

# AHCA

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## AND LOUISIANA

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# The American Health Care Act Would Reverse Recent Coverage Gains and Strain Louisiana's Budget

The American Health Care Act — which passed the U.S. House of Representatives and is the basis for a bill being negotiated in the U.S. Senate — would be devastating for the state budget, health care providers and residents of all parts of the state. The AHCA would reverse the historic gains under the federal Affordable Care Act (ACA), which has greatly reduced the number of Louisianans without health insurance, created thousands of jobs in the healthcare sector, protected consumers and increased the amount of federal healthcare dollars flowing to every city and parish in the state.

The AHCA would be harmful to every state, but it would be particularly damaging in Louisiana because the state relies heavily on federal health care funding and has limited state revenue available to replace federal funds that would be lost under the AHCA. The loss of federal funding would put unprecedented new strains on the state's finances, forcing state policymakers to either reduce health care coverage and access for vulnerable populations, or raise taxes and cut spending in other areas such as education.

The ACA expanded health insurance coverage in two ways: By extending Medicaid eligibility to non-elderly adults with incomes below 138 percent of the federal poverty level (about \$16,600 a year for an individual), and by subsidizing the purchase of private health insurance for people with incomes above the Medicaid threshold. The AHCA would phase out the Medicaid expansion and cut funding for the premium tax credits by 29 percent. As a result, 540,000 Louisianans who are projected to be enrolled in Medicaid by 2020 as a result

## Principles of healthcare reform

This report is based on an analysis of the version of the AHCA that passed the House in May 2017. The Senate is making changes to the bill behind closed doors, but is expected to hew closely to the House version. Any legislation that emerges from the Congress should be evaluated first and foremost for the effect it would have on patients and should meet some basic principles:

1. No one should lose health insurance coverage as a result of this bill.
2. No one with a pre-existing medical condition should lose access to quality, affordable coverage.
3. Any changes to the Medicaid program should not shift costs from the federal government to the state.

of the expansion could lose their coverage.<sup>1</sup> The 110,889 Louisiana residents<sup>2</sup> who receive premium tax credit subsidies to purchase private health insurance would see their subsidy cut by an average of \$3,013 per year,<sup>3</sup> and many would no longer be able to afford their premiums.

Additionally, the AHCA cuts total federal Medicaid funding by \$834 billion nationally over the next decade. It does so by creating per-beneficiary spending caps on the program that would not keep pace with the projected rise in Medicaid costs.<sup>4</sup> This would mean a 7.9 percent cut<sup>5</sup> in federal Medicaid funds for Louisiana over the next decade, according to an analysis by The Urban Institute, resulting in a cost-shift of \$8 billion in Medicaid costs from the federal government to the state over that time period.<sup>6</sup> The reduction in federal Medicaid funding would force the state to either raise taxes or make health

care cuts that would decrease services and coverage for the children, people with disabilities, and elderly Louisianans who rely on Medicaid. This means that in addition to the 540,000 Louisianans who would lose Medicaid expansion coverage, an estimated 121,600 low-income people who are part of the state's "traditional" Medicaid eligibility population could lose Medicaid coverage too.<sup>7</sup>

The reduction in federal funding and loss of coverage caused by the AHCA would negatively impact providers, eliminate health care jobs, and reduce economic activity across the state. The elimination of the Medicaid expansion alone would cost Louisiana an estimated 14,000 jobs.<sup>8</sup> Nearly 4,000 health care workers would lose their jobs and 2,300 construction jobs would be lost. The state of Louisiana, including its employers and residents, simply cannot afford the massive cuts included in the AHCA.

## Phasing out Medicaid expansion

The AHCA would phase out Medicaid expansion beginning in 2020 by eliminating the favorable federal match for Medicaid expansion enrollees. The federal government would continue to pay states 90 percent of the costs for anyone enrolled in the Medicaid expansion before January 1, 2020. After that date Louisiana would only receive its regular, lower match of 63 percent for anyone who joins the program new, or who is enrolled and loses Medicaid coverage for one month or more — if, for example, their income temporarily moves above the 138 percent threshold.

This would represent a huge cost-shift to the state. Maintaining the Medicaid expansion would cost the state an additional \$816 million in 2023, on top of the \$340 million the state expects to pay under current law.<sup>9</sup> Faced with rising costs, Louisiana would almost certainly have to eliminate coverage for the 540,000 people who are expected to enroll under the expansion by 2020 and prevent any newly eligible people from enrolling.

