,025	67,000	81,579
24	Carbajal [D]	29,730	27,001	54,107	52,000	79,001
25	Knight [R]	20,820	18,369	42,661	58,000	76,369
26	Brownley [D]	29,029	26,393	54,483	59,000	85,393
27	Chu [D]	42,005	37,900	79,054	70,000	107,900
28	Schiff [D]	38,091	31,469	73,453	68,000	99,469
29	Cárdenas [D]	22,830	20,856	46,031	107,000	127,856
30	Sherman [D]	35,104	30,099	68,813	55,000	85,099
31	Aguilar [D]	18,870	17,015	37,120	83,000	100,015
32	Napolitano [D]	26,709	24,888	53,083	76,000	100,888
33	Lieu [D]	30,749	23,286	60,057	24,000	47,286
34	Becerra [D]	23,274	20,672	46,157	107,000	127,672
35	Torres [D]	23,071	21,709	45,464	83,000	104,709
36	Ruiz [D]	22,332	20,286	42,431	81,000	101,286
37	Bass [D]	24,283	20,106	49,749	74,000	94,106
38	Sánchez [D]	21,886	20,052	44,405	65,000	85,052
39	Royce [R]	37,723	34,331	69,242	51,000	85,331
40	Roybal-Allard [D]	15,527	14,659	31,977	119,000	133,659
41	Takano [D]	18,403	17,034	37,114	79,000	96,034
42	Calvert [R]	25,724	22,757	50,651	56,000	78,757
43	Waters [D]	20,590	18,422	42,024	87,000	105,422
44	Barragán [D]	15,913	14,956	33,674	104,000	118,956
45	Walters [R]	33,881	29,039	65,090	37,000	66,039
46	Correa [D]	21,914	20,559	46,233	92,000	112,559
47	Lowenthal [D]	24,866	22,223	51,114	76,000	98,223
48	Rohrabacher [R]	34,527	29,899	67,033	47,000	76,899
49	Issa [R]	31,814	26,643	61,627	38,000	64,643
50	Hunter [R]	26,875	23,893	52,392	63,000	86,893
51	Vargas [D]	26,284	25,435	50,078	95,000	120,435
52	Peters [D]	29,235	24,015	58,033	31,000	55,015
53	Davis [D]	27,177	23,846	55,316	57,000	80,846

**Total Enrollees Receiving Direct Financial Assistance from ACA are the CoveredCA Enrollees with Subsidies and Medi-Cal Adult Expansion Enrollees.

Source: Zip code data from Covered California, Covered California June 2016 Active Member Profile

Source: UC Berkeley Labor Center, Medi-Cal Adult Expansion Population Estimates

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Covered California: California's Health Insurance Marketplace at Risk

January 18, 2017

The Affordable Care Act (ACA) created health care marketplaces (or “exchanges”) to make health insurance more affordable and easier to shop, compare, choose, and buy. Under Republican Governor Arnold Schwarzenegger, California was the first state in the nation to create its own marketplace, called Covered California. The combination of Covered California and Medi-Cal (Medicaid) expansion has cut California's uninsured rate by more than half, from 17.2% in 2013, to 8.6% in 2015.¹

The ACA provides federal subsidies to help moderate-income consumers afford the cost of insurance premiums as well as the cost of care.

- **Over 90% of those enrolled in Covered California, 1.2 million California consumers, receive federal tax subsidies worth \$4 – \$5 billion.**
- The average subsidy of \$440² covers nearly 77%³ of the consumer's monthly premium costs.
- These subsidies make health coverage more affordable to a population that earns between \$16,000 and \$47,080 a year (138% – 400% FPL).⁴
- Around 680,000⁵ lower income consumers also receive another **\$800-\$900 million in help to pay for cost sharing** such as co-pays and deductibles, which are paid directly to insurers. The average cost sharing subsidy is \$1,250⁶ annually.

