

Repealing and Replacing the Affordable Care Act: Provisions Important to Older Americans

The Leadership Council of Aging Organizations (LCAO) strongly opposes full repeal of the Affordable Care Act (ACA). If provisions of the ACA are repealed, it is critical that a detailed replacement package that provides equivalent or improved access to affordable, quality health coverage be included in the same legislative vehicle. In President Trump's own words, repeal and replace should be done "simultaneously," provide "insurance for everybody," include "much lower deductibles," and be "much less expensive and much better."

We encourage the Administration and Congress to engage LCAO and its member organizations in developing proposals to ensure that any replacement legislation meets the needs of older Americans and their families.

A January 17, 2017 report issued by the Congressional Budget Office strongly reinforces the need to provide details on the ACA replacement package before any votes are taken to repeal the law. If a strong replacement proposal is not agreed to and passed, 18 million Americans stand to lose their current health insurance the first year following repeal, rising to 32 million becoming uninsured by 2026. The only way to reassure Americans that this will not occur is by passing the replacement bill at the same time as any repeal bill. To do otherwise would be harmful and irresponsible.

At least thirteen provisions are of critical importance to older Americans, have broad support, and should remain intact. These current ACA provisions:

- Close the Medicare prescription drug coverage gap or "doughnut hole;"
- Extend the solvency of the Medicare Part A Trust Fund through increased revenues or greater efficiency. For example, the nonpartisan Brookings Institution recently reported that repealing the Hospital Insurance payroll tax on wages above \$200,000 would move up Trust Fund insolvency by four years;
- Provide Medicare coverage for critical preventive services with reduced or no cost sharing, including an Annual Wellness Visit;
- Provide incentives for states to expand Medicaid eligibility for low-income Americans, including older adults under age 65;
- Reduce senior falls and manage chronic diseases under the Prevention and Public Health Fund;
- Improve access to home-based health care services that save money and help keep families together, such as the Community First Choice program that expands access to Medicaid

Home and Community-Based Services (HCBS) and the Independence at Home demonstration that provides primary care services at home for Medicare beneficiaries with multiple chronic conditions;

- Place limits on the amount of premiums paid by Americans age 55-64 who rely on Marketplace coverage;
- Enhance the quality and affordability of Medicare Advantage plans, including through provisions that reduced overpayments and established a quality ratings system and measures;
- Strengthen consumer protections in Medicare Advantage by implementing a Medical Loss Ratio (MLR) of 85% and limit increased cost sharing for select services;
- Support successful demonstration programs on Medicare-Medicaid integration under the Medicare-Medicaid Coordination Office (MMCO);
- Test new financing, coverage and delivery system models under the Center for Medicare and Medicaid Innovation (CMMI);
- Combat elder abuse and neglect; and
- Improve nursing home quality standards and quality strategies and measurement related to chronic illness, functional capacity, patient experience and satisfaction.

According to the nonpartisan Urban Institute, more than 4.5 million Americans aged 55-64 could lose their health insurance coverage by 2019 under the anticipated bill to repeal the ACA. For low-income Americans in this age group, the ACA Medicaid expansion provides critical health insurance coverage in many states. Repeal of this provision could have potentially devastating consequences for the health of this vulnerable population.

Nearly 3.3 million Americans ages 55-64 currently rely on Marketplace coverage, representing the largest share (26%) of people reliant on individual Marketplace plans. Premiums are more affordable to these individuals because of the provision in the ACA that limits the amount of premiums insurers can charge older vs. younger enrollees to no more than a 3:1 ratio. We are deeply concerned that most of the replacement proposals outlined allow insurers to charge older enrollees five times or more than younger enrollees. This would significantly increase premiums and jeopardize access to care for these older Americans, who generally have more urgent health needs than younger, typically healthier, adults.

Additionally, health insurers are likely to pull out of the market this year unless they know precisely what the rules for providing coverage will be. Hospitals are at risk of major losses in revenue if patients lose their insurance coverage. Physicians and other providers also face great uncertainties.

LCAO strongly urges that a detailed replacement package that provides equivalent or improved access to affordable, quality health coverage be included in any legislation that repeals provisions of the ACA.