

## Add Insurers to the Long List of ACA Replacement Bill Critics



Although the Affordable Care Act (ACA) replacement proposed

by Republicans in the form of the American Health Care Act (AHCA) would give insurers certain latitudes they don't currently have under the ACA (for instance, they'd be allowed to bump up an individual's premium by 30% for a full year should that person have had a lapse in coverage), insurers are among those groups not happy with the bill as introduced.

## Health insurance lobbying powerhouse explains criticisms of GOP bill

[America's Health Insurance Plans \(AHIP\)](#) nbv is the nation's largest insurance lobbying group. Marilyn Tavenner, CEO of AHIP, wrote a letter asking House leaders to revisit some major tenets of the AHCA.

For one, she argued that premium subsidies should depend upon not only age, but also income level, stressing that enrollees with annual incomes in the range of 100% to 400% of the federal poverty level should see the largest tax credits.

The ACA's premium tax subsidies depend upon the income of the individual, not the age. The AHCA's plan is to offer a flat tax credit that hinges on age. Also, the Republican proposal does not allow the credit to depend upon the individual's place of residence, even though healthcare costs can vary dramatically from one geographic market to the next.

Tavenner wrote: "Tax credits related to age as well as income will help ensure that more people stay covered, and are the most efficient and effective way to allocate tax-payer dollars."

[The Kaiser Family Foundation postulates](#) that these variances from the ACA to the AHCA mean that under the latter, older individuals with lower incomes would pay a great deal more for health insurance (in premiums as well as out-of-pocket expenses) than younger individuals who earn more money.

## Medicaid phase-out, elimination of individual mandate penalty also criticized

Tavenner also expressed concern about the proposed phasing out of the Medicaid expansion by 2020 (an expansion that is responsible for roughly 11 million new health insurance enrollees). She wrote that that could "result in unnecessary disruptions in the coverage and care beneficiaries depend on." Additionally, she theorized

that drastically draining the Medicaid program of federal funding could result in a backsliding of the strides made toward treating the country's opioid addiction epidemic as well as potentially reduce access to behavioral health services overall.

The AHCA restructures Medicaid to state block grants based on population from 2020 on. Experts predict that not only would this result in millions of Americans losing their coverage, but would also lead to health plans and providers receiving lower reimbursement rates for services.

Insurers have long been complaining that the individual market was disproportionately made up of sick people with expensive medical needs. Tavenner said that the AHCA's elimination of the penalty for not carrying insurance will not speak to that, and rather, could actually make the ratio worse if, in the absence of a penalty, healthy individuals see no reason to secure coverage.

She urged Republicans to consider implementing high risk pools this year rather than waiting until next. She said her organization believes that that could assist in stabilizing the individual market, something insurers have been asking lawmakers to accomplish.

Many health insurers have said that without the assurance of a stabilized market, they can't guarantee they will offer individual plans next year.

## Not all criticisms

However, Tavenner offered some positive words for the proposed bill along with the revision requests. She noted the inclusion of what she called "a number of positive steps" toward adding stability to the individual market. She also applauded the decisions to earmark \$100 billion for high risk pools, to do away with the health insurance premium tax, and to extend the ACA's premium tax credits through 2019.

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