GOP Proposals to repeal the ACA without a replacement would:

- Eliminate subsidies that help 1.2 million Californians afford coverage; and
- Destabilize the insurance market for all individual consumers, including those not subsidized, who would be left in a smaller, sicker risk pool, causing insurance premiums for all individuals to skyrocket. The Urban Institute and others predict a “death spiral”⁷ that would cause insurers to abandon the marketplaces altogether.

Covered California, the Nation's Largest State Exchange, Helps Californians Get Coverage

Individual Consumers: Covered California currently enrolls over 1.4 million individual consumers.⁸

- Since its formation in 2014, Covered California has enrolled and served more than 2.5 million Californians, who cycle through individual insurance between employer-based and public program coverage.⁹
- Most of those who have been enrolled in Covered California have renewed their coverage in Covered California. Over a million Californians have gone on to find other coverage through employer coverage or Medi-Cal (California's Medicaid program).

Covered California Negotiates on Behalf of Consumers

As a public agency with an appointed board of directors, Covered California is accountable to the public and the consumers it serves. It is one of the few exchanges that is an “active purchaser” that actively negotiates with health insurers over rates as well as improvements in cost, quality and health disparities. Covered California has successfully used its bargaining power to:

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Minimize Rate Increases

- The three-year average rate increase in Covered California is 7%¹⁰-- lower than national averages and lower than pre-ACA trends where consumers regularly faced double-digit percentage spikes.
- For 2017, the statewide average premium rate increase to 13%¹¹ compared to the national average premium rate increase of 22%.¹² To deal with rate increases, the ACA and Covered California provides two new tools:
 - Federal subsidies absorbed the impact of rate increases for 90% of enrollees; and
 - No longer locked into one insurer, consumers can shop and compare plans. Even with rising premiums, the vast majority of consumers (80%) would be able to comparison-shop and find a plan at the same benefit level that costs them, at most, 5% more than they were paying in 2016.¹³

Give Consumers a Choice of Plans

Almost every Californian has a choice of health insurers in the individual market.

- 11 different health insurers participate in Covered California.
- For 2017, 92.6% of consumers can choose from three or more insurers.
- All consumers will have at least two insurers to choose from.¹⁴

Help Consumers Make Apples-to-Apples Comparisons of their Options

Standardized benefits and cost sharing to help consumers shop and compare plans.

- For example, when a consumer decides to purchase a Silver plan, the copays, deductibles, and other cost sharing are the same for Anthem, Blue Shield, HealthNet, Kaiser Permanente, and the other plans available in that region.
- Standardization makes choosing a plan simpler, provides peace of mind about the benefits, fosters more intense price competition, and allows the consumers to choose coverage based on premiums, plan quality ratings, and provider networks.
- Before the ACA and Covered California, insurers offered different plans with different cost-sharing and benefits, making it impossible for consumers to shop and compare their coverage options.

Improve Quality and Reduce Health Disparities

- Covered California is also requiring insurers to show improvements in cost, quality and disparities through requirements such as lower hospital infections, fewer caesarean sections, and reduced health disparities for high blood pressure and diabetes.¹⁵

The ACA's Insurance Market Rules Protects Consumers

Covered California's success is rooted in the insurance market rules put in place by the ACA, which built on pre-existing California consumer protection laws. Key protections include:

- **No discrimination against people with pre-existing conditions:** Under the ACA, no one can be denied coverage or be charged more based on pre-existing condition, whether that is a serious condition like cancer or a heart attack, or a less serious condition like asthma, acne, or ear infections. In California, premiums for individuals and small employers are based solely on age and geographic region. Insurers cannot base premiums on gender, tobacco use, and health status.
- **Consumers get comprehensive coverage,** including medically necessary doctors, hospitals, labs, imaging, as well as medically necessary prescription drugs, behavioral health treatment, maternity care and preventive care services.
- **No annual or lifetime limits to coverage:** The ACA banned annual and lifetime limits, so people can no longer be dropped by their insurer for having serious, expensive medical needs:
 - Pre-ACA people with cancer, multiple sclerosis, or other very serious conditions would hit an annual limit of \$100,000 or a lifetime limit of \$1 million, forcing them to lose their homes or go into bankruptcy.
 - Under the ACA, every consumer has a \$7,000 cap on annual out-of-pocket costs (co-pays, deductibles, and other cost sharing).

