



FEDERAL UPDATE: House Unveils Healthcare Reform Bil

The recently released House Republican bill leaves in place all of the Affordable Care Act (ACA)-authorized Medicare and Medicaid cuts on hospitals, without the promise of reductions in uncompensated care. The bill also effectively eliminates the expansion of Medicaid eligibility. New York State greatly expanded its Medicaid program under the ACA, which dramatically lowered the number of uninsured in the state over the past three years. About 25 percent of the state's population is covered by Medicaid. The hospital industry says the House legislation will result in more uninsured and underinsured and will make insurance less affordable. The plan eliminates current means-tested tax credits and cost sharing subsidies and replaces them with limited tax credits based on age, not income. According to an analysis just released by Governor Cuomo's office, New Yorkers will lose \$400 million in tax credits.

More importantly, the House plan will fundamentally alter the structure of the Medicaid program, shifting a much greater burden to the states, local governments, and hospitals – about \$4.5 billion in added costs here in New York, according to the Governor's analysis. The plan ends Medicaid's entitlement status and instead proposes a per-capita capped program. This leaves no flexibility for costs related to enrollment surges, such as we experienced during the Great Recession, or increases in the provision of healthcare. The only alternatives are for states to curtail benefits and eligibility and reduce payments to healthcare providers, driving up the numbers of uninsured and underinsured. Despite the ACA expansion of Medicaid coverage to adults and children with modest incomes, about 70 percent of the Medicaid spend continues to be for the elderly and disabled of all ages, putting these vulnerable populations at risk under the per-capita caps.

"The House bill neither truly repeals nor meaningfully replaces the Affordable Care Act," said Kevin Dahill, president/CEO of the Suburban Hospital Alliance. "This is bad news for New York – capping Medicaid funding will be financially devastating to the state budget and to the thousands of New Yorkers with modest incomes, many of whom are elderly or disabled, who will no longer be guaranteed coverage. It also puts already-vulnerable hospitals at risk from steep Medicare and Medicaid cuts, rising uncompensated care, and pressure from insurers to reduce reimbursement rates." The Congressional Budget Office has not yet weighed in on the cost of the House plan, but that cost is expected to be steep given that the GOP plan repeals almost all of the ACA's tax revenue provisions. The CBO analysis also will estimate the bill's effect on the federal deficit. Many lawmakers from both parties say the non-partisan CBO's analysis is needed in order to fully consider the components of the bill. The proposal now heads to the House Budget Committee. House Speaker Paul Ryan says his chamber is on track to bring the bill before the full House by the end of March.

Healthcare Voices rise up in stories told individuals who have gained coverage through New York's health insurance exchange. These are the individuals behind the numbers whose lives have been helped and changed by the Affordable Care Act. [Read their stories here.](#) 

STATE UPDATE: Hospital Leaders Take Concerns to Albany

Hospital leaders and hospital trustees traveled to Albany on February 28 and March 1, 2017 to meet with lawmakers to discuss their top concerns about the proposed 2017 – 2018 budget. A proposed payment penalty for potentially preventable emergency room visits, a \$10 million funding reduction to the Hospital Quality Pool, and "super powers" language allowing the budget department to reduce payments if revenues fall short were key items on the agenda. The budget deadline is April 1, 2017. **Permission to reprint articles granted. Attribution required.*