Most of the people who would be affected are working, but either cannot afford or are not offered employer-sponsored coverage. More than 6 in 10 people (59%) who qualify for Medicaid under the expansion are working.<sup>10</sup> Nearly 8 in 10 (78%) are in a family with at least one worker.<sup>11</sup> Despite the fact that they are working these people's annual earnings still fall below 138 percent of the federal poverty line, or roughly \$34,000 a year for a family of four, making them eligible for Medicaid under the expanded eligibility rules. If Louisiana reverts to its pre-expansion eligibility criteria, parents would only be eligible for Medicaid if they earn less than 24 percent<sup>12</sup> of the federal poverty line (which equates to less than \$6,000 per year for a family of four). Adults without children would be ineligible at any income unless they could fit within another eligibility category. Thus, phasing out federal funding for the Medicaid expansion would mean the end of affordable coverage for

the vast majority of working adults who have benefitted from the Medicaid expansion.

Buying private health insurance on the individual market is not an affordable option for the low-income Louisianans who get their health coverage through the Medicaid expansion. By eliminating the expansion and creating a less generous tax credit, the AHCA would put private insurance even further out of their reach. Net premiums under the AHCA, even taking into account its tax credit subsidies, would consume more than half of the incomes of many of the poor or near-poor people who currently rely on Medicaid expansion. This is especially true for older, sicker Americans. For example, a 60-year old with income at the federal poverty line (\$12,400 per year) would have net premiums that would consume 88 percent of their annual income. For a 60-year old earning half of the federal poverty line (\$6,300 per year), their annual net premium would be \$11,029, or 175 percent of their income.<sup>13</sup>

### Nearly all enrolled in Medicaid expansion by 2020 would lose coverage by 2024

The Congressional Budget Office projects that fewer than 5 percent of those enrolled in Medicaid expansion by the January 1, 2020 cut off date would remain continuously enrolled through the end of 2024.

All Medicaid expansion beneficiaries enrolled after Jan 1, 2020 would cost the state 3.7 times more than they do today.

In other words: The costs to Louisiana of continuing to cover new Medicaid expansion enrollees would increase dramatically starting in 2020.

## AHCA would put private insurance out of reach for low-income Louisianans who would lose Medicaid due to expansion phase-out

| ANNUAL INCOME | AGE | AHCA SUBSIDY | NET PREMIUM UNDER AHCA | AHCA PREMIUM AS SHARE OF INCOME |
|---------------|-----|--------------|------------------------|---------------------------------|
| \$6,300       | 30  | \$2,500      | \$1,810                | 29%                             |
| \$6,300       | 45  | \$3,000      | \$3,408                | 54%                             |
| \$6,300       | 60  | \$4,000      | \$11,029               | 175%                            |
| \$12,600      | 30  | \$2,500      | \$1,810                | 14%                             |
| \$12,600      | 45  | \$3,000      | \$3,408                | 27%                             |
| \$12,600      | 60  | \$4,000      | \$11,029               | 88%                             |

Source: Center on Budget and Policy Priorities, People Losing Coverage Under House Republican Bill Would Face High Barriers to Coverage  
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## Medicaid funding caps would cut Louisiana’s traditional Medicaid program —

The AHCA would implement an annual federal Medicaid funding cap for Louisiana that would erode the program’s integrity and ability to serve the state’s most vulnerable residents over time. Instead of the longstanding federal-state partnership in Medicaid, in which the federal government is responsible

for a set share of Medicaid spending, the AHCA would set a capped amount of federal funding. The cap is based on per-person spending in 2016, within four spending categories — children, seniors, persons with disabilities, and other adults — and the total federal spending cap would be adjusted based on medical inflation each year. This annual adjustment is expected to result in federal funding that grows more slowly each year than actual Medicaid costs, leading to deeper cuts over time in federal funding to the state. The Urban Institute projects that between 2019 and 2028, Louisiana would receive \$8 billion less in Medicaid funding under the AHCA’s per capita caps than it would under current law.<sup>14</sup>

The per-capita Medicaid caps would make it harder for Louisiana to respond to public health emergencies such as the Zika virus or the opioid epidemic. Federal Medicaid funding would no longer increase automatically to share the cost of care after natural disasters,

or costly new medical treatments. The cap also wouldn’t have the flexibility to meet demographic changes, such as the rise in seniors’ Medicaid costs as they age<sup>15</sup>, leaving the state with even larger federal funding shortfalls over time.

