



# Senate Health Bill: Implications for WI

The Senate's latest health bill will hurt many Wisconsinites whether they're on BadgerCare, receiving insurance through the marketplace, or have insurance through their employer. New analyses of the bill show that it will increase the number of people without insurance, increase costs of those with insurance, decrease access to care.

## UNINSURED

Through cuts to premium assistance and cost-sharing subsidies for Wisconsinites purchasing health insurance through the marketplace and cuts and fundamental changes to the structure of the Medicaid program, the Senate health bill will increase the uninsured rate, moving the state away from its goal to reduce the uninsured rate. A new analysis from the Urban Institute finds that:

- o **286,000** children and non-elderly adults are at risk of becoming uninsured under the Senate health plan by 2022
  - o 60,000 children could lose health insurance, increasing the uninsured rate for children from 4.4% to 8.7%
  - o 226,000 non-elderly adults could become uninsured, increasing the uninsured rate from 9.7% to 16.3%

## INDIVIDUAL MARKET

Wisconsin has a higher percentage of people in the individual health insurance market than many other states, in part due to the fact that the state rolled back BadgerCare (Medicaid) eligibility for parents to 100% of the Federal Poverty Level, stating that they could get insurance coverage through the marketplace. The Senate bill makes changes to the Affordable Care Act premium tax credit structure and eliminates the cost sharing subsidies—policies that would make insurance on the marketplace unaffordable for many by cutting tax credits, increasing premiums and deductibles, and forcing consumers to pay more for less. The Urban Institute finds that:

- o **197,000** people in Wisconsin could lose non-group coverage by 2022

In 2017, over 200,000 Wisconsinites signed up for Marketplace insurance plans and paid their first month's premium.

- o **83%** of those people received a tax credit to help pay for their insurance
- o **Over 50%** of those people will lose cost sharing subsidies to help make insurance more affordable.

The Senate bill changes how tax credits are determined and removes the cost sharing subsidies, meaning premiums and deductibles will increase for many individuals, especially the elderly and people with low incomes.

## MEDICAID

The Senate health bill puts 1.2 million Wisconsin's health care coverage in Wisconsin at risk. The bill makes fundamental changes to the financing structure of the Medicaid program inflicting huge cuts in federal support for the program and opening the door for future reductions. Ultimately Wisconsin will be forced to choose whether to cut eligibility, services, and provider payments or raise taxes. The Urban Institute analysis finds that:

- o **32,000** people in Wisconsin are at risk of losing their Medicaid coverage and WI is at risk of losing **\$293 million** in federal support by 2022

## PEOPLE WITH PREEXISTING CONDITIONS

Despite rhetorical protections in the Senate and House health care bills, the proposed health reform bills would endanger the health of people with preexisting conditions. People with preexisting health conditions might not be able to access the care they need at a price they can afford. States could choose to eliminate any combination or all of essential health benefits under the ACA, such as hospitalization, prescription drugs, mental health & substance use treatment, and maternity care. Insurers could then offer plans that do not include coverage, bring back lifetime limits, or charge thousands more for a policy that includes the care they need. The Center for American Progress estimates that individuals buying a plan including coverage for a preexisting condition would face thousands of dollars in extra costs.

- o **\$8,490** per year for care to **treat major depression**
- o **\$17,320** per year for **maternity care to cover pregnant women**
- o **\$28,660** per year for **breast cancer coverage**
- o **\$344,430** per year to insure **someone with hemophilia**

In states that approve such waivers – for example, by waiving the requirement to cover prescription drugs – a cancer patient requiring expensive chemotherapy could find early in their treatment that they had reached a cap on what the insurer will pay for the lifesaving drug. And a person who struggles with depression might find that the only plan he/she can afford is one that does not cover mental health treatment. These costs would be in addition to the

## THREATS TO EMPLOYER SPONSORED COVERAGE

The majority of non-elderly adults receive health insurance through their employer and might mistakenly assume that changes proposed in the ACA repeal efforts will have little effect on them. This is not the case. The Urban Institute analysis finds that:

- o **57,000** Wisconsinites could lose coverage through their employers by 2022

While this is a relatively small number, a few small changes in the Senate bill would likely lead to employers offering insurance that costs more and covers less. State will have the ability to waive essential health benefits established by the ACA, and large employers won't be required to offer insurance coverage that meets specified standards. Further, large employers with employees in more than one state, will be able to choose to which state's regulations they will follow. Meaning that if Mississippi waives all of its essential health benefits and weakens other insurance standards, companies in Wisconsin could choose to offer "Mississippi compliant plans" that might not meet standards established in our state.

**No matter who you are or how you're covered, the Senate health bill increases your chances of losing insurance or paying more for coverage that covers less.**