



Talking Points Better Care Reconciliation Act of 2017 (BCRA)

Reductions in coverage will hurt Alaskans.

- The Senate bill would increase the number of uninsured Alaskans by 30,700 in 2018 and 44,700 by 2026.
- The bill would result in reductions in federal spending of \$72.7 million in 2018 and \$2.6 billion from 2017-2026.
- Tax credits/marketplace subsidies would decrease by \$116.4 million by 2026.

Reductions in federal Medicaid funding would impact vulnerable populations.

- The Senate bill would likely cut total federal Medicaid funding for Alaska by \$2.6 billion from 2017-2026.
- All states will suffer economically, as their budgets will be dramatically harmed by cutbacks in federal support. Expansion states will lose the enhanced federal match, with a likely result of major losses in coverage.
- With our state's \$3 billion budget shortfall, Alaska does not have the resources to fill the gap and will have to respond by reducing coverage, benefits and significantly cutting Medicaid rates to providers.
- The vast majority of people on Medicaid are children, the elderly, and the disabled. It is those populations that will be most harmed by the legislation, particularly vulnerable seniors who rely on the program for nursing home care. Nationally:
 - One in three children is covered by Medicaid.
 - More than one-third of Medicaid spending is for Medicare patients.

Medicaid expansion would end.

- Under the Senate bill, Medicaid expansion would be phased out beginning in 2021.
- To date, Medicaid expansion has covered 33,945 Alaskans. Since inception of Medicaid expansion in Sept. 2015, the state has paid \$486,204,970 in claims for this population.
- Alaska's cost to maintain its expansion would rise by 50 percent compared to current law in 2021, 100 percent in 2022, and 150 percent in 2023, and would be five times its current law cost, an increase of \$83 million per year, starting in 2024.
- Loss of Medicaid coverage will threaten access to treatment for behavioral health and those suffering from addiction to opioids.

Alaska is hit hard by the reduction in insurance subsidies.

- Tax credits/subsidies would decrease by \$116.4 million by 2026, leaving patients with gaps in coverage and higher out-of-pocket costs. Some patients will not be able to afford coverage, leading to more uninsured individuals and families.
- The bill will push people into cheaper plans. Premiums for such “bare-bones” health insurance policies may be lower, but individuals will have to make up the difference if they want to maintain the level of coverage they currently have.
- Individuals between 350 and 400 percent of the federal poverty level will lose access to subsidies.
- The ability to purchase insurance will be most at risk for those between ages 50 and 64, who will face higher premiums than any other age group. In Alaska:
 - A 60-year-old making an income that is 300 percent of the poverty line would see premiums rise, after tax credits, by \$5,777.
 - A 60-year old with an income just over the new poverty threshold of 350% of the federal poverty level, would see subsidies go from \$22,380 a year to zero.

Premiums will rise.

- This bill will adversely affect everyone with private insurance. Underfunded Medicaid programs will lead to significantly higher health insurance costs and increased premiums for consumers and employers.
- Medicaid underpayments create a payment gap to providers that privately insured employers and individuals will be forced to close through cost shifting.

Impacts on hospitals and health systems.

- Hospitals are the largest private sector employers in most Alaska communities.
- As a result of the bill, hospitals would be forced to make tough choices as their financial health deteriorates due to the loss in Medicaid funding, increased uncompensated care, and unpaid out-of-pocket expenses.
- The bill would not restore hospital and health system reductions intended to fund coverage. Those resources would be vital to help hospitals care for the increased number of uninsured that would result from the Senate bill.
- Hospitals and health systems will have no choice but to reduce services, and possibly even close. This will have broad economic effects across communities, not only due to the loss of hospital jobs but the loss of a local hospital often makes a community less attractive to potential investors. This exacerbates the economic impact and employment opportunities in communities.