Louisiana would be responsible for 100 percent of any costs in excess of the cap, meaning the state would be forced to decide whether to substantially raise taxes, cut funding for education and other priorities to pay for healthcare, or make dramatic cuts to the Medicaid program. With Louisiana’s challenging fiscal situation, and because Medicaid is already highly efficient,<sup>16</sup> the most likely outcome of the per capita caps would be severe reductions in coverage for the traditional Medicaid population. One congressional district-level analysis found an estimated 121,600 children, parents, elderly and persons with disabilities in Louisiana would lose Medicaid coverage by 2026.<sup>17</sup>

**“The Urban Institute projects that between 2019 and 2028, Louisiana would receive \$8 billion less in Medicaid funding under the AHCA”**

Costly Medicaid services that are considered “optional” – because the state isn’t required to cover them in order to receive federal Medicaid funding — likely would be reduced or eliminated to keep total Medicaid spending under the caps. The following services and populations would be especially at risk of cuts:

### Home and Community-Based Services

Louisiana has nearly 17,000 people receiving home-and community based services through Medicaid waivers<sup>18</sup>, and in 2015, there were nearly 63,000 waiting for a waiver slot, the third-longest waiting list in the country and longest per-capita.<sup>19</sup> Because the AHCA caps federal funding at 2016 levels, it is unlikely that Louisiana would be able to expand optional home and community-based care and rehabilitative services to allow more people with disabilities and the elderly to stay in their homes. The more likely scenario is that, as the cost of mandatory Medicaid services consume more of the capped funding amounts,

Louisiana would have to decrease the number of available home and community-based service slots over time.

### Children with disabilities

Massive cuts to Medicaid would jeopardize coverage and services for the more than 35,000 Louisiana children with physical or mental disabilities who rely on the program.<sup>20</sup> Medicaid provides coverage to 60 percent of all disabled children, delivering services at home, in schools, and in health care facilities across the state. Many of the resources on which families of children with disabilities rely — such as costly prescription medication and habilitative therapies — are not required to be covered by the state’s Medicaid program<sup>21</sup> and, therefore, could be among the first to go under budgetary pressures.

### Medicaid eligibility for children

More than half of all Louisiana Medicaid enrollees are children. Under the ACA, the minimum eligibility level for children ages 6-19 was raised

from household income at 100 percent of the federal to 138 percent of the federal poverty level, which is about \$16,600 for an individual. The AHCA would return the minimum eligibility for Medicaid back to the poverty level, or about \$12,000 for an individual. While Louisiana currently has an eligibility threshold for children ages 6-19 at 212 percent of the federal poverty line,<sup>22</sup> higher even than the ACA minimum, the state likely would have to lower that eligibility level to stay below the AHCA’s per capita caps.

### Medicare-Medicaid “dual eligibles”

Louisiana is home to 209,000 low-income Medicare beneficiaries who are also eligible for Medicaid.<sup>23</sup> These vulnerable “dual eligibles” could be disproportionately affected by the Medicaid per capita caps, as they account for one-third of all Medicaid spending nationwide.<sup>24</sup> Many of the Medicaid services for dual-eligible beneficiaries are optional for the state. While Medicare covers physician, hospital, and most

## Coverage loss from traditional Medicaid population by Louisiana Congressional District

| DISTRICT               | REPRESENTATIVE NAME | TOTAL MEDICAID COVERAGE LOSS | ADULTS<br>(NOT ENROLLED THROUGH<br>MEDICAID EXPANSION) | CHILDREN      | DISABLED      | ELDERLY       |
|------------------------|---------------------|------------------------------|--|---------------|---------------|---------------|
| LA 1                   | Steve Scalise       | 15,500                       | 3,500  | 7,400         | 1,800         | 2,800         |
| LA 2                   | Cedric L. Richmond  | 27,600                       | 6,400  | 13,700        | 3,400         | 4,100         |
| LA 3                   | Clay Higgins        | 19,400                       | 4,500  | 9,500         | 2,300         | 3,100         |
| LA 4                   | Mike Johnson        | 22,000                       | 4,900  | 10,500        | 2,600         | 4,000         |
| LA 5                   | Ralph Lee Abraham   | 22,300                       | 5,100  | 10,700        | 2,600         | 3,900         |
| LA 6                   | Garret Graves       | 14,800                       | 3,500  | 7,500         | 1,800         | 2,000         |
| <b>Louisiana Total</b> |                     | <b>121,600</b>               | <b>27,900</b>  | <b>59,300</b> | <b>14,500</b> | <b>19,900</b> |

Source: David Cutler and Emily Gee, Coverage Losses Under the ACA Repeal Bill for Congressional Districts in All States, March 21, 2017.

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other acute care costs, Medicaid covers behavioral health services as well as most long-term services and supports, such as nursing homes, hospice, and community-based services.

