



The San Francisco Department of Public Health

# Federal/State Government Affairs

Update #7, July 7, 2017



# Introduction

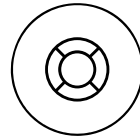


## Federal Policy

Better Care Reconciliation Act

Federal Budget

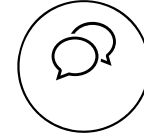
Sanctuary Cities



## State Policy

State Budget

Single Payer Bill



## Communications

What SF is Doing

What you Can Do

Director's Message

# Better Care Reconciliation Act

# Senate's Better Care Reconciliation Act (BCRA)

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On 6/22/17, the Senate Republicans unveiled the BCRA, which would repeal and replace the Affordable Care Act.

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The BCRA is similar to the House measure, the American Health Care Act (AHCA), with modest adjustments:

**Medicaid Expansion:** For states that expanded Medicaid coverage to adults above 133% FPL, the federal government would pay a smaller portion of the cost starting in 2021.

**Medicaid Per Capita Cap/Block Grant:** Medicaid would be funded by giving states a per capita amount or block grant, beginning in 2021. The amount would grow more slowly than in the House bill, meaning bigger spending cuts overall.

# Senate's Better Care Reconciliation Act (BCRA) (cont.)

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**Individual and Employer Mandates:** Like the AHCA, eliminates insurance mandates.

**Insurance Subsidies and Tax Credits:** Ends cost-sharing subsidies and would base premium tax credits on age, income and geography, compared to age alone in the AHCA.

**Prevention and Public Health Fund:** Like the AHCA, repeals the fund, which is currently on track to provide \$18.75 billion from 2010 to 2022 for public health activities and \$2 billion thereafter.

**Planned Parenthood:** Identical to the AHCA provision, defunds Planned Parenthood for one year.

# BCRA Congressional Budget Office (CBO) Score

On 6/26/17, the CBO released their analysis of the BCRA

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It would increase the number of people who are **uninsured by 22 million in 2026 relative to the current law.**

By 2026, **a total of 49 million people would be uninsured, a 75% increase** compared to current law.

Premiums for an individual in 2026 would be about 20% lower, but insurance would have higher out-of-pocket costs and cover only about 58% of health care costs.

Plans designed for the **poorest enrollees could have deductibles equal to half their annual income** and **premiums for poor elderly would increase by 382%.**

Reduces federal deficit by **\$321 billion** and **Medicaid 26%.**

# BCRA Impact on California

A significant cost shift from federal government to states and safety net systems.

