



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

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# American Health Care Act

# American Health Care Act Update

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On 5/4/17, the House passed a revised version of the American Health Care Act (AHCA), to repeal and replace the Affordable Care Act.

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The new version of the AHCA keeps many of its previous provisions:

Repeals the **individual mandate** and **employer penalty**

**Changes Medicaid funding** to a per-capita cap or block grant basis

Replaces income-based tax credits with **age-based credits**

**Repeals cost-sharing subsidies** to assist low and moderate income individuals with out of pocket costs.

**Dependents can stay** on parents' plans until age 26

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- On May 4, 2017, the House of Representative passed by a narrow vote the American Health Care Act (AHCA), legislation that would repeal and replace the Affordable Care Act (ACA).
- This passage comes six weeks after the House failed to pass an earlier version of the bill when it was withdrawn before a vote.
- The Congressional Budget Office has not yet released an analysis of the new AHCA. However, the version passed on 5/4 contains many of the same provisions as its previous version, as described below.
- The AHCA would:
  - Repeal the individual mandate which requires individuals to have health care coverage or face tax penalties
  - Allow insurers to impose a 30 percent premium on individuals who purchase coverage after lettering their previous coverage lapse
  - Eliminate the employer mandate which requires larger companies to offer coverage

- The AHCA would:
  - Allow states the option to continue their Medicaid Expansion through 2019,
  - Eliminate enhanced federal funding for new enrollees, effective 2020. CA would revert to a 50% federal financing (from 90%).
  - Transition federal Medicaid funding to a per-capita cap by 2020.
- The AHCA would repeal the income-based tax credits and replace them with age-based tax credits, effective 2020. The age-based tax credits:
  - Range from \$2000 to \$4000, increasing with age
  - Are capped at \$14,000 per year per family
  - Phase out with incomes greater than \$75,000
- The AHCA would end, in 2020, cost-sharing subsidies, which are provided to insurers to help their ACA customers cover deductibles and copayments.
- The AHCA continues to maintain the ACA provision that dependents can stay on their parents' plans until age 26.

# American Health Care Act New Provisions

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The new version of the AHCA adds the following provisions:

Enables states to allow insurers to **increase premiums** for individuals with **preexisting conditions** if they have a break in coverage

Creates an **\$8 billion fund to cover high premiums** for individuals with **pre-existing conditions** who are high-risk/high-cost users