**Women’s healthcare services**

Women and girls make up 54 percent of the state’s Medicaid

population.<sup>25</sup> Eligibility for Medicaid historically has been more generous for pregnant women than other adults and 65 percent of births in Louisiana are paid for by Medicaid.<sup>26</sup> The program also finances 75 percent of all publicly funded family planning services which the state is federally-required to cover for Medicaid recipients but has substantial

flexibility in deciding which family planning services to pay for.<sup>27</sup> Additionally, women live longer than men and are significantly more likely to need long-term care services through Medicaid. The per capita caps in Medicaid would jeopardize the state’s ability to continue to provide critical services to women of all ages in the state.

**Medicaid changes would devastate state budget, harm providers**

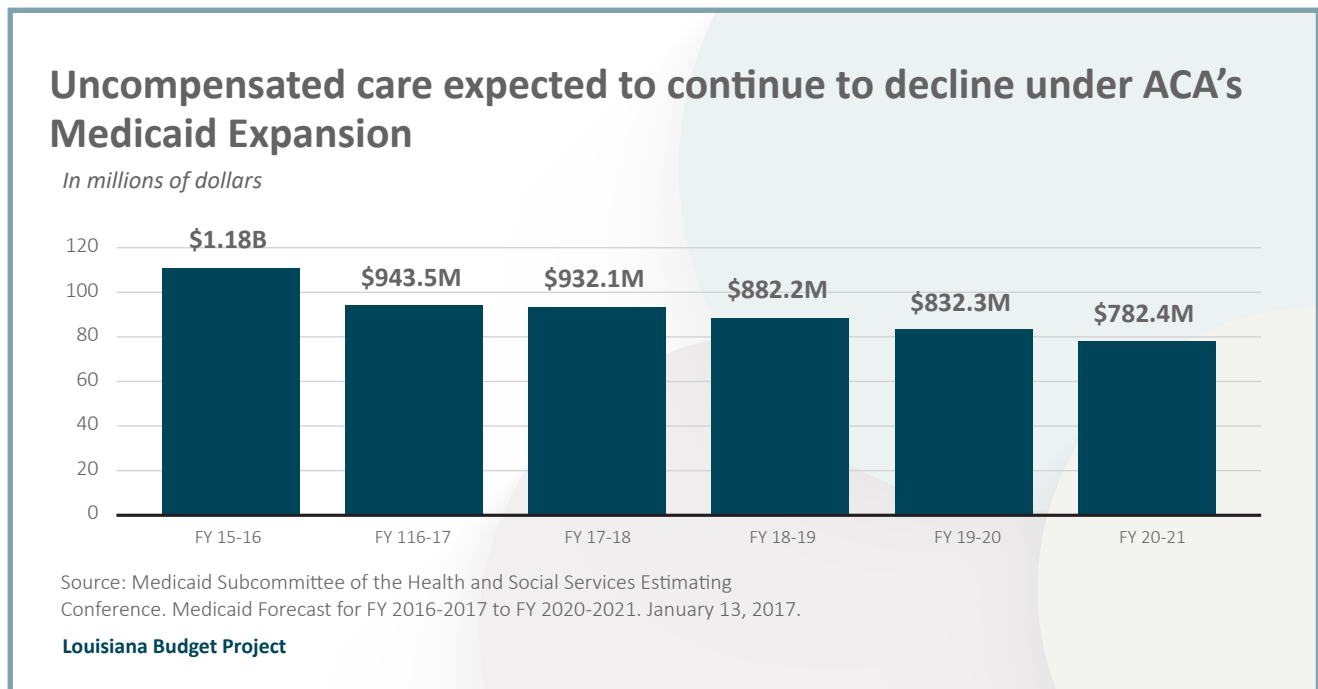
The AHCA’s reduction in federal funding for Louisiana’s Medicaid program would strain the state’s budget in ways that would grow more and more difficult to overcome each year. The state would have less federal funding to provide the same level of care, forcing the state to cut Medicaid eligibility, services, or both.

The Medicaid per capita caps would be particularly harmful to Louisiana’s budget, and in turn, health-

care providers, because the starting point for the cap would be the state’s 2016 spending levels. Louisiana spent only \$401 in state general funds per capita in Medicaid in 2016, compared to the national average of \$490 per capita.<sup>28</sup> Total per-beneficiary Medicaid spending, including state and federal sources in Louisiana, was just \$5,740 compared to the national average of \$6,396.<sup>29</sup> Managed care organizations saw their already-low rates reduced in 2016 due to a budget

shortfall.<sup>30</sup> Because Louisiana had relatively low per-beneficiary spending and provider reimbursement rates in 2016, those low rates would be locked into the spending cap indefinitely.