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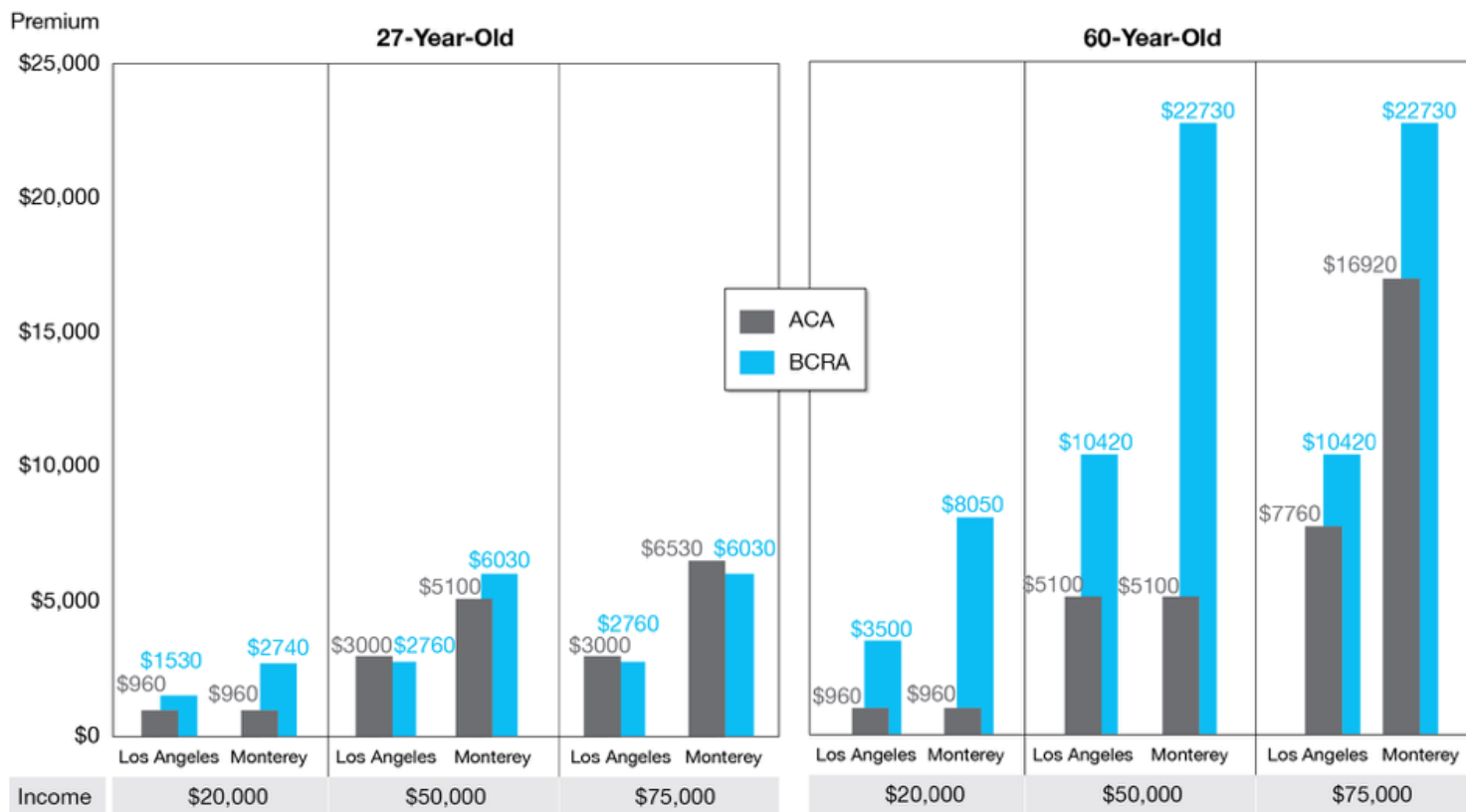
The California Department of Health Care Services estimated the impact of the BCRA on California:

- Would increase state costs by **\$3.0 billion in 2020**, growing to **\$24.3 billion by 2027**.
- **Cumulatively** from 2020 through 2027, the impact to California would be **\$92.4 billion**.
- BCRA's phase out of the Medicaid expansion would require California to spend **five times** as much as originally estimated to maintain coverage for this population.

California's legislative/policy response to any successful ACA repeal and replace effort will determine local impact.

