



This presentation is the third in DPH's post-election series of presentation on the post-election environment.



Overview of this update

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Affordable Care Act (ACA/Obamacare)

What San Francisco is doing

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Director Garcia's message to patients and clients

Current Situation

To date, no changes have been implemented.

Our patients and clients should be encouraged to access health and insurance services as they have been.

We are not certain what changes are coming.

There is speculation about potential changes that could impact SFPDH and those we serve, including:

- Sanctuary City and federal grants
- Affordable Care Act

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- What we know now is that no changes have been implemented as of yet.
- We do not know what changes are coming, though there has been much speculation about changes that could impact SFPDH and those we serve:
 - The President-elect has discussed ending federal funding for Sanctuary Cities, like San Francisco
 - There is no new information from the federal government on this issue, but this presentation will address some of the City's action's in response to this threat.
 - The President-elect and Congress have also indicated their intention to repeal and replace the Affordable Care Act.
 - The current status of federal discussions on the ACA is included in this presentation.

State Budget Update

Governor Brown released his proposed budget for FY 2017-2018 (1/10).

The budget remains largely flat for Health & Human Services.

The budget maintains the State's commitment to the Medi-Cal program, continues funding for all children regardless of immigration status, and proposes secured revenues for permanent supportive housing.

The Governor's budget does not take into account the impact of potential changes to the Affordable Care Act.

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- On January 10th, Governor Jerry Brown released his proposed \$179.5 billion dollar state budget for FY 2017-2018.
- The budget projects a \$1.6 billion deficit by next summer, which the Governor proposes to resolve by slowing growth in public school funding and rolling back a series of one-time expenses.
- The budget maintains the state's commitment to the Medi-Cal program which is expected to cover 14.3 million Californians and continues funding for all children regardless of immigration status.
- The overall proposed expenditures for Health and Human Services are relatively flat compared to the previous budget. Health highlights include:
 - A \$2 billion bond secured by a portion of future Proposition 63 Mental Health Services Act revenues, subject to court validation, to address homelessness for individuals with mental health needs through the provision of
 - Continuation of full-scope Medi-Cal for undocumented children at a cost of \$279 million for an estimated 185,000 children

- \$536 million to backfill anticipated federal funding decreases for the Children's Health Insurance Program
 - A projection of \$48 million in savings by transitioning coverage of new immigrant adults without children from Medi-Cal to Covered California
 - Discontinuation of the Coordinated Care Initiative for dual Medi-Cal/Medicare eligibles
 - Allocation of new tax revenue funded by the last election's ballot initiatives to cover increased Medi-Cal costs.
- It is important to note that the Governor's budget does not take into account a repeal of the Affordable Care Act.
 - The Governor's proposal acknowledges that a complete repeal of the ACA, without a replacement program, would impact millions of Californians' health benefits and disrupt the private insurance market; California could potentially lose as much as \$17.3 billion dollars in federal funding for the state's expanded Medi-Cal program in 2017-18.
 - In May, the Governor will release a revision to his budget that will take into account the updated revenue outlook after April 15 and also any projected impact of federal policy proposals.

Federal Appointment Confirmations

Cabinet confirmations hearings have begun

- Nominees cannot be confirmed until Inauguration Day (1/20)
- Hearings are occurring now to have nominations ready by 1/20
- HHS Secretary Nominee Tom Price went before the Senate Committee on Health, Education, Labor and Pensions on 1/18
- Actual confirmation hearing before Senate Finance Committee on 1/24

Secretary of Health & Human Services Nominee:
Representative Tom Price



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- Several Cabinet nominees are undergoing Senate confirmation hearings January 17- January 19
- Congress cannot officially confirm the nominees until President-Elect Trump is sworn in on January 20, 2017.
- Secretary of Health & Human Services Nominee Representative Tom Price had his first hearing before the Senate Committee on Health, Education, Labor and Pensions on January 18.
- The actual confirmation before the Senate Finance Committee is scheduled for January 24

Affordable Care Act: Budget Resolution

Congress passed a Budget Resolution that allows an avenue for changes to be made to the ACA . The resolution:

- Allows only budget-related provisions to be changed.
- Includes reserve funds to preserve savings resulting from the repeal to offset the cost of a replacement plan
- Directs the House and Senate to submit legislation by 1/27/17 that specifies ACA changes

It is still unclear what provisions of the ACA will be repealed and/or replaced. Examples could include:

- Phase out or rollback of matching funds for the Medicaid expansion
- Eliminating individual and employer mandate penalties
- Ending Premium Tax Credits and creating a new Individual/Family Tax Credit.