The loss of federal funding for Medicaid expansion is enough to cause chaos in the state budget process. Under current law, the state’s cost share for Medicaid expansion in 2023 is expected to be \$340.4 million.<sup>31</sup> Under the AHCA the total



state costs would rise to \$1.16 billion, a 240 percent increase to cover the same population. To put that cost increase in context, the state expects to spend just \$291 million on the entire TOPS state scholarship program and \$180 million in state general funds for the whole Department of Children and Family Services next year.

Eliminating the Medicaid expansion would increase the state’s cost of care for the uninsured, also known as uncompensated care. The state is responsible for 5 percent of the costs of Medicaid expansion now, and will be responsible for 10 percent beginning in 2020 under current law. On the other hand, the state is responsible for 36 percent of all costs of care the uninsured.

Medicaid expansion substantially reduced the cost of healthcare for the uninsured, and these costs are projected to decline even further over time. For example, in fiscal year 2016, prior to Medicaid expansion the state spent \$353 million in state general funds for uncompensated care, and expects to spend just \$138 million in fiscal year 2018.<sup>32</sup>

## AHCA cuts funding for premium tax credits

Under the AHCA, federal spending on the new premium tax credits is estimated to be just \$375 billion over the next 10 years, compared to \$525 billion if the Affordable Care Act is left in place.<sup>33</sup> That equates to a 29 percent reduction in spending on the credits that help to make private insurance affordable for low and moderate income people.

The AHCA reduces spending by eliminating the variability of the

tax credits based on an household’s income and the actual cost of insurance. Instead, the AHCA provides a “flat” tax credit varying only by age and not income. Tax credits for Louisiana consumers would fall by an average of \$3,013 in 2020 under the AHCA and premiums would rise modestly at the same time, leaving the average person with marketplace coverage paying \$3,325 more per year out of pocket for premiums.<sup>34</sup>

The decrease in tax credit subsidies would be particularly harmful for older Louisianans. For example, a 60-year old woman in Baton Rouge who receives a monthly tax credit of \$885 per month under the ACA in 2020, would receive only \$333 per month under the AHCA (\$4,000/year). The flat tax credit would not adjust as premiums increase either. So, with monthly premiums expected to rise from \$1,092 under the ACA to \$1,467 under the AHCA, she would be on the hook for \$1,133 per month under the AHCA, or 45 percent of her monthly income.<sup>35</sup>

### Change in Tax Credit for 60-year-old woman in East Baton Rouge Parish with income of \$30,000/year

|                                       | UNDER ACA | UNDER AHCA |
|---------------------------------------|-----------|------------|
| Monthly Income                        | \$2,500   | \$2,500    |
| Monthly Premium                       | \$1,092   | \$1,467    |
| Monthly Tax Credit                    | \$885     | \$333      |
| Net Monthly Premium After Tax Credit  | \$207     | \$1,133    |
| Net Premium as a Percentage of Income | 8.3%      | 45.3%      |

Source: Kaiser Family Foundation: <http://www.kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/>

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The AHCA also would eliminate federal cost-sharing subsidies that help cover out-of-pocket costs (co-pays, deductibles and co-insurance) for people who buy health insurance on the federal marketplace and have income below 250 percent of the federal poverty limit. In 2016, 131,267 Louisianans who purchased a plan on the individual marketplace received an average annual cost-sharing subsidy of \$1,408.<sup>36</sup> Cost sharing subsidies paid to insurers on behalf of Louisianans totaled \$185 million in 2016. These costs would fall on the consumer beginning in 2020 under the AHCA, increasing their out of pocket costs by an average of \$1,810 per year.<sup>37</sup>

## Making consumer protections optional

The AHCA would allow states to apply for waivers to alter or eliminate entirely existing consumer protections. The Congressional Budget Office (CBO) estimates that half of all Americans live in a state that would roll back or eliminate protections for people with pre-existing conditions and the required “essential health benefits” (EHBs) in the individual insurance market. Louisiana likely would fall into that category. Before the ACA the state did not require insurers to cover basic services like maternity care or mental health treatment.<sup>38</sup> Louisiana also was not one of the seven states that prevented insurers from charging people with pre-existing conditions higher premiums prior to the ACA.<sup>39</sup>

**“Services or benefits likely to be excluded from the EHBs in some states include maternity care, mental health and substance abuse benefits, rehabilitative and habilitative services, and pediatric dental benefits”**

**- Congressional Budget Office**

Because the AHCA eliminates the mandate to have coverage and drastically reduces federal premium tax credits, states would be under heavy pressure to allow insurers to scale back coverage in order to reduce premiums. Even without a waiver, the AHCA would remove the requirement for insurers to sell

plans with low deductibles, leaving consumers in all states exposed to higher cost-sharing amounts.