# Comparison of Estimated Annual Consumer Premium between ACA and BCRA

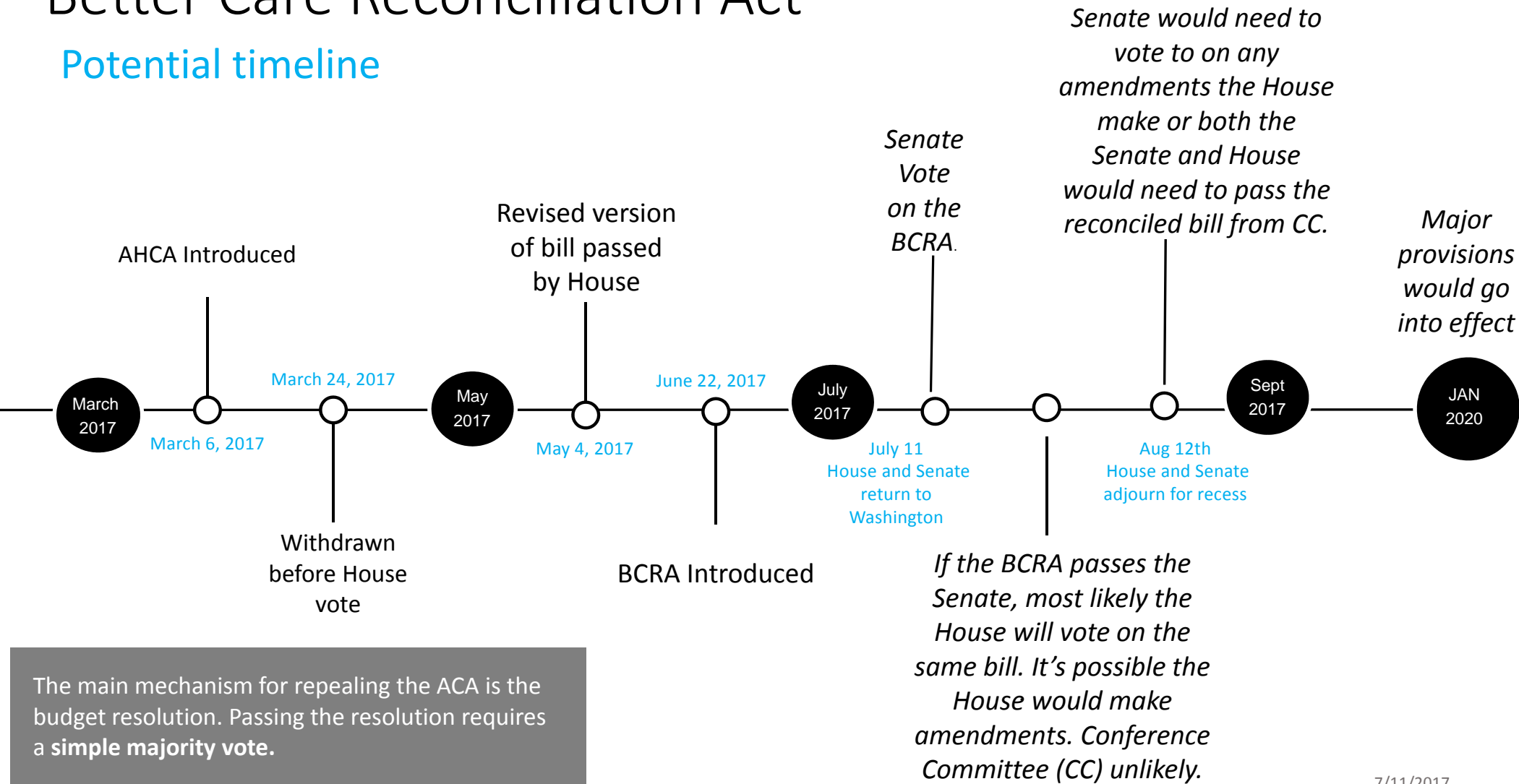
Premium for 27 yr old and 60 yr old in a "Low-Cost" and "High-Cost" California County





# Better Care Reconciliation Act

## Potential timeline



# KEY TAKEAWAYS



#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 BCRA could result in reduced benefits and services, loss of coverage and higher costs, especially for more vulnerable populations.



#3

Its unclear if House and Senate Republicans can agree on a single bill to pass. The August recess has been delayed to work on health care.

# Federal Budget

# Adopted Federal Budget

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.

# President Trump's Proposed Federal Budget

On 5/23/2017 the Trump Administration released its FY 2018 budget. \$4.1 trillion budget would make significant reductions to safety net programs, leaving Medicare and Social Security largely intact.

