



The American Health Care Act Would Harm the 3rd Congressional District

Kentucky is among the states that has gained the most from the healthcare reforms brought about through the Affordable Care Act (ACA). In Kentucky's 3rd Congressional District, 56,752 people got health coverage, representing a decline from 13.3 percent uninsured in 2012 to 5.3 percent in 2015.¹ However, the American Health Care Act (AHCA) is poised to take coverage away from 24 million Americans, unraveling all of these successes.² The district has much to lose from the harmful changes proposed under the AHCA:

People insured through Medicaid expansion will lose coverage. 69,300 people have coverage through expanded Medicaid, which would be effectively eliminated altogether beginning in 2020 under the AHCA.³

All Medicaid recipients are at risk of losing coverage, benefits and access. A total of 212,037 people, including seniors, people with disabilities and children, are covered through Medicaid in this district and are at risk due to "per-capita-caps" that will squeeze federal funding and shift costs to the state.⁴ That will force Kentucky to eliminate coverage for certain groups of people, reduce benefits or cut reimbursements to providers, making care harder to access.

Low-income and older people will receive less support to buy private coverage. 13,490 people in this district purchased healthcare coverage through the marketplace this year; 78 percent of marketplace enrollees across the state received financial help for premiums.⁵ But the AHCA trades in income-based premium support for tax credits that don't adjust to meet an individual's financial need or the cost of a plan. This hits older and poorer people much harder, with net premiums rising \$12,900 for a 64 year-old earning \$26,500, according to the Congressional Budget Office (CBO). Between marketplace enrollees and individuals on Medicaid, 31 percent of people in the 3rd district are currently covered through a publicly-supported plan.

Healthcare plans will cover less than they do now. The AHCA would significantly weaken the share of medical costs for which an insurer would be responsible. The CBO estimates that insurers would likely pay an average of 65 percent of medical costs as opposed to the 70-87 percent they're covering now. This means there would be higher deductibles, co-insurance, co-pays and other forms of out-of-pocket costs for people with all kinds of private insurance. The Medicaid population is also at risk of weaker coverage as the AHCA no longer requires state Medicaid programs to provide the ten essential health benefits that include maternity care, preventive care and drug abuse treatment.

Protections will be stripped away from people with pre-existing conditions. The AHCA allows states to opt out of providing essential health benefits like maternity care and drug treatment. It also gives states the choice of allowing insurers to discriminate based on medical history. There are 309,700 people under 65 in the 3rd district who have some kind of pre-existing condition.⁶

Health providers will lose revenue, harming jobs. Between January 2014 and October 2015 healthcare providers received \$527.6 million in payments from the care they gave Medicaid expansion enrollees. Statewide, the value of care that hospitals provided but didn't get paid for dropped 79 percent, or \$2 billion from 2013 to 2015.⁷ That resulted in strong growth in healthcare jobs in recent years. But the reduction in coverage that will happen through the AHCA will reduce payments to providers, harming the economy.

With so much on the line, Kentucky cannot afford to go back. The ACA has provided life-saving care for many Kentuckians and boosted our economy. Kentucky's representatives in Washington should build on our healthcare successes, not move us backward.

¹ KCEP analysis of 2012 and 2015 American Community Survey 1 year estimates.

² Congressional Budget Office, "Cost Estimate: American Health Care Act," March 13, 2017, <https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact.pdf>.

³ KCEP analysis of 2015 enrollment data from the Kentucky Cabinet for Health and Family Services.

⁴ KCEP analysis of 2016 enrollment data from the Kentucky Cabinet for Health and Family Services.

⁵ Charles Gaba, "ACA Repeal, Whos at risk of losing coverage (by Congressional District)", 3/6/2017, <http://acasignups.net/17/03/06/updated-how-many-could-lose-coverage-your-congressional-district>.

Centers for Medicare & Medicaid Services Office of Communications, "Addendum to the Health Insurance Marketplaces 2017 Open Enrollment Period: January Enrollment Report," January 10, 2017, <https://downloads.cms.gov/files/addendum-final-marketplace-mid-year-2017-enrollment-report-1-10-2017.pdf>.

⁶ Emily Gee, "Number of Americans with Pre-Existing Conditions by Congressional District," Center for American Progress, April 5, 2017,

<https://www.americanprogress.org/issues/healthcare/news/2017/04/05/430059/number-americans-pre-existing-conditions-congressional-district/>.

⁷ KCEP analysis of 2014 & 2015 provider payment data from the Kentucky Cabinet for Health and Family Services.

SHADAC, "Semi-Annual Report, Study of the Impact of the ACA Implementation in Kentucky," September, 2016, <https://www.healthy-ky.org/res/uploads/media/FINAL-Sept-2016-Semi-Annual-report.pdf>.