One waiver option in the House-passed version of the AHCA would permit insurers to charge people based on their health status if they have had a gap in coverage. This provision is not expected to be included in the health care bill the Senate is working on. But even if insurers are barred from denying coverage or charging higher premium rates based on health status, Louisianans with pre-existing conditions would still be at risk if the state eliminated or weakened EHB standards. This is because insurers would not be required to cover services that people with costly health conditions tend to use. So a person with cancer could technically get an affordable plan in the individual market, but it might not cover their treatment.

Thirty percent of nonelderly adults in Louisiana have a pre-existing condition.<sup>40</sup> If the state weakens EHBs, they would have no guarantee that their insurance plans would cover the services and medication they require. What’s more, the current ban on annual and lifetime limits apply only to EHBs. Therefore, if the state eliminates or scales back benefit requirements, annual and lifetime

### **Louisianans with employer-sponsored coverage would be impacted by AHCA’s EHB waiver**

If even one state eliminates or substantially weakens the essential health benefits, the ACA’s ban on annual and lifetime limits could be rendered meaningless for millions with employer-sponsored coverage. Large companies can choose to use the definition of EHBs from any state in which they operate and apply it to all of their employees’ plans, regardless of state.

In Louisiana 341,000 workers would be at risk of having an annual limit on benefits and 256,000 would be at risk of having a lifetime limit on benefits.

Source: Topher Spiro and Emily Gee. The Emerging Senate Repeal Bill Eviscerates Protections for Millions of Employer Plans Nationwide.



limits could again be applied to anything that is no longer considered “essential” – leaving people with costly illnesses exposed to the possibility that their coverage will simply run out. People with health benefits from large employers could also be impacted, since such plans are free to choose from any state’s definition of EHB for purposes of complying with the ban on annual and lifetime limits, as well as to the requirement to place a limit on people’s yearly out-of-pocket spending under their plans.<sup>41</sup> If a benefit is not an essential benefit, a large employer may be

able to impose an annual or lifetime limit on it or require far higher cost-sharing charges from enrollees who use that benefit.

Women would be particularly harmed by the weakening of the EHBs. Women make up 57 percent of Louisianans purchasing insurance on the individual marketplace. Prior to the ACA, 62 percent of insurance plans on the individual market did not cover maternity care.<sup>42</sup> If the EHBs were eliminated or dramatically changed under the AHCA’s waiver, women could again see

dramatic increases in what they pay compared to men. The CBO predicts if states stop requiring plans to include maternity benefits, insurers would offer such coverage as a “rider” at an additional out of pocket cost of \$1,000 per month.<sup>43</sup> The AHCA would provide the states with a combined \$15 billion over 10 years to cover maternity care and services for people with mental or substance use disorders, but there is no guarantee that funding would be sufficient or available to all pregnant women when and where they need it.

## The AHCA’s “Age Tax”

The AHCA would allow states to increase the “age band” ratio from 3:1 up to 5:1, meaning that older Louisianans could be charged up to five times what younger healthier

consumers are charged for the same plan.

This “age tax” would impact the more than 40,000 Louisianans above the

age of 55 who are enrolled in the individual marketplace.<sup>44</sup> These people would experience annual premiums increases between \$5,000 and \$10,000, depending on their age.<sup>45</sup>

## The AHCA would stunt Louisiana economy

Jobs, economic activity, and tax revenues all would decrease under the AHCA. A study by The George Washington University found elimination of the Medicaid expansion alone would cost Louisiana 14,000 jobs.<sup>46</sup> Nearly 4,000 healthcare workers would lose their jobs and 2,300 construction jobs would be lost.<sup>47</sup>

Medicaid expansion enrollment data by parish shows how the rollback of Medicaid expansion would impact some areas of the state more than others. More than 10 percent of people in 26 of the state’s 64 parishes, including East Carroll, Catahoula, and St. Mary receive their health coverage through Medicaid expansion. (see Appendix) These areas could

expect to see substantial losses in Medicaid coverage, health care jobs and economic activity if the expansion is eliminated.

