



Brian Sandoval  
Governor

Florence Jameson, MD  
Chairwoman

Heather Korbolic  
Executive Director

# Silver State Health Insurance Exchange

2310 South Carson Street, Suite 2 Carson City, NV 89701 T: 775-687-9939 F: 775-687-9932

[www.nevadahealthlink.com/sshix](http://www.nevadahealthlink.com/sshix)

## AGENDA ITEM

For Possible Action

Information Only

**Date:** January 12, 2017  
**Item Number:** VII  
**Title:** Affordable Care Act Status Report

### PURPOSE

The purpose of this report is to provide information to the Board and public regarding the status of the Affordable Care Act.

### CONTENTS

PURPOSE .....	1
CONTENTS .....	1
GENERAL COMMENTS .....	1

### GENERAL COMMENTS

The future of the Affordable Care Act (ACA) under President-Elect of the United States (PEOTUS) Donald Trump remains unclear. The Trump campaign’s rhetoric focused on repealing and replacing the ACA and PEOTUS Trump has reasserted this pledge several times since his election win in November. On inauguration day, both houses of the U.S. Congress and the President will be of the same political party, potentially increasing the opportunity for the President-Elect to realize his campaign promises.

While it remains unclear what exactly repealing and replacing the ACA will mean now that Congress is back in session, there have been indications of what direction current political leadership might take. For example, the PEOTUS, Vice President-Elect, and Republican congressional leadership have stated that they do not want to disrupt coverage for the 22 million consumers currently covered under the ACA. Also, the PEOTUS has stated that he wants a solution that will retain portions of the law that have proven popular, such as allowing young

people to stay on their parents' insurance plans until they are 26 years old, and not banning individuals with pre-existing conditions from coverage.

In addition to the substantive aspects of the debate, majority leadership also continues to internally debate the mechanics of repealing and replacing the ACA. In general, majority leadership has been unable to coalesce around a decision on whether to repeal the ACA prior to having a replacement ready and operational. In particular, a full repeal would require 60 votes in the Senate to overcome a filibuster. Since it does not appear that the Republican majority has the votes for such a clean action, a budget procedure may offer the next best opportunity to repeal portions of the law. However, due to intricate parliamentary procedure involved in budget reconciliation processes; these actions can only repeal the budgetary portions of the law.

Republicans in Congress already have a ready-made reconciliation bill (H.R. 3762), which was passed late in 2015 and subsequently vetoed by President Obama. This bill is speculated to be the model the majority leadership will use to begin the repeal of the ACA. H. R. 3762 repeals the expansion of Medicaid along with the subsidies that assist low- and middle-class families to obtain Qualified Health Plans. It also includes a transition period of two to four years whereby the subsidies continue and the ACA remains until a replacement plan is developed, legislated and implemented so as not to disrupt the coverage for consumers currently receiving benefits. A new reconciliation bill, perhaps one that is based on H.R. 3762, could potentially be passed as early as January 27, 2017.

Whichever course of action is chosen to achieve the repeal and replacement of the ACA, Republican replacement plans have the following common themes:

- Elimination of the tax penalties imposed on individuals who do not obtain coverage and on large employers who do not offer coverage to employees;
- Repeal subsidies for private health insurance purchased through Health Insurance Exchanges;
- Elimination of funds provided to states to expand Medicaid;
- Elimination of a variety of taxes and fees that help pay for the expansion of coverage under the ACA;
- Creation of high-risk pools for individuals with pre-existing conditions;
- Creation of Health Savings Accounts, which allow consumers to make tax-free deposits into accounts that can be used to pay for health expenses;
- Allow for the sale of insurance across state lines; and,
- Create more transparency from providers to consumers for the costs of healthcare services.

In order to maintain or improve the current insurance marketplace, a replacement plan must consider the many interrelated aspects of the current law. That is to say, repealing one part of the ACA may impact other parts of the law. For example, the PEOTUS's stated support for the removal of the individual mandate and the tax subsidies that motivate healthy individuals to get covered, could arguably cause disruption and instability in the marketplace. Without a mix of healthy individuals in qualified health plans the cost of insuring people increases thereby causing premiums to rise.

Over 400,000 Nevadans have obtained coverage as a result of the Affordable Care Act. Nevada directly benefited from one of the country's largest declines in the uninsured rate moving from 23% to approximately 12%, with the most significant decreases in child uninsured rates from 16% in 2012 to 8% in 2015. The Silver State Health Insurance Exchange remains committed to providing valuable educational and enrollment services to individuals eligible for qualified health plans and looks forward to the opportunity to work with the new administration as the future of healthcare reform is developed and discussed.