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About Health Access California

Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians. We represent consumers in the legislature, at administrative and regulatory agencies, in the media, and at public forums. For more information, please visit www.health-access.org.

¹ UC Berkeley Labor Center, [Taking Stock: Californians' Insurance Take-Up Under the Affordable Care Act](#), October 2016.

² Covered California, [June 2016 Active Member Profile](#), Published December 2016.

³ Covered California, [Covered California Announces Rates and Plan Expansions for 2017](#), July 2016.

⁴ Covered California, [Income Guidelines Use Through March 2017](#), September 2016.

⁵ Covered California, [June 2016 Active Member Profile](#), Published December 2016.

⁶ This average estimate is achieved by dividing \$800-900M by 680,000 enrollees that receive CSR.

⁷ Urban Institute, [Implications of Partial Repeal of the ACA through Reconciliation](#), December 2016.

⁸ Covered California, [Covered California Announces Rates and Plan Expansions for 2017](#), July 2016.

⁹ Covered, California, [Health Insurance Companies and Plan Rates for 2017](#), Updated September 2016.

¹⁰ Covered California, [Covered California Announces Rates and Plan Expansions for 2017](#), July 2016.

¹¹ Covered California, [Covered California Announces Rates and Plan Expansions for 2017](#), July 2016.

¹² US Department of Health & Human Services, [Office of the Assistant Secretary for Planning and Evaluation, Health Insurance Choice and Premiums in the 2017 Health Insurance Marketplace](#), October 2016.

¹³ Covered California Announces Rates and Plan Expansions for 2017 (July 19, 2016) <http://news.coveredca.com/2016/07/covered-california-announces-rates-and.html>.

¹⁴ Covered California, [Covered California Announces Rates and Plan Expansions for 2017](#), July 2016.

¹⁵ Covered California, [Attachment 7 to Covered California 2017 Individual Market QHP Issuer Contract: Quality, Network Management, Delivery System Standards and Improvement Strategy](#) (Board approved on April 6, 2016); [Attachment 14 to Covered California Qualified Health Plan Contract](#), July 2013.

FACT SHEET

Our Medi-Cal at Risk

Federal Proposals Would Cut Billions from Medi-Cal and Eliminate Coverage for Millions of Californians

Updated February 8, 2017

For 50 years, Medi-Cal, California's Medicaid program, has been a vital lifeline for millions of Californians and a core pillar of the health system on which we all rely. Proposals from the President and Congress would threaten the health coverage that children, working adults, low-income families, senior citizens, and people with disabilities receive from Medi-Cal. This fact sheet assesses the impact of various proposals on California, based on the information available and our best assessment at this time.

Medi-Cal is Important to California's Health and Economy

Medi-Cal provides coverage for health care services to **over 14 million Californians**¹ and provides an important safety-net for all of us when we are incapacitated or in between jobs.

- Over 1/3 of the state's population and 60% of all California children are covered by Medi-Cal.
- Medi-Cal covers 50% of all state births and 2/3 of all nursing home residents.⁵
- Medi-Cal also covers more than 4.1 million low-income working adults, both working parents and adults without children under age 18 at home.
- Most hospitals and other major health providers rely on Medi-Cal** as a major funding stream, especially in areas where Medi-Cal covers 1/3 to 1/2 of the population, including the Central Valley, the rural north, and much of Southern California.
- California will receive \$66.8 billion in federal funding for the \$102.6 billion Medi-Cal program per budget year 2017-2018, and will face to lose **\$17.3 billion under ACA repeal. Other funding cap proposals could result in the state losing even more funds, amounting to more than half of its federal funding.** Such reductions would force severe cuts to Medi-Cal enrollment and benefits.
- In contrast, the state's General Fund Budget is **\$125 billion**.⁶ Replacing lost federal funds would require a 20% 25% state tax increase, or deep cuts to general fund spending for K-12 and higher education, corrections, human services, transportation, and environmental protection, or all of the above.
- A repeal would have severe economic impacts for California and could cost the state's economy **\$20.3 billion in GDP and lead to 209,000 job losses** – 135,000 of which are in the health care industry.⁷