With the additional impacts of per capita caps and reductions in tax credits subsidies factored in, estimates show that Louisiana would lose a total of 21,000 jobs under the AHCA. The legislation would result in the loss of \$3.2 billion in business output and a \$2.1 billion reduction in gross state product.<sup>48</sup>

At a time when the state is just beginning to rebound from the combined effect of the Great Recession and the regional economic downturn in 2015, the AHCA would be another major setback to the state’s economic growth.

### Job loss if expansion reversed, by sector

|                   |               |
|-------------------|---------------|
| Health Care       | 3,900         |
| Construction      | 2,300         |
| Retail            | 1,100         |
| Finance/Insurance | 600           |
| Other             | 5,800         |
| Public sector     | 300           |
| <b>Total</b>      | <b>14,000</b> |

Source: Milken Institute for Public Health, Repealing Federal Health Reform: Economic and Employment Consequences for States.

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## The AHCA shifts federal funds to wealthier groups

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The \$834 billion cut to Medicaid and \$290 billion reduction in funding for premium tax credits and cost-sharing subsidies in the AHCA would be used to pay for massive tax cuts for wealthy individuals and drug, insurance and medical device companies. The AHCA eliminates \$664 billion in tax revenue

over a 10 year period - taxes that were created under the ACA to pay for premium tax subsidies and expanded Medicaid coverage. Under the AHCA, people with incomes above \$1 million would receive an average tax break of \$54,130 per year<sup>49</sup> and the top 400 highest-income taxpayers — whose

annual incomes average more than \$300 million apiece — each would receive an average annual tax cut of about \$7 million.<sup>50</sup> Repealing the ACA taxes would also move up the date when the Medicare Hospital Insurance trust fund would become insolvent by three years.

## The Senate cannot fix this flawed legislation

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The Senate is now in the process of developing its own version of health care legislation behind closed doors. Upon its passage by the House, many senators — Republican and Democrat — were highly critical of the AHCA and claimed they would draft an entirely new bill. Senate leadership has

since said that “80 percent of what the House did we’re likely to do.”<sup>51</sup> Emerging details regarding the Senate bill confirm that statement, as only minor changes have been reported.<sup>52</sup> The changes would result in a Senate bill with virtually the same overall harmful impacts as the House Bill. What’s

more, due to the rules governing the budget reconciliation process that Republican leaders are using to pass the AHCA, the Senate cannot reverse the deep cuts to Medicaid in the House-passed version of the AHCA, unless the tax cuts for high earners are reversed as well.

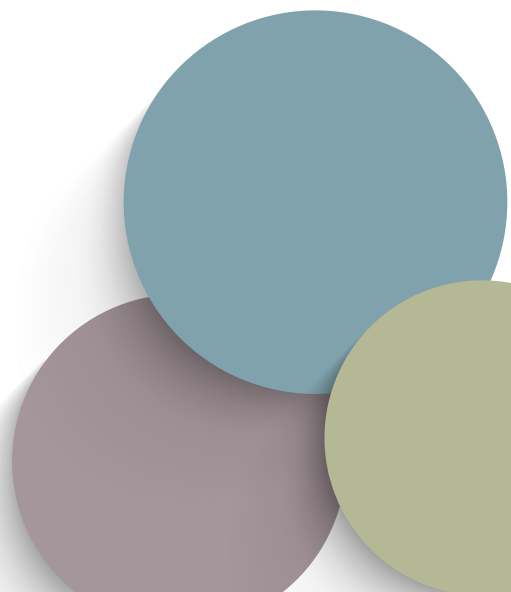
## A bad deal for Louisiana

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The American Health Care Act would be devastating to the people and state of Louisiana. It would eliminate coverage for hundreds of thousands of Medicaid expansion enrollees, restructure Medicaid financing in ways that would strain the state budget, and threaten services for the most vulnerable residents of the state, including disabled

people, the elderly, and people with pre-existing medical conditions. And it uses the savings to offset the cost of huge tax cuts to the wealthiest Americans. The American people have called on Congress to address the problems of increasing premiums and high out-of-pockets costs for plans in the individual insurance market, not to take away coverage

from millions, scale back benefits, reduce premium tax credits, and eliminate consumer protections. The AHCA does little to address the true problems in our nation’s healthcare system and would be a major step backward with regard to health insurance coverage. The people of Louisiana, and the country, deserve better.



