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Impact of the Senate's Better Care Reconciliation Act on Missouri

The Senate's Better Care Reconciliation Act (BCRA) would make health care unaffordable and inaccessible for millions of Americans.

*Here is how the bill would impact **Missourians:***

Reduces funding for Medicare, negatively affecting current and future beneficiaries. The bill cuts nearly $59 billion over 10 years from the Hospital Insurance trust fund by repealing a 0.9 percent payroll tax on higher-income workers. This would hasten Medicare's insolvency and diminish the program's ability to pay for services in the future. The bill would also increase Medicare premiums by removing nearly $26 billion in required payments from pharmaceutical companies over 10 years from the Part B trust fund.

- *In 2016, Medicare covered 1,095,506 Missourians, or 18 percent of the state's population.*
- *82 percent of Missourians with Medicare are over age 65, and 18 percent are people with disabilities under the age of 65.*
- *1,242,050 (or 20 percent of) Missourians are between the ages of 50 and 64 and will transition into Medicare over the next 15 years.*

Unfairly penalizes older Missourians who buy coverage on their own and who cannot afford to pay more. The bill discriminates against the 6.1 million Americans ages 50-64 who purchase coverage in the individual (non-group) health insurance market by allowing insurance companies to charge older people up to five times more than others pay for the same coverage (referred to as 5:1 age rating). The bill also cuts tax credit assistance for 3 million lower- and moderate-income 50- to 64-year-olds based on their age.

- *128,521 (or 11 percent of) of Missourians between the ages of 50 and 64 are enrolled in the individual market and would be impacted by age rating under the BCRA.*
- *In 2015, half of all Missourians ages 50-64 buying insurance in the individual market had incomes of $22,500 or less a year.*

Significantly increases costs for lower- and middle-income older adults who need individual health insurance coverage. The bill increases premiums for lower- and middle-income older adults by eliminating or reducing tax credits and allowing insurers to charge older adults more (5:1 age rating). And while all older adults will pay more, those with incomes between 350 to 400 percent of the federal poverty level (FPL) would be hardest hit. The bill also eliminates subsidies that help lower-income adults pay for deductibles and copays.

- *50- to 64-year-olds comprise 37 percent of all adults receiving premium tax credit assistance in Missouri and would face higher costs under the bill.*

Examples of how it would affect lower- and middle-income older adults:

- *In 2020, 60-year-olds in Missouri earning $20,000 annually could pay up to $4,710 more a year in premiums and $4,532 more a year in deductibles, coinsurance, and copayments.*
- *In 2020, 60-year-olds in Missouri earning $45,000 annually could pay as much as $17,250 more a year in premiums.*

Reduces coverage available for people with pre-existing health conditions. The bill allows states to waive or weaken requirements for services that must be covered by health insurance (known as Essential Health Benefits) as well as current limits on consumers' annual out-of-pocket spending. These changes could allow insurance companies to sell less comprehensive, potentially even skimpy, coverage and/or require consumers to pay higher deductibles, coinsurance and copayments. The result would be less choice, higher costs, and reduced access to needed services for people with pre-existing conditions.

- *About 508,035 (or 43 percent of) 50-64 year olds in Missouri have a preexisting condition.*

Threatens financial protections for people with individual and employer coverage. The bill allows states to weaken important consumer protections that ban insurance companies from capping how much they will cover annually, or over a person's lifetime — leaving people vulnerable to costs that could be financially catastrophic to them. States could also weaken or waive requirements that protect consumers from very high annual out-of-pocket spending (such as deductibles and copays). These changes would affect people with employer-sponsored coverage, in addition to people in the individual market.

- *128,521 (or 11 percent of) Missourians ages 50-64 receive coverage through the individual market and could face higher costs due to these changes.*
- *746,513 (or 64 percent of) Missourians ages 50-64 receive coverage through their employer, and could also see face higher costs due to these changes.*
- *Every year, 154,442 Missourians ages 18-64 who work for a large employer leave or lose their jobs and may have to buy coverage in the individual market.*

Cuts over $700 billion from Medicaid. The bill creates a capped financing structure in the Medicaid program and cuts $772 billion in federal Medicaid spending—more than 25 percent—over ten years, and the cut would increase to about 35 percent by 2036. States will likely make further cuts to keep spending below what they would receive under the bill (their per capita cap amounts). Both per capita cap and block grant financing would likely shift significant costs to states, state taxpayers, and families. The bill could lead to cuts in provider payments, program eligibility, services, or all three of the above— ultimately harming some of our nation's most vulnerable citizens.

- *48,000 Medicaid beneficiaries in Missouri would have to lose coverage in FY 2026 in order for those remaining to maintain their current level of service.*
- *Missouri would lose $2 billion in total federal and state Medicaid funding from FY2020-FY2026.*

Each year, millions of Medicare beneficiaries rely on Medicaid for services that Medicare does not provide—including long-term services and supports (LTSS).

- *In FY 2013, about 189,000 low-income Medicare beneficiaries in Missouri were also covered by Medicaid.*

Capping Medicaid impacts these dually enrolled individuals and could result in the loss of critical services and supports while having the unintended impact of increased hospital admissions and use of other expensive services that will ultimately cost more to the federal government.

Most people prefer to receive long-term services and supports in their homes and communities. Nursing home care is generally more expensive than serving people in the community, but home and community-based services (HCBS) is an optional service in Medicaid. Cutting federal Medicaid spending jeopardizes access to HCBS, forcing people to rely on more expensive nursing home care.

- *In FY2014, nursing facilities comprised 59.7 percent of Medicaid LTSS expenditures in Missouri for older adults and people with physical disabilities.*

Hurts the economy. The bill's implications for health insurance coverage will negatively affect the economy. Less access to health care will mean lost productivity and less economic growth.

- *By 2026, Missouri could lose more than $3.7 billion in business output due to the bill.*

Significantly increases the number of uninsured Americans. Many Americans face the possibility of losing their health care coverage.

- *297,000 Missourians* will lose coverage by 2022 *as a result of the bill.*

Detailed source information available at: http://bit.ly/2t9DISm