• This presentation is the fifth DPH’s series of presentation on the post-election environment.
Overview of this update

The American Health Care Act (AHCA)
AHCA-ACA Side-by-Side
AHCA Legislative Timeline
Key Takeaways
What San Francisco is Doing
Sanctuary City Update
What SFDPH is Doing
What You Can Do
Director Garcia’s Message to Patients and Clients
American Health Care Act (AHCA)
On March 6, 2017, House Republican leadership introduced the American Health Care Act (AHCA), to repeal and replace the Affordable Care Act. On March 13, 2017, the Congressional Budget Office projected the legislation would have the following impacts:
  - Increase the number of uninsured by 14 million in 2018, rising to 24 million in 2026.
  - Increase average premiums in the nongroup market prior to 2020 and lower average premiums thereafter.
  - Reduce federal deficits by $337 billion over the 2017-2026 period.
  - Maintain market stability in the nongroup market in most areas.

- On March 6, 2017, House Republican leadership introduced legislation called the American Health Care Act (AHCA) via two bills.

- The proposed AHCA was part of House Republicans' effort to repeal and replace the Affordable Care Act through a budget process known as reconciliation.

- On March 13, 2017, the Congressional Budget Office projected the legislation would have the following impacts:
  - Increase the number of uninsured by 14 million in 2018, rising to 24 million in 2026. Most of that increase would stem from repealing the penalties associated with the individual mandate. The number of uninsured will increase to 21 million in 2020 and 24 million in 2026. In 2026, an estimated 52 million people would be uninsured, compared with 28 million who would lack insurance that year under current law.
  - Increase average premiums in the nongroup market prior to 2020 and lower average premiums thereafter. In 2018 and 2019, average premiums for single policyholders in the nongroup market would be 15 percent to 20 percent higher than under current law. Starting in 2020, the increase in average premiums would be more than offset by the combination of several factors that would decrease those premiums. By 2026, average premiums for single policyholders...
in the nongroup market under the legislation would be roughly 10 percent lower than under current law.

- **Reduce federal deficits by $337 billion over the 2017-2026 period.** The largest savings would come from reductions in outlays for Medicaid and from the elimination of the ACA’s subsidies for nongroup health insurance.

- **Likely maintain stability in the nongroup market in most areas.** Key factors bringing about market stability include 1) subsidies to purchase insurance, which would maintain sufficient demand for insurance by people with low health care expenditures, and 2) grants to states from the Patient and State Stability Fund, which would reduce the costs to insurers of people with high health care expenditures.
The following slides describe the key components of the ACA and how they would have been repealed and/or replaced by elements of the American Health Care Act.

The ACA requires individuals to have qualifying health coverage; this is known as the individual mandate. Failure to have health insurance requires you to pay penalties on your federal income tax return.

Under the AHCA, the individual mandate would have been repealed, effective January 2016. In its place, the AHCA proposed the Continuous Health Insurance Coverage Incentive whereby insurers may charge 30% more for individuals who were uninsured for more than 63 days in the past year to incentivize individuals to carry insurance.

The ACA imposes an Employer Penalty for not offering employee coverage. The ACA also imposes a 40 percent excise tax on high cost employer-sponsored health coverage, also known as Cadillac plans. This is known as the “Cadillac Tax” and takes effect January 2019.

Under the AHCA, the Employer Penalty would have been repealed, effective January 2016. The ACHA also delayed the “Cadillac Tax” from 2019 to 2024.
• The ACA allowed states to expand Medicaid eligibility to people with annual incomes below 138% of the federal poverty level and provides enhanced provided federal funding rates for states.

• The AHCA would have:
  • Allowed states the option to continue their Medicaid Expansion through 2019,
  • Required semi-annual eligibility reconfirmations for expansion enrollees, effective October 2017,
  • Eliminated enhanced federal funding for new enrollees, effective 2020. CA would revert to a 50% federal financing (from 90%).
  • Transitioned federal Medicaid funding to a per-capita cap by 2020.

• The Per-Capita Cap would have significantly altered Medicaid financing by limiting federal support via a mechanism based on states’ FY2016 costs.
  • As of 2020, states with costs exceeding the cap would lose federal funding the following year.
  • Per-capita caps would be based on categories: elderly, blind and disabled, children, non-expansion adults, and expansion adults.
  • ACHA adds reporting requirements for all categories.
• Because the ACA was intended to ensure hospitals would care for fewer uninsured patients as health coverage is expanded, DSH payments to hospitals were cut.

• Under the AHCA, Disproportionate Share Hospital (DSH) funding would have been restored as of 2018 in non-Expansion states and as of 2020 in Expansion states.

• The ACA established Essential Health Benefits setting minimum coverage for 10 essential benefits.
  • These include: ambulatory care, emergency care, hospitalization, maternity and newborn care, mental health and substance use care, prescription drugs, rehabilitative and habilitative services, laboratory services, preventive care, chronic disease management, and pediatric dental and vision care.

• The AHCA would have repealed the Essential Health Benefits coverage requirement and provided “increased benefit flexibility” for states to cover or remove optional benefits, effective 2020.
• The ACA provides refundable income-based tax credits for eligible individuals with low or moderate income to purchase insurance through the Marketplace.