# Acknowledgements

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## End Notes

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## Appendix

### Percent of population enrolled in Medicaid Expansion, by Parish

| PARISH           | ENROLLMENT     | POPULATION (2016) | % ENROLLED  | PARISH               | ENROLLMENT | POPULATION (2016) | % ENROLLED |
|------------------|----------------|-------------------|-------------|----------------------|------------|-------------------|------------|
| <b>Louisiana</b> | <b>425,797</b> | <b>4,681,666</b>  | <b>9.1%</b> | Madison              | 1,669      | 11,528            | 14.5%      |
| Acadia           | 5,880          | 62,645            | 9.4%        | Morehouse            | 3,563      | 26,071            | 13.7%      |
| Allen            | 1,897          | 25,684            | 7.4%        | Natchitoches         | 3,570      | 39,162            | 9.1%       |
| Ascension        | 6,194          | 121,587           | 5.1%        | Orleans              | 51,531     | 391,495           | 13.2%      |
| Assumption       | 1,741          | 22,695            | 7.7%        | Ouachita             | 16,492     | 156,983           | 10.5%      |
| Avoyelles        | 4,268          | 41,117            | 10.4%       | Plaquemines          | 1,698      | 23,464            | 7.2%       |
| Beauregard       | 2,846          | 36,927            | 7.7%        | Pointe Coupee        | 1,879      | 22,159            | 8.5%       |
| Bienville        | 1,559          | 13,865            | 11.2%       | Rapides              | 10,970     | 132,424           | 8.3%       |
| Bossier          | 7,692          | 126,057           | 6.1%        | Red River            | 976        | 8,550             | 11.4%      |
| Caddo            | 23,280         | 248,851           | 9.4%        | Richland             | 2,643      | 20,430            | 12.9%      |
| Calcasieu        | 17,031         | 200,601           | 8.5%        | Sabine               | 2,197      | 23,977            | 9.2%       |
| Caldwell         | 1,234          | 10,087            | 12.2%       | St. Bernard          | 5,073      | 45,688            | 11.1%      |
| Cameron          | 272            | 6,882             | 4.0%        | St. Charles          | 3,288      | 52,923            | 6.2%       |
| Catahoula        | 1,177          | 9,921             | 11.9%       | St. Helena           | 876        | 10,512            | 8.3%       |
| Claiborne        | 1,433          | 16,132            | 8.9%        | St. James            | 1,793      | 21,557            | 8.3%       |
| Concordia        | 2,098          | 19,920            | 10.5%       | St. John the Baptist | 4,280      | 43,631            | 9.8%       |
| De Soto          | 2,560          | 27,149            | 9.4%        | St. Landry           | 9,976      | 83,883            | 11.9%      |
| East Baton Rouge | 35,070         | 447,037           | 7.8%        | St. Martin           | 4,669      | 54,007            | 8.6%       |
| East Carroll     | 1,103          | 7,271             | 15.2%       | St. Mary             | 6,117      | 52,093            | 11.7%      |
| East Feliciana   | 1,752          | 19,683            | 8.9%        | St. Tammany          | 15,575     | 253,602           | 6.1%       |
| Evangeline       | 3,554          | 33,709            | 10.5%       | Tangipahoa           | 13,212     | 130,710           | 10.1%      |
| Franklin         | 2,775          | 20,330            | 13.6%       | Tensas               | 629        | 4,597             | 13.7%      |
| Grant            | 1,652          | 22,365            | 7.4%        | Terrebonne           | 10,504     | 113,220           | 9.3%       |
| Iberia           | 8,180          | 73,273            | 11.2%       | Union                | 2,347      | 22,487            | 10.4%      |
| Iberville        | 2,994          | 32,920            | 9.1%        | Vermilion            | 5,335      | 60,205            | 8.9%       |
| Jackson          | 1,601          | 15,808            | 10.1%       | Vernon               | 3,171      | 50,569            | 6.3%       |
| Jefferson        | 43,993         | 436,523           | 10.1%       | Washington           | 4,882      | 46,310            | 10.5%      |
| Jefferson Davis  | 2,842          | 31,413            | 9.0%        | Webster              | 4,278      | 39,710            | 10.8%      |
| Lafayette        | 18,598         | 241,398           | 7.7%        | West Baton Rouge     | 1,929      | 25,795            | 7.5%       |
| Lafourche        | 7,473          | 98,305            | 7.6%        | West Carroll         | 1,363      | 11,114            | 12.3%      |
| LaSalle          | 1,272          | 15,052            | 8.5%        | West Feliciana       | 813        | 15,344            | 5.3%       |
| Lincoln          | 3,950          | 47,745            | 8.3%        | Winn                 | 1,351      | 14,376            | 9.4%       |
| Livingston       | 9,097          | 140,138           | 6.5%        |                      |            |                   |            |

Source: Louisiana Department of Health, Healthy Louisiana Dashboard, June 2017

Population data from US Census Bureau, American FactFinder. "Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2016". March 2017

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