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- The main mechanism for repealing the ACA is the budget resolution.
- A budget resolution (also called budget reconciliation) is an agreement between the House and the Senate on a budget plan for the upcoming fiscal year that provides a framework for subsequent legislative action.
- Because the resolution is not an act of law, it does not require a presidential signature. Passing the resolution requires a simple majority vote.
- Only provisions that are directly budget-related may be addressed with a budget resolution; provisions on non budget-related topics require separate pieces of legislation.
- The 2017 Budget Resolution on ACA repeal is known as Concurrent Resolution 3.
 - It was introduced on 1/3 and passed by the Senate and the House.
 - It calls upon certain congressional committees to submit by 1/27/17 legislation that specifies which parts of the ACA would be repealed and how long to delay implementation of the repeal to allow time to craft a replacement package.
 - It specifies that the 1/27 plan should result in savings that will be used to

fund the replacement for the ACA repeal.

- There is still considerable debate within the Republican Party about whether to repeal the law, and about which elements should be preserved if it is repealed.
- Because of concerns over the timeline for replacement legislation and the interim effect on the health insurance industry and beneficiaries, it seems there is movement toward having more replacement features included in the repeal bill that is considered in the next few months under the protection of reconciliation.
- If this holds, there may be a more robust reconciliation bill that addresses in some manner the following major items:
 - Medicaid – Either the Phasing out or rolling back of the enhanced Medicaid matching funds for adults.
 - [Prior to the ACA, Medicaid (Medi-Cal in California) was available for children, parents, older, and disabled adults who were low income. The ACA created the “Medicaid expansion” to allow states to also cover single adults with incomes below 138% of the federal poverty level.]
 - Phasing out the expansion could mean eliminating coverage for single adults under the Medicaid expansion
 - Rolling back the enhanced match means that the federal government would continue to allow for single adults to be covered, but with less federal funding – going down from 90% federal/10% state to 50% federal/50% state
 - Eliminating the penalties associated with not meeting the individual or employer mandate provisions of the ACA
 - While the actual mandates that all individuals have insurance and companies of a certain size offer insurance to their employees language cannot be removed, the penalties associated with not meeting the mandates can be.
 - If the penalties are removed, individuals and companies would have no incentive to obtain health insurance unless they needed it.
 - Ending the availability of Premium Tax Credits. These credits are a central feature of the ACA and are available to families and individuals under 400% of poverty to make the purchase of health insurance affordable.

Affordable Care Act: Potential Repeal Plan

In 2015, Rep. Price proposed an ACA repeal bill (vetoed by the President), which may provide insight into potential changes to the ACA.

The plan erased major portions of the ACA and the Congressional Budget Office estimated the plan would result in millions of people losing insurance and increases in health insurance premiums.

The President-Elect has made several recent statements about the ACA and his plan.

- Developing a plan to repeal and replace the ACA “essentially simultaneously”
- Plan will include “insurance for everybody”
- Will wait until HHS Secretary Tom Price is confirmed to release his plan

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- In 2015, Representative Tom Price (now HHS Secretary Nominee Tom Price) introduced legislation to repeal the Affordable Care Act.
- This legislation, vetoed by the President, may provide some insight into the potential Secretary’s ideas for repeal.
- Rep. Price’s legislation would have erased major portions of the ACA, including:
 - Tax penalties for failing to comply with the individual or employer mandates
 - federal subsidies to help consumers buy policies on the exchanges
 - expansion of [Medicaid](#) coverage for low-income people.
- An analysis by the nonpartisan Congressional Budget Office found that the bill would have the following effects:
 - The number of people who are uninsured would increase by 18 million in the first new plan year following enactment.
 - Later, after the elimination of the ACA’s expansion of Medicaid eligibility and of subsidies for insurance purchased through the ACA marketplaces, that number would increase to 27 million, and then to 32 million in 2026.
 - This comprises 23 million in the private insurance market and 19 million in Medicaid.

- Premiums in the individual market would increase by 20 percent to 25 percent in the first new plan year following enactment.
- The increase would reach about 50 percent in the year following the elimination of the Medicaid expansion and the marketplace subsidies, and premiums would about double by 2026.
- It's important to note, however that this legislation represents only half of what Congressional leadership is now proposing.
 - It included only "repeal" provisions and no proposals to "replace" portions of the Affordable Care Act with anything else.
 - "Replacement" provisions introduced alongside these "repeal" provisions would likely reduce the Congressional Budget Office's projected impact.

Source: How Repealing Portions of the Affordable Care Act Would Affect Health Insurance Coverage and Premiums

https://www.cbo.gov/publication/52371?utm_source=feedblitz&utm_medium=FeedBlitzEmail&utm_content=812526&utm_campaign=Express_2017-01-17_10%3a30

- It's important to also note the President-elect's statements on repeal of the ACA and his plan
 - On January 11th, President-Elect Trump said he would offer his own plan to repeal and replace the ACA "essentially simultaneously," though the President-Elect did not provide details about how his plan would work or how much it would cost.
 - On January 14th, President-Elect Trump stated in an interview with the Washington Post that he was close to releasing a plan for replacement of the ACA and that it would included "insurance for everybody" and that would be "much less expensive and much better."
 - President-Elect Trump previously stated he will wait until HHS Secretary Tom Price is confirmed to release his plan.

