Better Care Act Talking Points

July 5, 2017

Suggested Talking Points on the Better Care Reconciliation Act of 2017

- The Illinois Health and Hospital Association and the Illinois hospital community strongly oppose the U.S. Senate proposal, the Better Care Reconciliation Act of 2017. The Senate bill is actually more damaging than the House-passed bill, the American Health Care Act.
- The Senate’s proposed legislation will cause the loss of health coverage for hundreds of thousands of Illinoisans and will have harmful impacts on patients, the state budget, the state economy and hospitals.
- We think the Senate should go back to square one and start over.
- IHA continues to urge Congress to work to ensure meaningful and affordable healthcare coverage, and we look forward to working with members of Congress to achieve this critical goal.

Impact of Senate Bill on Patients, State Budget, State Economy, Hospitals

Patients

- More than 1 million Illinoisans have coverage under the Affordable Care Act, including more than 650,000 through Medicaid. Many of these Illinoisans now have coverage and access to the healthcare they need when they need it for the first time in years, or even the first time in their lives.
- Many people may not realize how important Medicaid is as a healthcare safety net for Illinoisans. The vast majority of people on Medicaid are children, the elderly and the disabled.
- Half of all children, and one out of four Illinoisans are covered by Medicaid.
- About two-thirds of Medicaid spending goes for nursing home care for the elderly and disabled.
- One in 10 veterans depends on Medicaid.
- For the first time, many people who have an opioid addiction are now able to get the treatment they need thanks to the Medicaid program.
- These are the people who would be most harmed by the Senate proposal.
- Having health insurance coverage and access to care has a major impact of the quality of people’s lives, and actually saves lives.
- Several studies released in recent weeks show that having health insurance dramatically reduces the risk of dying prematurely.
- One of the new studies showed that having health insurance led to a major decline in heart attacks in Oregon because people were able to get preventive care and early diagnoses to prevent much more serious complications or conditions.
- But under the Senate healthcare bill, the positive gains we have seen under the Affordable Care Act over the past several years—people getting coverage and access to care and having better health outcomes—would all be lost.
- Hundreds of thousands of Illinoisans would lose their health insurance coverage—negatively affecting their health and quality of life.
- We would go back to the days of the uninsured skipping or delaying treatment when needed, and then going to the hospital emergency room for care when they are sicker—requiring more intensive treatment and leading to higher costs.
- It’s also very troubling that the Senate bill would impose devastating cuts to the Medicaid program—by repealing the Medicaid expansion that has helped 650,000 people in Illinois—and by making major changes in the federal funding formula that would shift hundreds of billions of dollars in costs to the states, including Illinois.
• In June, the nonpartisan Congressional Budget Office issued two reports on the impact of the Senate bill—indicating that 22 million people would lose coverage by 2026, including 15 million people who would lose Medicaid coverage.

• The Senate bill would make a cut of historic proportions to Medicaid—more than $770 billion or 26 percent by 2026, and even deeper cuts of 35 percent by 2036. This would be one of the biggest changes in health care in 50 years.

• The Senate bill would also make drastic changes, for the worse, reducing subsidies for individuals who have coverage through the Health Insurance Marketplace.

• Lower-income individuals—as well as older people (50 to 64) who have not yet qualified for Medicare—would face substantial increases in their net premium costs and out-of-pocket costs.

• In many cases, they would not be able to afford to buy coverage through the Marketplace and would go uninsured because they would not qualify for Medicaid, as their incomes are too high.

State Budget

• Illinois would be affected by these Medicaid cuts on a massive scale, at a time when the state is in a very weak fiscal condition—some would say on life support.

• Illinois is at risk of losing at least $40 billion over the next 10 years under the Senate bill.

• Because of a special trigger provision in Illinois law, the state would actually be forced to end its Medicaid expansion—affecting more than 650,000 people and several years earlier than most other states—as of January 1, 2021.

• Repealing Medicaid expansion would have a very negative impact on the state budget, which is already challenged, shifting major costs to the state.

• There is a second major change to Medicaid under the Senate bill—capping federal Medicaid funding to the states.

• Per capita caps—at a much lower growth rate—will lock Illinois in at its very low, inadequate federal funding level and put it at a competitive disadvantage with other states for years to come.

• Illinois is currently 50th in the country in federal Medicaid funding support per beneficiary.

• Illinois cannot absorb additional financial burdens that would be imposed by the Senate bill.

• The State will be forced to reduce eligibility (less people covered), services covered/provided to Medicaid beneficiaries, and reimbursements to hospitals and doctors.

State Economy

• The Senate healthcare bill will have a negative impact on the local and state economy and on jobs.

• The end of the Medicaid expansion alone could lead to the loss of 55,000 to 60,000 jobs statewide; and the lost annual economic activity would be more than $7.5 billion statewide.

Hospitals

• Hospitals in the state are major job creators and economic anchors for their communities—employing a quarter of a million people—and having an annual economic impact of more than $88 billion. One in every 10 jobs in the state is in healthcare.

• But with the magnitude of these staggering cuts and changes to Medicaid, hospitals will be forced to make difficult decisions, such as reducing services, laying off staff, not hiring staff, and delaying needed facility and technology improvements.

• Such reductions would hurt ALL patients, not just Medicaid beneficiaries—when a service is eliminated, it is eliminated for everyone.

• Currently, more than 40 percent of hospitals in EVERY area of the state are losing money or barely have a positive margin.

• So a lot is at stake for people—the patients that our hospitals serve every day. We are urging the Senate and House to start over and work to make our healthcare system better.