COUNTY	% OF POPULATION IN MEDI-CAL ²	ESTIMATED JOB LOSSES ³	PROJECTED ECONOMIC LOSSES ⁴
Fresno	50%	6,000	\$516 million
Imperial	51%	n/a	n/a
Kern	45%	5,000	\$359 million
Los Angeles	40%	63,000	\$53 billion
Madera	45%	700	\$56 million
Merced	51%	2,000	\$129 million
San Bernardino	41%	n/a	n/a
San Joaquin	41%	4,000	\$324 million
Tulare	55%	3,000	\$193 million

Repealing the ACA Medicaid Expansion Would Cost California Over \$16 Billion

The Medicaid expansion allowed over 4.1 million low-income parents and childless adults to become enrolled for Medi-Cal. The federal government currently pays for 95% of this expansion and under the ACA has committed to covering no less than 90% of the cost starting in 2020. California received **\$16 billion**⁸ in federal

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funds for the Medicaid Expansion in the 2016-2017 budget year. The state is estimated to receive \$17.3 billion for 2017-2018.

- Repeal of the Medicaid expansion would force drastic state budget cuts in health care and/or other state programs. It would also force dramatic funding reductions for the hospitals and health providers we all rely on.
- In January 2017, GOP leaders plan to pass a “budget reconciliation” package (which requires only 51 Senate votes instead of the standard 60) in order to repeal large components of the ACA with a two-year delay in implementation, with no replacement plan.

Proposals to Cap Medicaid Would Cut Billions More and Eliminate Coverage Guarantees

Speaker Paul Ryan’s “Better Way” proposal would **undo Medicaid’s federal matching guarantee** to California and other states. Right now, the federal and state governments share the cost of providing health care to those on Medicaid. In general, for every dollar California spends, the federal government matches with another dollar. Under this proposal, the funding guarantee would be eliminated.

Within 10 years, the Ryan proposal would reduce the federal match for the expansion population and cut the remaining funding to states by 1/3 to 1/2.⁹ In California, that would result in a cut of \$25 - \$33 billion in \$102.6 billion Medi-Cal program.¹⁰ The Ryan proposal would cap the money that states receive for Medicaid by forcing states to choose between a

block grant and a per-capita cap. A block grant or per capita cap would likely **eliminate the Medicaid entitlement**, which guarantees a right to health care for everyone who is eligible and applies for coverage. The Ryan proposal would also **eliminate numerous protections** in federal law that ensure consumers get the care they need.

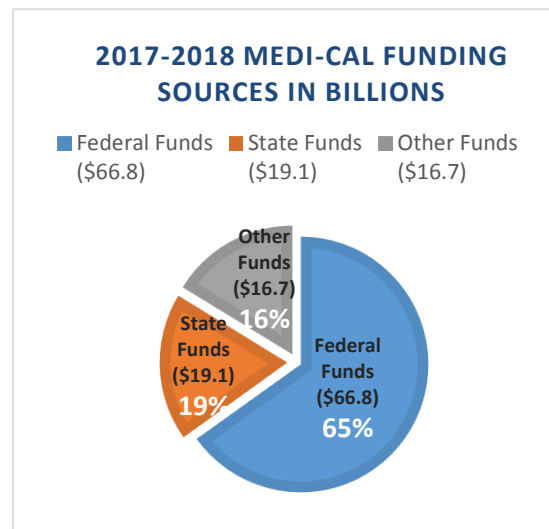
Block grants and per capita caps are simply different ways to limit federal Medicaid funding to states:

- Under a block grant, the state would receive a set amount from the federal government and would be responsible for all costs beyond that amount. **Under the Ryan proposal, a block grant would give the state a third less federal funding than would be given under the current system.** Federal funding would not be adjusted if enrollment or health care costs increase.
- A per-capita cap would limit the funding available per enrollee, which would be adjusted only for general inflation (health care costs rise quicker than the general inflation rate). States would be responsible for all costs that exceed the per-capita cap, including those arise from increased health care costs, an aging population, public health emergencies, natural disasters, or any other reason. Under the Ryan proposal, a per-capita cap would cut overall federal funding in half by limiting the funding available per enrollee.
- Either option would result in the state losing tens of billions of federal dollars for Medi-Cal. In the context of \$125 General Fund State Budget, backfilling cuts of this magnitude is unlikely.