Enables states to change current minimum **essential health benefit** package

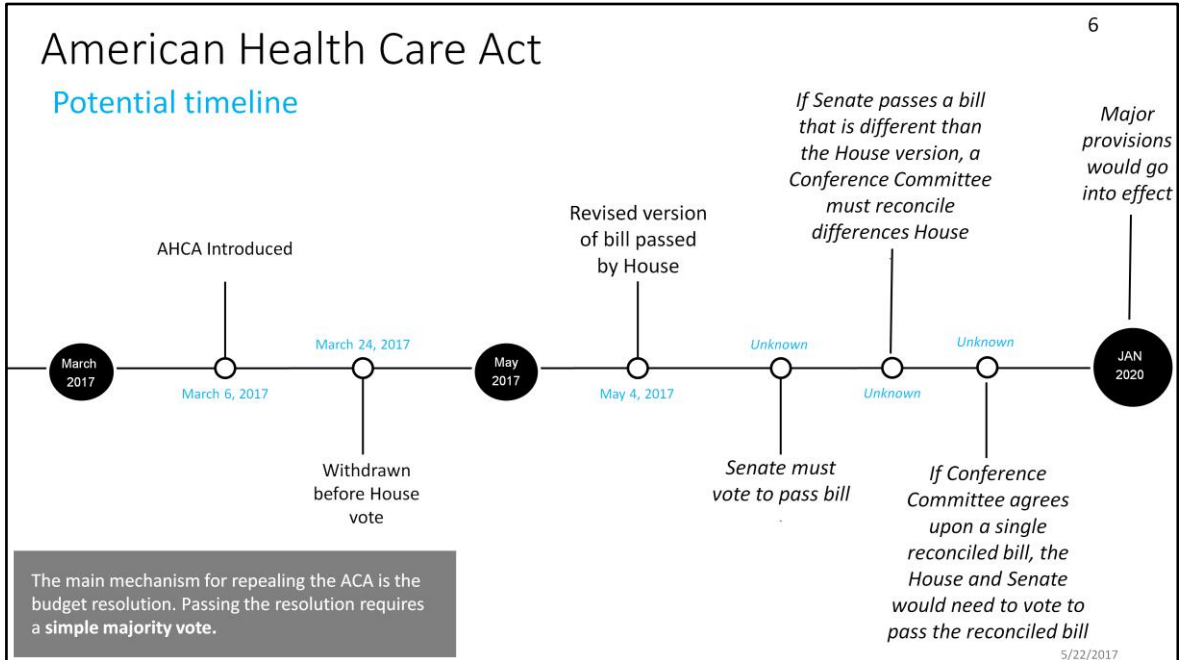
## Essential Health Benefits

- (1) ambulatory patient services
- (2) emergency services
- (3) hospitalization
- (4) maternity and newborn care
- (5) mental health and substance use
- (6) prescription drugs
- (7) rehabilitative and habilitative srvs
- (8) laboratory services
- (9) preventive care
- (10) pediatric services/w oral and vision care.

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- The AHCA in general would likely reduce government spending, decrease insurance premiums for healthy/young people and increase costs for sicker/older people. The newest version passed on 5/4 contained several additional provisions that represent major changes from the prior version, as described below.
- States could get waivers which would allow insurers to set premium prices based on the health of an individual, including their pre-existing conditions. This could make prices unaffordable to those with serious health conditions.
- A new \$8 billion fund would be created to cover the additional costs for people with pre-existing conditions. It's unclear whether this amount would cover the additional costs incurred.
- States could also get a waiver to change what qualifies as an essential health benefit and opt to exclude or include services. These are basic services that were guaranteed coverage under the ACA.
- The Affordable Care Act requires non-grand fathered health plans in the individual and small group markets to cover essential health benefits (EHB), which include

items and services in the following ten benefit categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including oral and vision care.



- The two bills that comprise the American Health Care Act (AHCA) were introduced 3/6/2017.
- The two ACHA bills were passed by the Energy and Commerce and Ways and Means Committees and the Budget committee, and later amended by the Rules Committee.
- On 3/24/17, Speaker Paul Ryan withdrew the bill from the House floor just before a scheduled vote.
- The AHCA was revised in April and a new version was passed by the House on 5/4/17.
- The AHCA now goes to the Senate for a vote, which could be in the next few weeks or months.
- If the Senate passes an ACA repeal bill that is different than the House version, which is considered very likely, a joint House and Senate conference committee will need to reconcile the differences and each pass the bill again before it goes to



the President for signature.

- The major provisions of the AHCA are scheduled to go into effect in 2020.
- 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 a non-binding budget blueprint and 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.

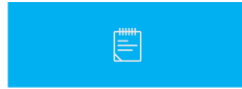
## KEY TAKEAWAYS

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#1

**Coverage has not changed.** All health insurance programs and benefits remain in place, and we encourage all San Franciscans to use them.



#2

If passed, the AHCA could result in reduced benefits and services, loss of coverage and higher costs, especially for more vulnerable populations.



#3

While passage of the AHCA in the House is significant, this is just the first step of the legislative process.

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- Changes in the most recent version of the AHCA would likely result in reduced availability of benefits and services, and additional individuals losing coverage or facing higher costs – these individuals would likely be those who are already the sickest and most vulnerable.
- While passage in the House is significant this is just the first step of the legislative process and there is still a long road ahead before full repeal of the ACA.
- San Francisco remains committed to ensuring health care access for our residents and will continue to work toward this goal. Currently, all health insurance programs and benefits remain in place and we encourage all San Franciscans to use them, regardless of immigration or insurance status.

# Federal Budget

## Federal Budget Update

On 5/5, the President signed the omnibus spending bill to fund the federal government through 9/30/17, which included:

- \$77.7 billion for the Dept of Health and Human Services.
- A \$2 billion increase for the National Institutes of Health
- A \$650 million increased for fighting opioid abuse
- A small cut to the Centers for Disease Control, but full funding for preparation for pandemics and bioterrorism.

The spending bill does not place restrictions on “sanctuary cities” receiving federal grants, does not defund Planned Parenthood and does not undermine the Affordable Care Act.

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- On May 5, 2017, the President signed the omnibus spending bill to fund the federal government through September 30, 2017.
- The bill provides \$77.7 billion in discretionary funding for the U.S. Department of Health and Human Services (HHS), a \$2.7 billion increase above the FY2016 level, not including cap adjustments. The bills were in sharp contrast to President Trump’s proposed “skinny budget” which would have cut HHS funding by 18 percent.
- Highlights of the spending bill include:
  - A \$2 billion increase for the National Institutes of Health, which includes increases for Alzheimer’s disease and cancer research and continues \$852 million pursuant to the 21st Century Cures Act.
  - An increase of \$650 million for fighting opioid abuse (430 percent increase).
  - A small cut to the Centers for Disease Control and Prevention (CDC). Fully funded, however, are programs to prepare for pandemics or bioterrorism attacks, as well as \$35 million to address the lead crisis in Flint, Michigan and \$394 million to combat the Zika virus.

