

American Health Care Act: House GOP Plan to Repeal/Replace the ACA

Will Lead to Coverage Reductions, Reduced Services

Talking Points

March 8, 2017

On March 6, 2017, House Republicans released a proposed plan to partially repeal and replace the Affordable Care Act (ACA). Although the Congressional Budget Office has not yet issued its detailed financial analysis, the proposal outlined by GOP leaders raises serious concerns. For example, it will likely result in a reduction of health care coverage for hundreds of thousands — potentially millions — of Californians.

- The proposed plan to partially repeal and replace the ACA, known as the American Health Care Act, could have negative impacts on California hospitals and the patients they serve. In particular, the plan as currently drafted will likely lead to a reduction in health care coverage for millions of Californians.
- California leads the nation in expanding health care coverage, with 91 percent of all Californians now covered. Having health care coverage helps individuals get the appropriate care they need, when they need it. Getting the proper treatment in a timely manner helps reduce health care costs.
- The plan's proposal to restructure the Medicaid program will likely undo the important gains in coverage that California has made in the past few years. The people who will be most affected are our most vulnerable residents — low-income families, seniors and children.
- California has the highest poverty rate in the nation. An estimated 6.3 million Californians, including 1.9 million children, live in poverty. These are the people who have the greatest needs and will be most impacted by the loss of health care coverage.
- CHA believes that any viable ACA replacement plan must include continued access to affordable coverage for everyone.
- California hospitals also are disheartened by the plan's failure to restore funding for the Medicare program. Medicare funding to California hospitals is currently being cut by more than \$26 billion through 2026. Hospitals agreed to these cuts in exchange for the ACA's

promise of expanded coverage. If the ACA replacement plan results in reduced coverage, it is imperative that Medicare payments be restored. Otherwise, Californians will likely face a diminution of available health care services throughout the state.

- California hospitals have worked hard to reduce costs through delivery system reforms, care coordination and clinical efficiencies. These innovations mean patients often recover quicker and can return home sooner. This lower utilization results in lower health care costs. Many of these delivery system improvements have been encouraged by the requirements in the ACA. As elected officials consider options for repealing and replacing the ACA, it is crucial that these advancements continue.
- Hospitals have a huge impact on the economic viability of local communities. California hospitals are often the largest employers in their communities, providing well-paid jobs to nurses, doctors, health professionals and others. Hospitals' economic contribution is further realized through the "trickle down" impact of the purchase of goods and services, equipment, retail sales, restaurants and more. Nearly 1 million jobs in California result from hospital employment.
- As the effort to repeal and replace the ACA continues to unfold, CHA looks forward to working with members of the California congressional delegation to maintain optimal coverage for all Californians.