

Representative Andy Barr's Comments at the Lexington Town Hall Meeting in late April and Facts Related to comments

"The Affordable Care Act is in a death spiral." Andy Barr

- In the insurance industry, the term "death spiral" has a specific meaning. There are three components: Shrinking enrollment, healthy people leaving the system, and rising premiums. This effectively means that when you have healthy people dropping insurance causing an overall reduction in enrollment, premiums increase. As the premiums increase, more people will leave the system thus causing a cycle until the whole system fails. (PunditFact)
- Jeff Sessions, Jack Kingston and Fred Upton came up with the plan to attack the legality of the Risk I think we need to explain Risk Corridor payments. (Angry Bear)
- Appropriations Chairman Representative Jack Kingston inserted a sentence in Section 227 of the 2015 Appropriations Act stating that "other" funds (excess payments to profitable insurance companies) may not be used for payments to the Risk Corridors. (Angry Bear)
This ploy guaranteed that insurance companies would lose money and pull out of the exchange marketplaces. (Angry Bear)
- Insurance companies are in business to make profit. In 2015, insurance companies were reimbursed \$400 million for \$2.9 billion in losses, throwing insurance companies into a crisis. They did the only thing they could: left markets with poorer, less healthy people or jacked up their prices to make up their losses. (Salon)

"The result will be more efficient spending, a better safety net for our most vulnerable citizens and greater local control for specific needs." Andy Barr

- We (AARP) have serious concerns that the American Health Care Act repeals provisions in current law that have strengthened Medicare's fiscal outlook, specifically, the repeal of the additional 0.9 percent payroll tax on higher-income workers. (AARP Letter to Congress)
- Repealing this provision could hasten the insolvency of Medicare by up to 4 years and diminish Medicare's ability to pay for services in the future. (AARP Letter to Congress)
- "Starting in 2020, however, average premiums would depend in part on any waivers granted to states and on how those waivers were implemented and in part on what share of the funding available from the Patient and State Stability Fund was applied to premium reduction." (CBO Report)
- The MacArthur Amendment would allow states to repeal parts of AHCA if they can prove it would lower costs. ...many health-policy analysts say it (the amendment) could undermine protections for people with pre-existing conditions. (Business Insider)
- Insurers would only be allowed to charge higher premiums to people with pre-existing conditions in states that receive a community rating waiver, and then only for people buying individual health insurance who have had a break in coverage. (Kaiser Family Foundation)

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"Patient centered health care that treats you like a human being and not a number." Andy Barr

This statement is meaningless without statistical evidence that the ACA treats people like numbers, whereas the AHCA will not. Mr. Barr has so far only given individual anecdotes when showing what is presumably wrong with the ACA and no evidence at all that the AHCA would not treat people as numbers.

“So, the result will be decreased cost, improved competition and more access to medical needs for families.” Andy Barr

- The Congressional Budget Office and Joint Committee on Taxation disagree: “CBO and JCT projected premiums for single policyholders under H.R. 1628 (before any tax credits were applied) and compared those with the premiums projected under current law for policies purchased in the nongroup market. H.R. 1628, as passed by the House, would tend to increase such premiums before 2020, relative to those under current law—by an average of about 20 percent in 2018 and 5 percent in 2019, as the funding provided by the act to reduce premiums (subsidies as opposed to tax credits) had a larger effect on pricing.” (CBO Report)
- About one-third of the population resides in states that would make moderate changes to market regulations (through waivers). In those states, CBO and JCT expect that, overall, average premiums in the nongroup market would be roughly 20 percent lower in 2026 than under current law, primarily because, on average, insurance policies would provide fewer benefits. (CBO Report)
- Finally, about one-sixth of the population resides in states that would obtain waivers involving both the EHBs and community rating and that would allow premiums to be set on the basis of an individual’s health status in a substantial portion of the nongroup market, CBO and JCT anticipate. In addition, premiums would vary significantly according to health status and the types of benefits provided, and less healthy people (including families with chronically ill children) would face extremely high premiums, despite the additional funding that would be available under H.R. 1628 to help reduce premiums. (CBO)
- Insurers would only be allowed to charge higher premiums to people with pre-existing conditions in states that receive a community rating waiver, and then only for people buying individual health insurance who have had a break in coverage. (Kaiser Family Foundation)

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“Why do we want to punish people with a tax penalty? Let’s incentivize people with a tax credit.” Andy Barr

- ...premium assistance would change from a subsidy that scaled with both age and income, to a tax credit that scaled purely based on

age. (CBO report)

- This revision would result in lower income individuals receiving a smaller subsidy, while those somewhat higher up the income ladder would see a credit for the first time. (CBO)
- Young, middle-income people would see the greatest reduction in their premiums, while older poorer individuals would experience the highest increase (up to 700%). (CBO)
- For example, a 60 year-old making \$20,000 (\$1508 per month) would see their annual premium go from \$960 with ACA to \$6090 with AHCA. (Kaiser Family Foundation)