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Below are some of the key issues of interest to SFDPH:

Reduces Medicaid by \$800 billion over the next decade

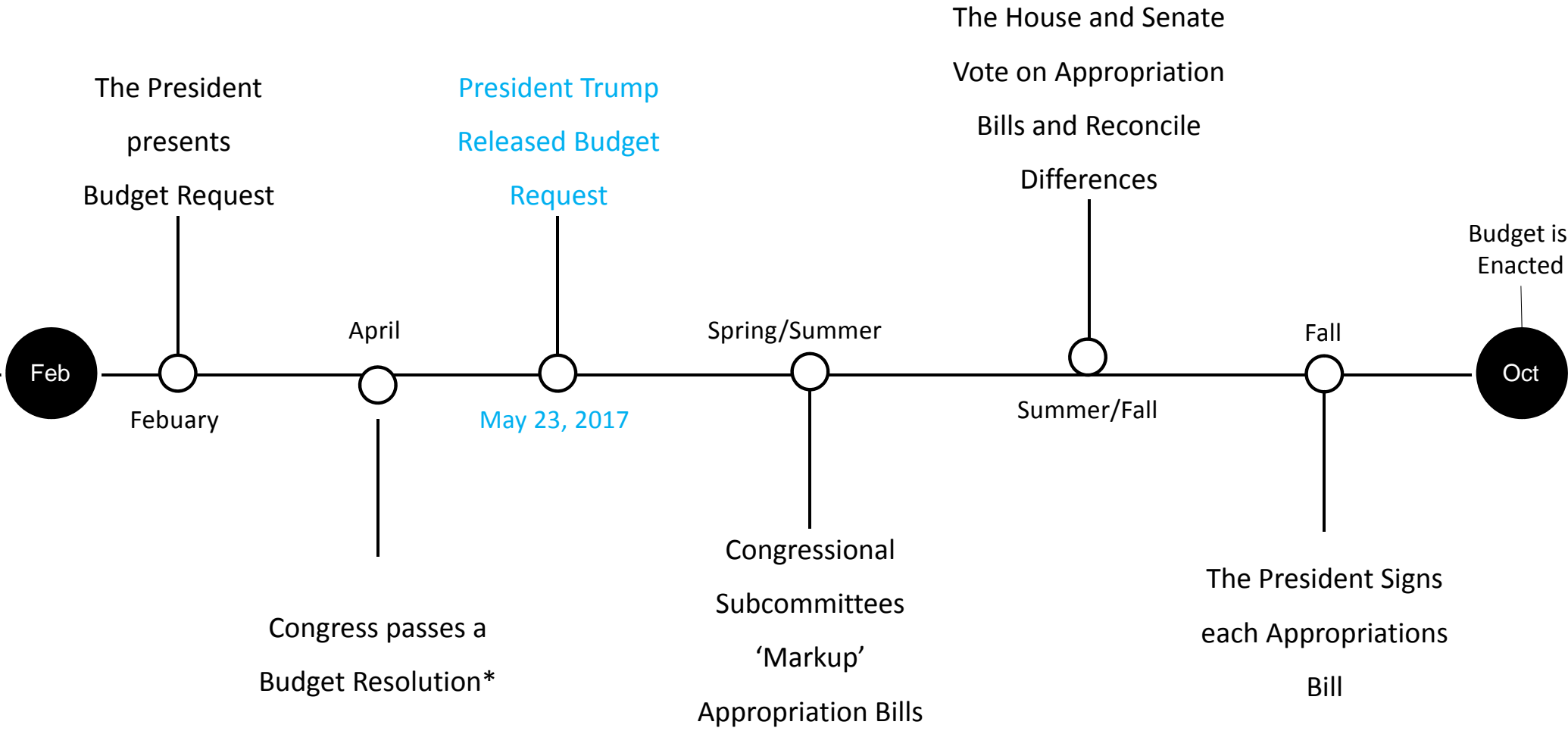
Reduces the Children's Health Insurance Program by 20% of the next two years

Reduces the CDC budget by \$1.3 billion or 17% in FY2018

Reduces the NIH budget by \$6 billion or 18% in FY2018

*The final FY 2018 budget will likely look different than this proposed version.*

# Estimated Federal Budget Timeline



\* This process has not started because of the healthcare bill

# 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.



# State Update

# Adopted State Budget for FY 2017-18

On 6/27/17, Governor Jerry Brown signed the \$183 billion California State Budget.