Affordable Care Act: Executive Order Issued

About Executive Orders

- Generally directed at government agencies.
- Cannot, repeal or amend a statute and is not authoritative if it is contrary to law.
- Can reduce resources or cease enforcement of undesirable elements of the law.
- Neither the full ACA nor any of its requirements can be legally repealed through executive order.

On 1/20/17, President Trump issued an Executive Order directing agencies to “minimize the unwarranted economic and regulatory burdens” of the ACA.

The Executive Order on its own does not repeal the ACA, but it could affect health insurance markets and the current healthcare system.

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- Apart from the budget resolution process or legislative action, there has been discussion of other mechanisms that could be used to change the Affordable Care Act, such as executive orders or administrative action.
- About Executive Orders it's important to note that:
 - Presidential Administrations, generally, can exercise their authority through issuing executive orders, rules, and guidance.
 - Executive orders are generally directed at government agencies and only indirectly affect individuals.
 - An executive order cannot, however, repeal or amend a statute and is not authoritative if it is contrary to law.
 - Presidential Administrations have the ability to reduce resources to or cease enforcement of undesirable elements of the law.
 - Neither the full ACA nor any of its requirements can be legally repealed through executive order.
- The ACA was implemented primarily through rules and guidance, not executive orders.
 - Rules that have been published and implemented have specific public notification requirements before they can be changed
 - Guidance (e.g., FAQs) can be published without notice but cannot amend laws or

rules.

- As one of his first actions, President Trump issued an Executive Order on 1/20 directed at minimizing the economic and regulatory burden of the ACA pending repeal.
- The Order:
 - Declares that it is the Trump Administration's policy to seek to repeal and replace the ACA.
 - Directs relevant agencies (HHS, Treasury, etc.) to waive, defer, grant exemptions from, or delay implementation of provisions that impose fiscal burden on any State or a cost, fee, tax, penalty, or regulatory burden on individuals, families, healthcare providers, health insurers, patients, recipients of healthcare services, purchasers of health insurance, or makers of medical devices, products, or medications.
 - Authorizes agencies to provide greater flexibility to States in implementing healthcare programs
- As an example, the ACA has a requirement that Americans either have health insurance or pay a tax penalty. The Executive Order gives the administration discretion to decide how many exemptions can be granted for people who claim a hardship. The Order could also give states more flexibility to change their Medicaid programs. For example, many Republicans have sought permission to require adults on Medicaid to seek work.
- This Executive Order on its own does not repeal the ACA, but it could affect the health insurance markets and the current health care system.

Affordable Care Act: Local Impact

The ACA has had many positive local impacts on SF residents.

- 95,000 new enrollees in Medicaid expansion
- 40,000 insured through Covered California
- Uninsurance rate cut in half
- Fewer San Franciscans are delaying needed care
- More San Franciscans assess their own health as good or better

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- At this point, we don't know what the outcome will be but we do know that our San Francisco values have not changed.
- The benefits of expanding health care insurance touch our entire community.
 - 95,000 new enrollees in Medicaid expansion
 - 40,000 insured through Covered CA
 - The uninsured rate has been cut in half.
 - Results of data collected show that fewer San Franciscans are delaying needed care and that more San Franciscans assess their own health as good or better than before the ACA.

What San Francisco is doing

The city hosted Bay Area Congressional leaders to talk about the gains made under the ACA.

Mayor Lee launched the Equity and Immigrant Services Campaign to serve the legal needs of the City's immigrant community promote partnerships with community-based organizations.

Mayor Lee and Supervisor Sheehy convened an ACA roundtable. including DPH, Human Services Agency and representatives from the city's provider communities.

Board of Supervisors created a Budget & Finance Federal Select Committee to address potential changes in federal policy.

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- The City hosted a Bay Area Congressional roundtable to discuss the ACA
 - Democratic Leader Nancy Pelosi and Representatives Jackie Speier and Barbara Lee participated in two San Francisco events
 - The first was on 1/7/17 at Zuckerberg San Francisco General Hospital; ZSFG CEO Dr. Susan Ehrlich spoke at this event.
 - The second was on 1/15/17 on the steps of City Hall
 - Leaders talked about gains made under the ACA
 - The SF Health Network's primary care and care experience staff worked to identify patient stories to share at these and other events
- To address concerns about San Francisco's Sanctuary City status, on January 13, 2017, Mayor Lee launched the Equity and Immigrant Services Campaign to:
 - Serve the legal needs of the City's immigrant community
 - Promote ongoing strategy for city departments to partner with community-based organizations
 - Expand education, outreach, and provide multilingual legal services
- On January 13, Mayor Lee and Supervisor Sheehy held a roundtable with the City's health and human services department and representatives from the city's provider communities to

- discuss the impact of proposed changes to the ACA and Medicaid on our residents and on the health care sector
 - identify common goals and opportunities for partnership.
- Additionally, the Board of Supervisors created a special budget committee – the Budget & Finance Federal Select Committee – to prepare the city for potential changes in federal policy.