Medi-Cal Already Faced Tough Cuts Before These New Proposals

Medi-Cal is already an efficient program, with a low per-capita cost (compared to commercial insurance), and little room to squeeze. As a result, these federal proposals would force major cuts to eligibility, benefits, and access to providers. During the Great Recession, California made significant cuts to health, education, and other services. Major cuts were made to an already underfunded Medi-Cal:

- California reduced Medi-Cal provider reimbursement rates by 10% across-the-board. Medi-Cal’s provider reimbursement rates were already among the lowest in the nation, even before the 10% cut. As a result,



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fewer doctors, specialists, and other providers choose to serve Medi-Cal patients, leading to treatment delays and lack of access to care.

- The state also **eliminated important benefits**, including adult dental services, chiropractic services, optician/optical laboratory services, optometry, podiatry, and speech and audiology services. (Adult dental was only partially restored in 2013; acupuncture was restored in 2016).

Privatizing Medicare Would Also Shift Costs to States, Shift More Costs to Medi-Cal

Speaker Paul Ryan's "Better Way" proposal would also privatize Medicare, which would end traditional Medicare and shift it to a voucher program, wherein seniors would use that voucher to buy private health plans. **The vouchers would only cover some of the costs, forcing seniors to make up the difference with their own limited funds.** This proposal saves the federal government money because it shifts the cost of health care to seniors, and to the states. Of the over five million California seniors who receive coverage through Medicare, more than one million of them have incomes low enough to be "dual-eligibles" who are enrolled in both Medicare and Medi-Cal. Medi-Cal fills in the gaps of cost-sharing and benefits for low-income seniors. By covering what Medicare does not, **California would face increased costs because of Medicare privatization.**

Proposed Cuts Will Have Deep Impact on California's Health and Economy

Repealing the Medicaid expansion, capping the program through block grants or per capita caps, and privatizing Medicare—would cut tens of billions of dollars from California's \$90 billion Medi-Cal program, would force catastrophic budget cuts and eliminate health for millions of Californians.

- Medi-Cal coverage is a crucial lifeline for **over 14 million Californians**, including children, parents, seniors and people with disabilities, and other working adults. Medi-Cal helps these families get the care they need, and prevent financial ruin due to emergency or ongoing medical costs.
- Medi-Cal is a major source of revenue for almost every hospital in the state. Cuts to the program undermine these hospital providers and the capacity of the health system as a whole. A repeal would have severe economic impacts and could cost the state's economy **\$20.3 billion in GDP and lead to 209,000 job losses** – 135,000 of which are in the health care industry.¹¹
- Studies suggest that underpayments in Medi-Cal contribute to a **"cost-shift"** or a **"hidden tax"** to private commercial insurance, where those insurers are forced to increase premiums to make up the cost difference.¹²
- \$25 billion - \$33 billion in cuts to Medi-Cal and California's health system would lead to economic impacts far beyond health care. This includes the loss of thousands of health care jobs (a hospital is often the largest employer in a community) to the fiscal impacts of having more uninsured people facing financial instability and living with the risk of bankruptcy, home foreclosure, and more.

Covered California Subsidies for Premiums and Cost Sharing

In addition to the threats to Medi-Cal, proposals to repeal the ACA would affect the federal financial assistance Californians rely on to purchase affordable coverage:

- **More than 90% of the 1.4 million Californians** who get their health insurance through Covered California get federal assistance in paying for their premiums. Many also get financial help with lower copays, deductibles and other cost sharing. The federal financial assistance amounts to another **\$5 billion to \$6 billion a year** in addition to the federal funding for Medi-Cal.