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The pivotal elements of the approved budget include education, tax credit for low-wage workers, cannabis, healthcare, and infrastructure spending

Healthcare the single biggest function of state government —\$105.6 billion

Most of the funding focused on Medi-Cal with more than one in three residents enrolled with a notable provision to boost payments to doctors and dentist who treat Medi-Cal patients (Prop 56 funding – tobacco tax)

An additional \$546 million allocated from Prop 56 for women's health, intermediate care facilities for the developmentally disabled and HIV/AIDS waiver provider payments

# Healthy California Act, SB 562 (Lara)

Single payer proposal, SB 562, on hold.

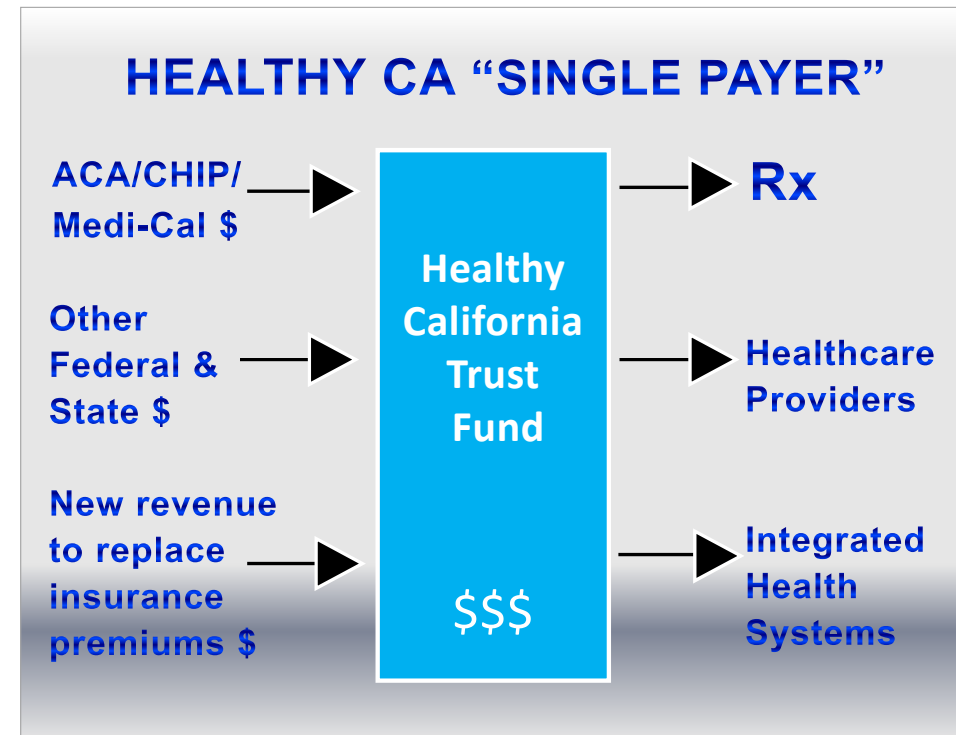
SB 562 would:

- Create a **single government-operated health insurance program** to provide medically necessary care for all Californians
- **Eliminate** the need for employer-based and commercial **health insurance**
- **Pool** current **health care funding**

**Estimated cost: \$400 billion**




Passed California Senate, but **held in Assembly**

- Will not advance this year
- **May be taken up again in 2018**






# 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.

# 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)

Worried since the election? Here are the facts.

## You're Safe Here!



Your health coverage has not changed.

You can continue to receive care here.

San Francisco is and will always be a sanctuary city.

We are here for you.



San Francisco Department of Public Health

# 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