



Revisiting the Affordable Care Act Talking Points

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California hospitals have long supported affordable health coverage for all Californians. CHA's priority is preserving coverage for the 3.7 million Californians and 21 million Americans who gained coverage under the Affordable Care Act (ACA) through the Medicaid expansion, and millions more who purchased insurance because of the premium subsidy.

CHA supports keeping existing coverage for millions of Californians until a viable replacement is passed by Congress and signed into law.

Key delivery system reforms, adequate payment rates and quality improvement efforts must be maintained.

If policymakers choose to repeal the ACA without offering a replacement bill, it is essential that they either put the savings from repeal into a reserve fund to be used for future replacement efforts, or eliminate the payment reductions for hospital services that were part of the ACA.

- A new study from Dobson|DaVanzo found that, if the ACA is repealed without an accompanying bill providing simultaneous coverage, the net impact to hospitals nationwide from 2018 to 2026 would be \$165.8 billion from the loss of coverage.
- Hospitals also sustained reductions — as did other stakeholders — under the ACA that were redeployed to help fund coverage for millions of Americans. The Dobson|DaVanzo study found that, if the ACA is repealed and Medicare inflation update reductions for inpatient and outpatient hospital services are not restored, funding would be reduced by \$289.5 billion between 2018 and 2026 nationwide (more than \$50 billion in cuts to California hospitals)
- On top of that, failing to fully restore both Medicare and Medicaid disproportionate share hospital (DSH) payments would add another \$102.9 billion in cuts to hospitals.
- The combined losses from the Medicare and Medicaid cuts cited above, \$50 billion in California, would be devastating. Many hospitals' viability would be threatened, and millions of Californians would lose access to care.
- The Medicare Payment Advisory Commission estimated in March 2016 that hospital Medicare margins would drop to an all-time low of negative 9 percent in 2016. Cuts described above could push the losses to an estimated negative 15 percent margin by 2026.

For many hospitals and health systems, these cuts are not sustainable.