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¹ DHCS, 2017-2018 Governor's Budget Highlights, January 2017.

² California Budget & Policy Center, [Medi-Cal Factsheet](#), November 2016.

³ UC Berkeley Labor Center and UCLA Center for Health Policy Research, [Fact Sheets: What do California Counties Stand to Lose Under ACA Repeal?](#) January 2017.

⁴ Ibid.

⁵ DHCS Research and Analytic Studies Division, [The Aging Population: A Medi-Cal Perspective](#), October 2016

⁶ May Revise Budget Summary, 2016-17 Budget.

⁷ UC Berkeley Labor Center, [California's Projected Economic Losses Under ACA Repeal](#), December 2016.

⁸ Governor's Enacted Budget 2015-16, [Health and Human Services, pages 25-26](#).

⁹ Center for Budget Policy and Priorities, [The Congressional 2016 Budget Plan: An Alarming Vision Ryan Proposal](#), June 8 2016. Also, Center for Budget Policy and Priorities <http://www.cbpp.org/research/health/per-capita-caps-or-block-grants-would-lead-to-large-and-growing-cuts-in-state> June 22 2016.

¹⁰ Exactly how the ACA expansion is treated varies in different proposals: this proposal uses the 2016 base year spending but first reduces the federal match from 90% to 50% and then reduces total funding for the entire Medicaid program by a third to a half.

¹¹ UC Berkeley Labor Center, [California's Projected Economic Losses Under ACA Repeal](#), December 2016.

¹² Institute of Medicine, [Shaping the Future for Health – Hidden Costs, Value Lost: Uninsurance in America](#), June 2003.

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Our Health Care at Risk:

Medicare, Medicaid, and the Affordable Care Act

Updated February 8, 2017

President Donald Trump, along with Republican control of both houses of Congress, threatens health coverage for millions of Americans and the progress we've made in the last half-century with the enactment of Medicaid, Medicare, and the Affordable Care Act (ACA).

Dramatic rollbacks in health care and coverage are at the top of the agenda of both President Trump and Speaker Paul Ryan, who has re-committed to his longstanding plan to cut Medicaid and Medicare. Many of those changes, as well as the repeal of many (but not all) elements of the Affordable Care Act, could be passed through budget reconciliation, which only requires 51 votes in the Senate, a majority vote in the House, and the President's signature.

At Risk: Medicaid Safety-Net Coverage

Medicaid (called Medi-Cal in California) provides coverage to over 14 million Californians¹, over 1/3 of the state, including a majority of our children, 2/3 of nursing home residents, and many other families and individuals living in poverty.² Medi-Cal is a lifeline for those who otherwise don't have access to health care and provides a safety-net for any one of us who may suddenly lose a job or income.

- Speaker Ryan's "Better Way" proposal would **undo Medicaid's matching guarantee** to California, and cap the money going to states. States would be forced to choose between taking Medicaid funds as a block grant or a per-capita cap, neither of which provide sufficient funding to cover California's ongoing needs.
- The GOP Congress also seeks (passing last year in a 51-vote Senate reconciliation bill) to **repeal the Medicaid expansion under the ACA**, which will provide \$17.3 billion to California in the 2017-2018 budget³ year and would eliminate coverage to over 4.1 million Californians.
- National estimates forecast the Ryan proposal will **cut Medicaid funding by a 1/3 to 1/2 in ten years – estimate of \$25 - \$33 billion dollars⁴ – endangering coverage for millions more Californians⁵**, as well as forcing further funding reductions for hospitals and other health providers.
- Medicaid cuts of this magnitude would endanger the safety net of hospitals and the health providers we all rely on. A repeal would cost California's economy \$20.3 billion in GDP and lead to 209,000 job losses – 135,000 of which are in the health care industry.⁶