What SFDPH is doing

SF Chronicle Op-Ed written by Directors Garcia and Rhorer (1/13/17)

- ACA has made SF healthier and strengthened our social safety net.
- We are dedicated to maintaining these gains.
- Health care reform is an investment in our friends, neighbors and families.
- No proposals to replace ACA will improve our health care system if they threaten to have our most vulnerable citizens revert to going without insurance or doing without routine care.

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- Directors Garcia and Rhorer authored an article in the SF Chronicle about the positive impacts of the ACA across SF. The article states that:
 - ACA has made SF healthier and strengthened our social safety net.
 - We are dedicated to maintaining these gains.
 - Health care reform is an investment in our friends, neighbors and families.
 - No proposals to replace ACA will improve our health care system if they threaten to have our most vulnerable citizens revert to going without insurance or doing without routine care.

What SFDPH is doing (cont.)

Developing and sharing communications tools for patients, clients, and staff

- Office of Policy & Planning – Colleen Chawla, Nicki Sandberg
- Communications Office – Rachael Kagan, Linda Acosta

Representing DPH in city/community conversations regarding Sanctuary City

- Director of Interdivisional Initiatives – Ayanna Bennett
- Office of Policy & Planning – Sneha Patil

Tracking and analyzing policy developments

- Office of Policy & Planning – Colleen Chawla, Cyndy Comerford, Nicki Sandberg

Conducting a risk assessment and leading budget planning activities

- Finance – Greg Wagner, Jenny Louie

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What is DPH doing?

- The Office of Policy & Planning and the Communications Office are taking the lead on developing communications tools for patients, clients and staff.
- Dr. Ayanna Bennett and Sneha Patil are representing DPH in conversations with city and community stakeholders regarding immigration and Sanctuary City.
- Policy and Planning is also tracking all policy developments and will be analyzing proposals to determine their impact on DPH.
- Finally, Finance is conducting a risk assessment and will lead budget planning discussions that will be needed as details regarding potential policies emerge.

What you can do

- Continue to support your patients, your clients, and your colleagues.
- Use only SFDPH-approved communication materials (available on the [Post-Election website](#))
 - You're Safe Here! Flyer
 - Message from Barbara Garcia postcard
 - PowerPoint presentations for staff
- Email questions or topics you would like covered in future updates to post-election@sfdph.org



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So what can you do?

SUPPORT EACH OTHER

- Continue to support your patients, your clients, and your colleagues
- Understand that they can represent a variety of different views and perspectives, which may or may not be the same as yours.

USE ONLY SFDPH APPROVED MATERIALS

- Use SFDPH-approved communication materials to make sure that we are communicating accurate and consistent messages across the department.
- Post the You're Safe Here flyer, pictured on this slide, in patient/client areas.
- This flyer communicates five key messages:
 - you're safe here
 - your health coverage has not changed
 - you can continue to receive your care here
 - San Francisco is and always will be a sanctuary city
 - we are here for you
- The three statement message from Barbara is available on postcards.
- These postcards can be meant to communicate assurance and support and can be provided to patients and clients.

- The postcards and the flyer are available in English, Spanish, Chinese, Tagalog, and Arabic.
- Materials will be updated regularly.

SEEK ANY SUPPORT YOU MAY NEED

- For yourselves and your staff, remember that Employee Assistance Program (EAP) resources are available for anyone that would like to talk individually to a counselor.
- [Add info re debrief counselor, if available at this meeting]

LET US KNOW IF YOU HAVE QUESTIONS

- If you have any questions or topics you would like to see covered in future updates, please email us at post-election@sfdph.org.
- We will also compile frequently asked questions and make that information available as well.

Director Garcia's message to patients & clients

- The election has not changed our commitment to you to provide quality health care.
- Please continue to seek services with your San Francisco Department of Public Health providers, including care at our clinics and hospital services at Zuckerberg San Francisco General and Laguna Honda.
- We will continue to provide health care to all San Franciscans in need, regardless of immigration or insurance status.

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Concluding with a reminder of these messages from our director.

The election has not changed our commitment to provide high quality health care.

We want our patients to continue to seek services at DPH.

And, we will continue to provide health care to all San Franciscans in need, regardless of immigration or insurance status.