**Talking Points: Cassidy-Graham ACA Repeal Plan**

***Updated September 25, 2017 to Reflect Revised Cassidy-Graham Draft***

* **Despite claims to the contrary, the Cassidy-Graham plan is at least as damaging – and in some ways more damaging – than previous repeal bills and would have similar, devastating effects.** Like the earlier repeal bills, it would take coverage away from millions of people, raise costs for millions more, gut Medicaid, and eliminate important protections for people with pre-existing conditions.
* **The revised draft released yesterday changes none of these features.** Specifically:
  + Medicaid expansion: The plan would still completely eliminate the ACA’s expansion of Medicaid, which has extended coverage to 11 million low-income adults.
  + Marketplace subsidies: It would also still completely eliminate the ACA’s marketplace subsidies, which currently help almost 9 million people afford coverage. Unlike under earlier Republican bills, which substituted highly inadequate tax credits, moderate-income working people buying individual market coverage would no longer be guaranteed *any* assistance.
  + Block grant instead of expansion and subsidies: In place of Medicaid expansion and marketplace subsidies, the plan would substitute a block grant to states that would:
    - Reduce nationwide funding by about $40 billion by 2026, compared to current law funding for Medicaid expansion and tax credits.
    - Dramatically redistribute funding across states over time, meaning that many states would see deeper cuts.
    - End completely after 2026 – as if the need to help low- and moderate-income people afford coverage would just disappear overnight.
    - Because a block grant provides a fixed amount of funding each year, the proposal also leave states on the hook for any and all unexpected costs from recessions, natural disasters, public health emergencies, or prescription drug price spikes.
  + Medicaid per capita cap: On top of these cuts, the revised plan would also still cap and cut Medicaid for seniors, people with disabilities, and families with children, cutting funding outside expansion by about $175 billion between 2020 and 2026.
    - The cut to the rest of Medicaid would equal $39 billion in 2026 alone.
    - Cuts to the traditional Medicaid program from the per capita cap would total more than $1 trillion over two decades, according to estimates from Avalere and AARP.
    - States would also be on the hook for any and all higher unanticipated health costs per beneficiary including the cost of new breakthrough treatments, as well as for costs the cap doesn’t account for, like the aging of the population.
    - Faced with these cost and risk shifts, states would have no choice but to institute deep and growing cuts to seniors, people with disabilities and families with children, with certain services – such as home- and community-based care for seniors and people with disabilities – especially at risk.
  + Protections for people with pre-existing conditions: The latest draft of the Cassidy-Graham bill *still lets states waive the ACA’s prohibition on charging people with pre-existing conditions higher premiums,* as well as its essential health benefit requirements, requirements to provide preventive services without cost-sharing, and other protections. These waivers are similar to the House bill’s “MacArthur amendment” waivers. When CBO analyzed those waivers, it concluded that in parts of the country, people with pre-existing conditions “might not be able to purchase coverage at all,” and in states accounting for half the nation’s population, plans would be able to go back to excluding services like maternity care and substance use treatment.
  + Women’s health: Like prior Republican bills, Cassidy-Graham specifically targets access to women’s health care services by barring states from reimbursing Planned Parenthood for preventive health and family planning services for people enrolled in Medicaid.
* **Because it is being jammed through so rapidly, CBO will not be able to provide a complete analysis of the Cassidy-Graham plan. But it’s clear that the plan would take coverage from tens of millions of people – just like every other ACA repeal bill.** 
  + The plan’s effects would be identical to the earlier Senate repeal bill, causing 15 million people to become uninsured next year and driving up premiums by 20 percent.
  + After 2020, when the plan’s cuts to Medicaid expansion, ACA subsidies, and the underlying Medicaid program would take effect, coverage losses would grow. A Brookings Institution analysis concluded that at least 21 million people would likely lose coverage.
  + By 2027, the plan would cause 32 million or more people to lose coverage, just like earlier plans to repeal the ACA with no replacement. Once its block grant funding ends, the Cassidy-Graham proposal is virtually identical to those plans, except that it also cuts Medicaid for seniors, people with disabilities, and families with children.
* **The Cassidy-Graham plan would destabilize the individual insurance markets by dramatically increasing uncertainty and shut down bipartisan efforts to strengthen them.**
  + The plan would leave 50 states and DC to devise their own market rules and financial assistance programs — absent any federal guidance, guardrails, or infrastructure.
  + That means insurers would have no idea how the individual market would operate in 2020 or beyond, and it could be years before they knew what risk pools would look like.
  + In the interim, insurers would almost certainly impose very large rate increases to reflect the uncertainty, and some would likely exit the individual market altogether.
  + By 2027, when the block grant funding is eliminated, the individual market in much of the country would be at risk of collapse, as CBO predicted would occur under earlier proposals to repeal major ACA coverage provisions with no replacement.
  + For these reasons, a group of 36 current and former insurance commissioners from more than 20 states concluded the plan “would severely disrupt states’ individual insurance markets, with sharp premium increases and insurer exists likely to occur in the short term and over time.”

* **Senators Cassidy and Graham are also pursuing the an even more rushed, secretive process than we saw during previous rounds of the ACA repeal debate.** They’ve been negotiating changes to their plan behind closed doors and now aim to jam it through both the House and Senate within just days of releasing the new version – before policymakers and the public can understand its implications.