• The AHCA would have repealed the income-based tax credits and replaced them with age-based tax credits, effective 2020. The age-based tax credits:
  • Ranged from $2000 to $4000, increasing with age
  • Were capped at $14,000 per year per family
  • Phased out with incomes greater than $75,000

• The ACA provides cost-sharing subsidies to reduce out-of-pocket limits for low and moderate income individuals.

• The AHCA would have repealed the cost-sharing subsidies, and replaced with a Patient and State Stability Fund, effective 2020.
  • States could have used the fund for items such as: high-risk pools, payments to insurers or providers to stabilize premiums, or cost-sharing subsidies for out-of-pocket costs.
The Public Health & Prevention Fund is the nation’s first mandatory funding stream dedicated to improving the public’s health. In 2017, funding is expected to be about $1 billion. Funds support a variety of community prevention and clinical prevention programs, to bolster the public health infrastructure and workforce, and to expand public health research and tracking efforts.

Planned Parenthood receives federal funds from payments for services provided to enrollees in states’ Medicaid programs. The legislation would have prevented these funds from being made available to Planned Parenthood, approximately $178 million in 2017. To the extent that there would be reductions in access to care under the legislation, they would affect services that help women avert pregnancies. The people most likely to experience reduced access to care would probably reside in areas without other health care clinics or medical practitioners who serve low-income populations.

The Community Health Center Program provides grant funds to health centers that offer primary and preventive care to patients regardless of their ability to pay. Under current law, the program will receive about $4 billion in fiscal year 2017. The legislation would have increased funding for the program by $422 million in fiscal year 2017.

The ACHA would have also:

- Eliminated funding for the Public Health & Prevention Fund
- Defunded Planned Parenthood
- Increased funding for Community Health Centers

The ACHA maintained several ACA insurance reforms, including:

- Coverage for pre-existing conditions
- Guaranteed availability and renewability of coverage
- Coverage of adult children up to age 26
- Cap on out of pocket expenditures

The ACHA would not have repealed insurance reform which includes:

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**Additional Key AHCA Elements**

The ACHA would have also:

- Eliminated funding for the Public Health & Prevention Fund
- Defunded Planned Parenthood
- Increased funding for Community Health Centers

The ACHA maintained several ACA insurance reforms, including:

- Coverage for pre-existing conditions
- Guaranteed availability and renewability of coverage
- Coverage of adult children up to age 26
- Cap on out of pocket expenditures
• Coverage for pre-existing conditions
• Guaranteed availability and renewability of coverage
• Coverage of adult children up to age 26; and
• Cap on out-of-pocket expenditures (lifetime bans not addressed)
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 on 3/9/2017 and by the Budget committee on 3/16/2017.

The Rules Committee amended the bills 3/22-23/17

On 3/24/17, Speaker Paul Ryan withdrew the bill from the House floor just before a scheduled vote.

The major provisions of the AHCA were scheduled to go into effect in 2020.
The failure to vote on the AHCA bill means that the Affordable Care Act remains in place and efforts to repeal it have stalled. All health insurance programs and benefits remain in place. This is a win for 133,000 San Franciscans who obtained ACA-sponsored health insurance:

- 93,000 covered through the Medicaid expansion
- 40,000 people enrolled in Covered California

There are no clear next steps on the effort to repeal the ACA.

- The failure to vote on the AHCA bill means that the Affordable Care Act remains in place and efforts to repeal it have stalled. However, House Republican leaders and the White House have already restarted negotiations on repeal legislation. There is no clear timeline for these efforts.

- 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.

- The defeat of the AHCA bill is a win for the 93,000 San Franciscans who receive insurance through the ACA’s Medicaid expansion program and the 40,000 San Franciscans who purchased insurance through Covered California. The ACA has provided stability for many people and strengthened the health care system, making us a healthier city overall.

- There are no clear next steps on the effort to repeal the ACA, but we will continue to monitor activity at the federal level. San Francisco remains committed to ensuring health care access for our residents and will continue to work toward this goal.
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.

- 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 SFDPH are conducting a risk assessment and engaging in budget planning activities to be prepared for any potential changes.
Sanctuary City Update
• In response to recent 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 for several reasons.
  • On March 8, the City Attorney filed a motion for preliminary injunction which asks for a temporary court order to prevent enforcement or application of the Executive Order while the case proceeds. The Court will hear argument on this motion on April 12.
  • To obtain relief this early in the case, the City has to show that the Executive Order could cause immediate harm. In this case, the Executive Order causes immediate harm by making it difficult for San Francisco to develop a budget for the next year, depriving San Francisco of its constitutional rights to set local policy, and harming the community and the relationship between residents and local government.

• 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

- 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
The Post-Election Website is regularly updated with new DPH-approved materials and resources.

The most recently added materials include:

- This presentation
- New version of the Sanctuary City presentation
- Updated policy on Immigration Status and Interaction with ICE Agents
- A toolkit with information and resources from the Human Rights Commission and Office of Civic Engagement and Immigrant Affairs
- An audio story: Reaffirming San Francisco as a Safe City for Everyone, created by the Center for Learning & Innovation at SFDPH.
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 will always 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.
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.