Senate Healthcare Bill Unveiled … Prognosis: Bleak

After the type of suspense that only closed-door deliberations can create, Senate leaders have finally made their Affordable Care Act (ACA) replacement bill public, a set of measures that, like its House predecessor, isn't winning any popularity contests. President Trump has admittedly referred to the House bill as "mean," though he Tweeted his support for the Senate bill after its unveiling.

The bill — the Better Care Reconciliation Act of 2017 (BCRA) — has not yet received a score from the Congressional Budget Office (CBO), though it is not dramatically different from the House's iteration, which would leave 23 million Americans entirely without healthcare. Based on the fact that it earns the upper echelon of high-income taxpayers huge credits by diverting funds away from Medicaid, Democratic leaders have referred to the bill as a "reverse Robin Hood."

Leaves more questions than answers on the table

Much is speculation at this stage. Senate Majority Leader Mitch McConnell had been pushing for a vote on the bill before Independence Day, though that vote timetable seems unlikely at this point. Nine Republican senators have already said they will not support the measure, some because they feel it is too harsh, others because it is still too reminiscent of the ACA.

Unless seven of those nays can be turned to yeas, the bill is not expected to make it through the Senate in its current form.

Four million Californians have healthcare thanks to the ACA

However, in this year of upsets and surprises, if the Senate bill does become the law of the land, what would it mean for California, a state where approximately four million residents have healthcare coverage only because of and since the ACA?

Medi-Cal, the state's version of Medicaid, would be the hardest hit. The ACA expanded access to Medi-Cal in 2014; now one of three Californians (13.5 million residents in all) participate in the program. Currently, enrollment in Medi-Cal hinges only on income: an individual earning under $16,396 (or a couple earning under $22,109) will qualify, and there are no costs associated for enrollees.

Beginning in 2020, the Senate bill would roll back the Medi-Cal expansion, a reversal that would likely yank healthcare coverage from nearly four million Californians by 2026. And what is harder to quantify — but impossible to ignore — is the bill's cap on federal funding for Medicaid, which would force states to scramble to fill in gaps and reprioritize spending. Potentially, this would leave many more than four million residents at risk for losing at least some aspects of coverage or premium subsidization.

Bill would lower income ceiling for subsidization

California's ACA insurance exchange, Covered California, currently offers premium assistance for state residents earning less than 400% of the federal poverty level. The Senate bill would ratchet that downward, extending subsidies for individuals whose annual income is less than 350% of the federal poverty level, or just above $42,000.

Individuals who have health insurance through a private insurer would not be exempt from substantive changes at the hands of the Senate bill. The ACA mandates that insurers offer a set of essential benefits to every insured — for instance, preventive care, mental health coverage, maternity services — but the BCRA would give states latitude in deciding whether to continue to extend those benefits.

Considering there is a measure before the Senate here at home that would make California a single-payer state (though questions about how universal coverage would be funded still loom unanswered), it seems unlikely that the Golden State would opt out of essential coverage should it retain that wiggle room. However, nothing is guaranteed at this point, which leaves consumers and advocacy groups uneasy.

Although the ACA requires that large employers make health insurance available to their employees, the Senate bill would not. This might come as a shock to individuals whose health insurance is covered (all or in part) through their employment.

AARP "deeply concerned"

The elderly would be adversely affected as well, since insurers would be allowed to add an extra premium hike for older consumers. Currently insurance companies cannot impose rates on mature insureds that are more than three times higher than rates for younger individuals. Under the BCRA, however, insurers can charge older individuals up to five times more than people under age 50, as well as scaling back tax credits that would offset some of the costs for coverage.

Nancy LeaMond is the Executive Vice President of AARP. In addition to voicing her apprehension about that "Age Tax," she had this to say in a statement:

"AARP is also deeply concerned that the Senate bill cuts Medicaid funding that would strip health coverage from millions of low-income and vulnerable Americans who depend on the coverage, including 17 million poor seniors and children and adults with disabilities. The proposed Medicaid cuts would leave millions, including our most vulnerable seniors, at risk of losing the care they need and erode seniors' ability to live in their homes and communities."