At Risk: Financial Assistance to Buy Private Coverage in Covered California

- **Over 90% of the 1.4 million Californians who buy coverage through Covered California get financial assistance** (tax credits) so their premium is not more than a percentage of their income (on a sliding scale up to 9.5%). Some Covered California enrollees also get subsidies to reduce deductibles and other cost-sharing.
- **The over \$5 billion⁷ in financial assistance and subsidies to California families** is targeted for repeal—the 51-vote GOP reconciliation bill last year phased them out after two to three years.
- The loss of tax credits will directly increase the cost of health coverage – by hundreds or thousands of dollars – for over one million Californians. The resulting loss of coverage would leave a smaller and sicker risk pool in the individual insurance market, **spiking the price of health premiums market-wide**.
- One proposed replacement, funding for Health Savings Accounts, would be inadequate to make private coverage affordable, especially for low and moderate-income Americans.

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- Another proposal, refundable tax credits, would mean consumers pay premiums first and then get tax refunds later, requiring consumers to front thousands of dollars in premiums and copays they cannot afford.

At Risk: Patient Protections Including No Denials & Rate Hikes for Pre-Existing Conditions

- The Affordable Care Act put in place **key consumer protections against insurance company abuses that benefit all patients**, most notably by prohibiting health plans from denying (or charging more to) patients with pre-existing conditions. This also includes requirements that insurers cover essential benefits, eliminate annual or lifetime caps, limit out-of-pocket costs, meet actuarial value requirements, not charge women differently than men, and limit differential premiums based on age.
- The GOP Congress has sought to repeal these protections in various 60-vote repeal bills. While these patient protections cannot be repealed under 51-vote budget reconciliation, President-elect Trump could nonetheless hinder these protections through administrative actions. These actions could include granting waivers that void some guidelines, simply not implementing or enforcing some rules, or allowing legal challenges to stand.
- In addition, President-elect Trump has highlighted his proposal to **pre-empt state patient protections** by allowing out-of-state insurers to sell across state lines and avoid California's strong consumer protections. They include coverage of medically necessary care, standards on timely access to care, network adequacy, language access, and the right to appeal denials of care.

At Risk: The Guarantee of Medicare

- **Medicare covers 5.6 million California seniors and people with disabilities.**⁸
- Full repeal of the Affordable Care Act would **roll back the improvements in prescription drug coverage** (which closed the so-called "donut hole") and undo some cost-saving measures that have increased the sustainability of Medicare.
- Speaker Paul Ryan has long advocated to **privatize Medicare into a "premium support" voucher program**, where Medicare beneficiaries would be given a set amount of money to help purchase (but not necessarily fully pay for) private plans. President-elect Trump has made similar references to "modernizing Medicare."

California Congressional Representatives must be clear-eyed about the real life-and-death impact of any proposal they vote on—including these changes to Medicaid, Medicare, and the Affordable Care Act that would leave millions more Californians uninsured, living sicker, dying younger, and being one emergency away from financial ruin. Members of Congress must be accountable for the health and financial consequences to California families and communities.

About Health Access California

Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians. We represent consumers in the legislature, at administrative and regulatory agencies, in the media, and at public forums. For more information, please visit www.health-access.org.

¹ DHCS, 2017-2018 Governor's Budget Highlights, January 2017.

² DHCS Research and Analytic Studies Division, [Medi-Cal Monthly Enrollment Fast Facts](#), July 2016.

³ DHCS, 2017-2018 Governor's Budget Highlights, January 2017.

⁴ Exactly how the ACA expansion is treated varies in different proposals: this proposal uses the 2016 base year spending but first reduces the federal match from 90% to 50% and then reduces total funding for the entire Medicaid program by a third to a half.

⁵ Center on Budget and Policy Priorities, [Per Capita Caps or Block Grants would lead to Large and Growing Cuts in State Medicaid Programs](#), June 2016.

⁶ UC Berkeley Labor Center, [California's Projected Economic Losses Under ACA Repeal](#), December 2016.

⁷ Covered California, March 2016 Active Member Profile [Federal Advanced Premium Tax Credits amounted to approximately \\$4.4 billion](#), annually and [Federal Cost Sharing Subsidies amounted to approximately \\$600 million](#).

⁸ Kaiser Family Foundation, [Total Number of Medicare Beneficiaries 2015](#).