“They can’t even go and see them (medical doctors and specialists) because Medicaid under-reimburses the cost of care. That’s the problem with Obamacare and that is problem with single payers as well.” Andy Barr

According to a recent Kaiser Family Foundation report, “The House bill calls for eliminating the [ACA’s mandated] enhanced federal matching funds.² ... [It also contains] changes to Medicaid’s financing structure in ways that would limit [federal funding](#) through a [per capita cap](#). While states could be offered increased [flexibility beyond what is available under current law](#) in future legislation, states may look to cuts in Medicaid eligibility, benefits, and provider reimbursement as a result of the associated federal funding reductions.” (Kaiser Family Foundation, May 16)

Further the proposed Trump budget slashes 800 billion dollars in Medicaid funding. (Davis)

How would this restructuring by the AHCA and the drastic reduction of Medicaid proposed by the Trump budget fix this supposed problem with Obamacare?

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**“The young man here who is a young millennial, he is being punished with a tax penalty for being young and healthy.”
Andy Barr**

- This statement assumes that health insurance is not essential for everyone.
- If this young millennial will be able to afford good health insurance with exceptional coverage depends upon if the state he lives in chooses to apply for the Existing Health Benefits (EHB) and/or community rating (as opposed to an individual underwriter's rating) waivers. (CBO)
- If states waive essential health benefits, they do not have to cover as many procedures (including maternity care and mental health). These benefits become out-of-pocket expenses. Premiums decrease. Does this millennial intend to have children? If so, he will pay for maternity care out-of-pocket in some states.
- Using a community rating system, as opposed to an underwriter rating system, **generally** results in lower premiums. (CBO)
- About half the population resides in states that would not request waivers regarding the EHBs or community rating, CBO and JCT (Joint Commission on Taxation) project. In those states...A change in the rules governing how much more insurers can charge older people (5:1 ratio) than younger people, effective in 2019, would directly alter the premiums faced by different age groups, substantially reducing premiums for young adults and raising premiums for older people. (CBO)

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"The point is that we protect patients with pre-existing conditions." Andy Barr

- Protection could depend of where one lives.

- In states that apply for both the Existing Health Benefits and community rating waivers, "...premiums would vary significantly according to health status and the types of benefits provided, and less healthy people would face extremely high premiums, despite the additional funding that would be available under H.R. 1628 to help reduce premiums. (CBO)
- The AHCA High Risk Pool would appropriate \$130 billion over 10 years. An additional \$8 billion over 5 years is provided by the Upton Amendment. This pool is underfunded by many billion dollars. (Vox, Weeds podcast)
- Conservative analysts James C. Capretta and Tom Miller estimate that to be adequately funded, the AHCA would need to provide \$15 to \$20 billion annually. (Vox, Weeds podcast)
- Insurers would only be allowed to charge higher premiums to people with pre-existing conditions in states that receive a community rating waiver, and then only for people buying individual health insurance who have had a break in coverage. (Kaiser Family Foundation) Over time, it would become more difficult for less healthy people (including people with preexisting medical conditions) in those states (that are granted both types of waivers) to purchase insurance because their premiums would continue to increase rapidly. (CBO)
- As a result of the narrower scope of covered benefits (from the Existing Health Benefit waivers) and the difficulty less healthy people would face purchasing insurance (they would be priced out of the insurance market), average premiums for people who did purchase insurance would generally be lower than in states that did not receive both waivers." (CBO Report)
- CBO's score delivers the message the bill's architects tried to bury: the AHCA would harm Americans by rolling back health insurance coverage while raising costs and reducing benefits. (Center for American Progress)

"This law (Affordable Care Act) is hurting my constituents" Andy Barr

- Using the CBO analysis, Center for American Progress estimates that, by 2026, about 53,000 fewer people on average will have coverage in each congressional district. (Center for American Progress)
- The CBO's score delivers the message the bill's architects tried to bury: the AHCA would harm Americans by rolling back health insurance coverage while raising costs and reducing benefits. (Center for American Progress)
- 439,000 Kentuckians were enrolled in the Medicaid expansion in 2015. (Kaiser Family Foundation)
- 12,700 Kentuckians in Congressional District 6 enrolled in ACA marketplaces in 2016. (Kaiser Family Foundation)
- Only 8 percent of voters want the American Health Care Act passed as is. The Kaiser Family Foundation finds very little support for the Senate passing the House bill. Half of Americans want to see major or minor changes to the AHCA, while 29 percent say they don't want the bill to pass at all. (Kaiser Health Tracking Poll)

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