Eight Things Iowans Should Know about the American Health Care Act (AHCA)

1. Iowans will see less coverage and higher costs if the AHCA becomes law
   - Congressional Budget Office (CBO) analysis shows 14 million Americans – Iowans among them – will lose health coverage within one year. The number increases to 24 million by 2026.
   - The bill allows insurers to charge older people five times what they charge younger people for coverage.
   - Low- and moderate-income families would see large premium increases and be left to choose from plans with higher deductibles.
   - Changes to Medicaid would force states to make tough cuts to services for children and adults with disabilities, for whom the program is a lifeline.

2. The AHCA radically restructures Medicaid
   - The bill would effectively end Medicaid expansion and Medicaid’s guaranteed federal funding match, replacing it with either a per-person capped payment or a block grant. Either way, funding would grow more slowly than costs.
   - The CBO estimated that the bill would cut $880 billion from Medicaid over the next ten years.
   - Per-capita caps and block grants are bad for states, which would be solely on the hook for unexpected health care costs stemming from economic downturns, public health emergencies or natural disasters.
   - They are also bad for Iowa tax payers. Federal cuts would put even greater pressure on our state budget and make it difficult to fund other important priorities like education, transportation and public safety.
   - Capping federal Medicaid spending would force states to make difficult decisions—pitting the needs of children against those of their parents, individuals with disabilities and other vulnerable populations.

3. You can’t cut Medicaid without hurting kids
   - Children make up about half of Iowa’s Medicaid enrollment.
   - Over 300,000 Iowa children rely on the program to cover important services like screenings, immunizations, check-ups and hospital stays and tailored services for special needs like autism or Down syndrome.
   - Medicaid also covers many of their parents, protecting the family from financial hardship.
   - The bill reverses a specific requirement to cover school-age children up to the same income level as younger children (138 percent of the federal poverty level). This means higher costs and fewer benefits for those children, including loss of the Early Periodic Screening, Diagnosis and Treatment (EPSDT) benefit, which covers preventive, dental, mental health, vision and developmental services.

4. Under a per-capita cap, all states are losers, but Iowa is at special risk
   - Iowa’s Medicaid spending per enrollee, which is lower than national average, would be locked in. This means Iowa would not be able to increase provider payments unless the state paid 100
percent of the cost. Other states that begin with a higher base could pay providers more.

- If a new drug or treatment became available, Iowa might not be able to provide it to members if the cost exceeded their per capita rate.

- Iowa’s growth in the SSI population (low-income individuals who are 65 or older or blind or disabled) is higher than the U.S. average. SSI enrollees are among the most expensive to insure. Having more expensive enrollees puts Iowa at greater financial risk.

5. Under a block grant, states would no longer have to comply with most federal Medicaid requirements for children and adults

- States could reduce access by limiting eligibility for pregnant women and children; charge unlimited premiums, deductibles and copayments; and deny coverage through enrollment caps or waiting lists.

- States could dramatically cut the benefits they offer, like the EPSDT benefit that provides the services children need to develop and grow.

6. Iowa would see a 10 percent cut in federal Medicaid funds, or $4 billion over 10 years

- In order to fully offset the reductions, Iowa would have to increase spending by 17 percent to avoid cuts in benefits and provider payments.

7. The AHCA represents a fundamental shift away from policies that prioritize community health

- Our elected leaders chose to enact policies like these because they understood that covering children and families helps ensure that Iowans are successful at school and work and productive community members.

- Under the AHCA, the share of uninsured non-elderly individuals would quickly be at or above what it was prior to implementation of the Affordable Care Act.

8. We don’t fully understand the long-term fiscal impacts of the bill

- The U.S. House of Representatives is moving toward a vote Thursday without new analysis of the impact of amendments on coverage and the deficit.

- Even without a new CBO score, it’s clear that none of the amendments will protect the 24 million people at risk of losing coverage.

Bottom line? The ACHA is bad for Iowa

- Thousands will lose coverage and those with insurance will pay more for less-comprehensive plans.

- Cuts to Medicaid will force states to raise taxes, lower payments to doctors, and take away vital health coverage from children, seniors and people with disabilities.

- Progress over the past two decades to ensure that Iowa’s children and families can access high-quality health care will be reversed.