- The spending bill does not place restrictions on “sanctuary cities” receiving federal grants, does not defund Planned Parenthood and also does not undermine the Affordable Care Act.
- Congress and the President have until September 30, 2017 to pass a federal budget for the 2018 fiscal year.

# Sanctuary Cities

## Sanctuary City Update

On 1/13/17, **Mayor Lee launched the Equity and Immigrant Services Campaign** to serve the legal needs of the City's immigrant community and promote partnerships with community-based organizations.

On 1/31/17, **San Francisco sued President Trump** for his Executive Order which threatens to withhold federal funding from sanctuary cities.



On 3/7/17, **SF passed legislation** to prohibit City employees from cooperating with any government program that requires the creation of a list, registry or database of persons on the basis of their **religious affiliation, national origin, or ethnicity**.

On 4/25/17, **a federal judge issued a preliminary injunction** which blocks the government from enforcing the Executive Order.

Mayor's Office has been convening city departments and community organizations, to ensure that all San Franciscans, including immigrants, continue to access services in their communities.

- In response to the actions by the federal government, San Francisco has taken several actions:
- San Francisco City Attorney Dennis Herrera sued President Trump for his Executive Order which threatens to withhold federal funding from sanctuary cities. The lawsuit says that the Executive Order is unconstitutional.
  - On April 25, a federal judge issues a preliminary injunction which blocks the federal government from enforcing the Executive Order. The judge found that it is unconstitutional for the executive branch to place new retroactive conditions on federal funds.
  - The ruling does not prevent the government from enforcing existing conditions imposed on federal grants or from developing regulations to define a sanctuary jurisdiction.
  - Attorney General Jeff Sessions has stated that the Justice Department will continue to litigate the case.
- Mayor Lee launched the Equity and Immigrant Services Campaign which dedicates an additional \$1.5 million dollars to serve the legal needs of the City's immigrant population. Two organizations, the San Francisco Immigrant Legal Education

Network and the San Francisco Immigration Legal Defense Collaborative will receive city funds to help immigrant communities. The \$1.5 million will be allocated as follows:

- Legal Representation & Rapid Response Social Services - \$1.2 million
  - SF Pathways to Citizenship initiative - \$200k
  - Public Outreach - \$100k
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- On March 7, SF passed legislation that prohibits City employees from cooperating with any government program that requires the creation of a list, registry or database of persons on the basis of religious affiliation, national origin or ethnicity. The legislation also prohibits disclosure of any information for the purposes of creating a list or registry, etc.
  - The Mayor's Office is convening city departments and community organizations, to ensure that all San Franciscans, including immigrants, continue to access services in their communities. Some of the current efforts include:
    - Human Rights Commission and Office of Civic Engagement and Immigrant Affairs has released a toolkit with information and resources – this is available on the Post-Election website.
    - City Attorney has issued guidance for responding to ICE, including advice about how to comply with warrants and subpoenas.
    - Carecen is developing a hotline for all community groups



# Communications

## What San Francisco is Doing. . .



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



Tracking and analyzing state and federal policy developments and working with the City's lobbyists to take action.



Conducting a risk assessment and leading budget planning activities.

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- Board of Supervisors created a Budget & Finance Federal Select Committee to address potential changes in federal policy. The Committee will examine impact of potential federal policy changes.
- City-wide, but also specifically at SFPDH, we are tracking and analyzing state and federal policy developments and working with lobbyists to take action on legislation.
- The City and SFPDH are conducting a risk assessment and engaging in budget planning activities to be prepared for any potential changes.

## 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](mailto: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

- The SFDPH Post-Election Website is frequently updated with ACA and Sanctuary City resources ([www.sfdph.org/dph/comupg/aboutdph/election/](http://www.sfdph.org/dph/comupg/aboutdph/election/))
- 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](mailto: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



At the Health Department, our mission has not changed. We are dedicated to serving all those in need of care, without regard to immigration or insurance status.



The ACA has made San Francisco healthier and strengthened our social safety net. We are dedicated to maintaining these gains.



We are working with community organizations, the Mayor's office and other city agencies to ensure that all San Franciscans, including immigrants, continue to access services in their communities

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