

Paying More for Less: The Graham-Cassidy Bill

Medicare guarantees access to health care for older adults and people with disabilities. Together with Medicare and Medicaid, the Affordable Care Act (ACA) builds health security for Americans of all ages. The Senate has failed to advance several approaches to ACA repeal. The latest scheme is the Graham-Cassidy bill, which ends Medicaid as we know it, undermines essential protections in the ACA, eliminates supports that help middle-class families afford Marketplace coverage, and undermines Medicare—forcing older adults and people with disabilities to **pay more for less**.

The Graham-Cassidy bill (GC) harms people not yet on Medicare.

- The GC bill repeals the ACA without a replacement. The Congressional Budget Office (CBO) previously estimated that repeal-without-replace would cause 32 million people to lose coverage.ⁱ
- The GC bill ends financial help currently available to lower- and middle-income people to help afford health coverage in the Marketplaces. Instead, states would receive temporary block grants, but states would not be required to help those who struggle to afford coverage.ⁱⁱ Without financial help, millions will go without coverage and will likely suffer health consequences.ⁱⁱⁱ
- The GC bill effectively ends the Medicaid expansion,^{iv} leading to coverage losses for low-income people, especially those in their 50s and 60s and for people with Social Security Disability Insurance who are in the required two-year waiting period for Medicare.
- The GC bill cuts funding for all states, but especially penalizes states that have done the most to help low-income individuals gain coverage.^v
- Medicare eligibility begins at age 65 for most. People ages 55-64 often find it hard to stay in the full-time job market or to find new employment after a job loss, making access to affordable health coverage, through the Marketplaces and expansion Medicaid, critically important.^{vi}

People Who Need the ACA: Annie

Several years ago, Annie was diagnosed with cancer and was uninsured. She worked hard and long hours earning a modest middle-class income as a waitress, but health insurance was not offered through her employer. Her cancer might have been detected much earlier if she had coverage.

Once she was diagnosed, Annie scrambled for coverage. Fortunately, under new ACA rules she qualified to enroll in a health plan that would cover her treatments. She had multiple surgeries at a major cancer hospital. Although these treatments were successful, the illness resulted in disability.

Annie remained fully insured post-surgery during the two-year waiting period for Medicare, after which she was able to enroll. **Together, the ACA and Medicare saved Annie's life.**

- Millions of people in their 50s and 60s have pre-existing conditions. The GC bill allows insurance companies to discriminate against people with pre-existing conditions by allowing states to waive the ACA's prohibition against charging higher premiums based on health status and the requirement that insurers cover essential health benefits.^{vii}

The Graham-Cassidy bill harms people with Medicare, today and in the future.

- By capping federal funding—through what's known as a **per-capita cap**—the GC bill slashes funding by at least **\$1.2 trillion** and as much as **\$3.2 trillion** within the next 20 years.^{viii}
- Medicaid cuts harm the 11 million people with Medicare who also have Medicaid. Funding caps will likely force states with already stretched budgets to reduce important Medicaid benefits, like long-term services and supports at home and nursing home care.^{ix} Medicaid also helps low-income people afford Medicare costs like premiums and copayments.^x

People Harmed by the Graham-Cassidy Bill: Just the Facts

If the GC bill goes into effect, 32 million more people would be without insurance in 2027.

Nearly 3.3 million people between ages 55 and 64 have coverage through the Marketplaces, representing the largest share of enrollees nationwide—**26%**.

People with disabilities also have coverage through the ACA, especially those who have Social Security Disability Insurance but are in the required two-year Medicare waiting period. **Over 1.5 million** people are in the two-year waiting period at any time and frequently turn to the ACA for coverage before their Medicare takes effect.

In 2017, most people who are eligible for both Medicare and Medicaid have incomes **below \$12,060/year**—the federal poverty level.

In 2011, Medicaid spent **\$146.9 billion** for people with Medicare, mostly for long-term care.

ⁱ Congressional Budget Office. "Cost Estimate: H.R. 1628 Obamacare Repeal Reconciliation Act of 2017." (July 19, 2017), available at <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/52939-hr1628amendment.pdf>.

ⁱⁱ Edwin Park & Matt Broaddus. "Cassidy-Graham Plan's Damaging Cuts to Health Care Funding Would Grow Dramatically in 2027." Center on Budget & Policy Priorities (September 16, 2017), available at <https://www.cbpp.org/research/health/cassidy-graham-plans-damaging-cuts-to-health-care-funding-would-grow-dramatically-in>.

ⁱⁱⁱ US Office of Disease Prevention and Health Promotion. "Access to Health Services." (last visited September 18, 2017), available at <https://www.healthypeople.gov/2020/topics-objectives/topic/Access-to-Health-Services>.

^{iv} Jacob Leibenluft, et al. "Like Other ACA Repeal Bills, Cassidy-Graham Plan Would Add Millions to Uninsured, Destabilize Individual Market." Center on Budget & Policy Priorities (September 18, 2017), available at <https://www.cbpp.org/research/health/like-other-aca-repeal-bills-cassidy-graham-plan-would-add-millions-to-uninsured>.

^v *Id.*

^{vi} National Council on Aging (NCOA), "Mature Workers Facts." (Last visited December 2016), <https://www.ncoa.org/news/resources-for-reporters/get-the-facts/mature-workers-facts/>.

^{vii} Aviva Aron-Dine. "Cassidy-Graham's Waiver Authority Would Gut Protections for People with Pre-Existing Conditions." Center on Budget & Policy Priorities (September 15, 2017), available at <https://www.cbpp.org/blog/cassidy-grahams-waiver-authority-would-gut-protections-for-people-with-pre-existing-conditions>.

^{viii} Brendan Flinn, et al. "Sounding the Alarm: The New Senate Health Care Bill Could Cut \$3.2 Trillion from Medicaid by 2036." (September 19, 2017), available at <http://blog.aarp.org/2017/09/19/sounding-the-alarm-the-new-senate-health-care-bill-could-cut-3-2-trillion-from-medicare-by-2036/>.

^{ix} Gretchen Jacobson, et al. "What Could a Medicaid Per Capita Cap Mean for Low-Income People on Medicare?" Kaiser Family Foundation (March 2017), available at <http://kff.org/medicare/issue-brief/what-could-a-medicare-per-capita-cap-mean-for-low-income-people-on-medicare/>.

^x Medicare Interactive. "Could I be eligible for a government program other than Medicaid to help with my health care costs (Medicare Savings Programs)?" (last visited September 18, 2017), available at <https://www.medicareinteractive.org/get-answers/programs-for-people-with-limited-income/medicare-savings-programs-qmb-smb-gi/could-i-be-eligible-for-a-government-program-other-than-medicare-to-help-with-my-health-care-costs-medicare-savings-programs>.