

Senate bill for Obamacare repeal would 'destabilize' Pa. health care system: state official

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Updated on June 23, 2017 at 7:00 AM Posted on June 22, 2017 at 2:31 PM



Democrats, including those in Pennsylvania, are taking aim at a Senate Republican health reform proposal they say is no improvement on one President Trump labeled as "mean." (*Associated Press*)

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Pennsylvania health and insurance officials reacted Thursday afternoon to the just-released draft of the Senate Republican health care bill.

Here are some of their major concerns:

The Medicaid expansion that covers 716,000 people in Pennsylvania would be phased out over three years ending in 2024. The state could continue paying for the coverage -- the federal government now pays about 90 percent under Obamacare -- but it would be unaffordable, according to Brendan Harris, the deputy secretary of human services. He said on

Thursday afternoon the state hadn't yet figured out the exact financial impact, but estimated the state would lose about \$4.5 billion annually.

Eliminating the Medicaid expansion would impact drug and alcohol treatment. About 124,000 people covered by the expansion have accessed such treatment. The cut would be especially damaging given the opioid addiction crisis, which is presently killing 13 Pennsylvania residents per day, according to Jennifer Smith, the acting secretary of drug and programs.

Overall Medicaid spending would be capped. States could choose between a block grant or a per capita limit, although children with major medical needs would be exempt from the cap. Moreover, increases to Medicaid spending would eventually be based on increases in the consumer price index. Increases are presently based on medical cost inflation, which is higher than CPI increases. Asked whether that might have the positive impact of bending the cost curve downward, a state official it would not. Rather, it would shift costs to medical providers and private insurers and create pressure that would harm services.

Officials said the Medicaid expansion has caused Pennsylvania's uninsured rate to fall to an all-time low of 6.4 percent, and resulted in a \$129 million drop in uncompensated care absorbed by hospitals last year.

The income limit for people to receive federal subsidies to help buy coverage on the electronic exchange would drop to 350 percent of the federal poverty level, down from 400 percent. About 175,000 Pennsylvania residents have exchange coverage, with 80 percent receiving a subsidy, Insurance Commissioner Teresa Miller said. Also, subsidies would be based on 56 percent of the benchmark plan, down from 70 percent, which would lower their value, Miller said. Miller said the changes would increase the number of people who can't afford coverage.

States would be allowed to get waivers for some of the essential health insurance benefits required by Obamacare if they can prove it would make coverage more affordable. However, Miller said Gov. Tom Wolf would not apply for such a waiver.

Miller also pointed to President Trump's campaign promise of "better coverage for more people at a lower price." Given that, the Senate bill can't be called a "victory," she said.

Secretary of Health Karen Murphy said the cuts to Medicaid would "destabilize" the health care system in Pennsylvania and result in "hundreds of thousands of people losing their jobs." Other impacts would include the loss of \$22 million in annual funds that go toward disease prevention.

Gov. Tom Wolf released a written statement which said:

"The deeper and more devastating cuts to Medicaid in this plan make it even crueler than the House plan. Some politicians in Washington are completely disconnected from the reality of

how cutting Medicaid will damage real Pennsylvania families, and communities. Seniors in need of home or nursing care, children with disabilities, and rural hospitals and working families relying on Medicaid will all be left behind. The Senate plan prioritizes tax cuts for the wealthy, modest deficit reductions and achieving a political victory over families who need lifesaving care.

"Over the past few weeks, I have joined Republican and Democratic governors in opposing cuts to Medicaid, but we have been shut out of the process and unable to give our residents a voice. It is time for Washington Republicans to restart and begin listening to the patients, doctors, states and communities who will ultimately shoulder the burden of their decisions. We need a legislative process that is patient-focused, inclusive, bipartisan, honest and open. This has been the complete opposite."