



# Health Care Reform in Indian Country

**Self-Governance Communication & Education**

*Self-Governance Tribes Striving Towards Excellence in Health Care*

## Administration and Congressional ACA-Related Actions in 2017 and 2018

(with risk assessment of House of Representatives health plan)

March 15, 2017 (revised)

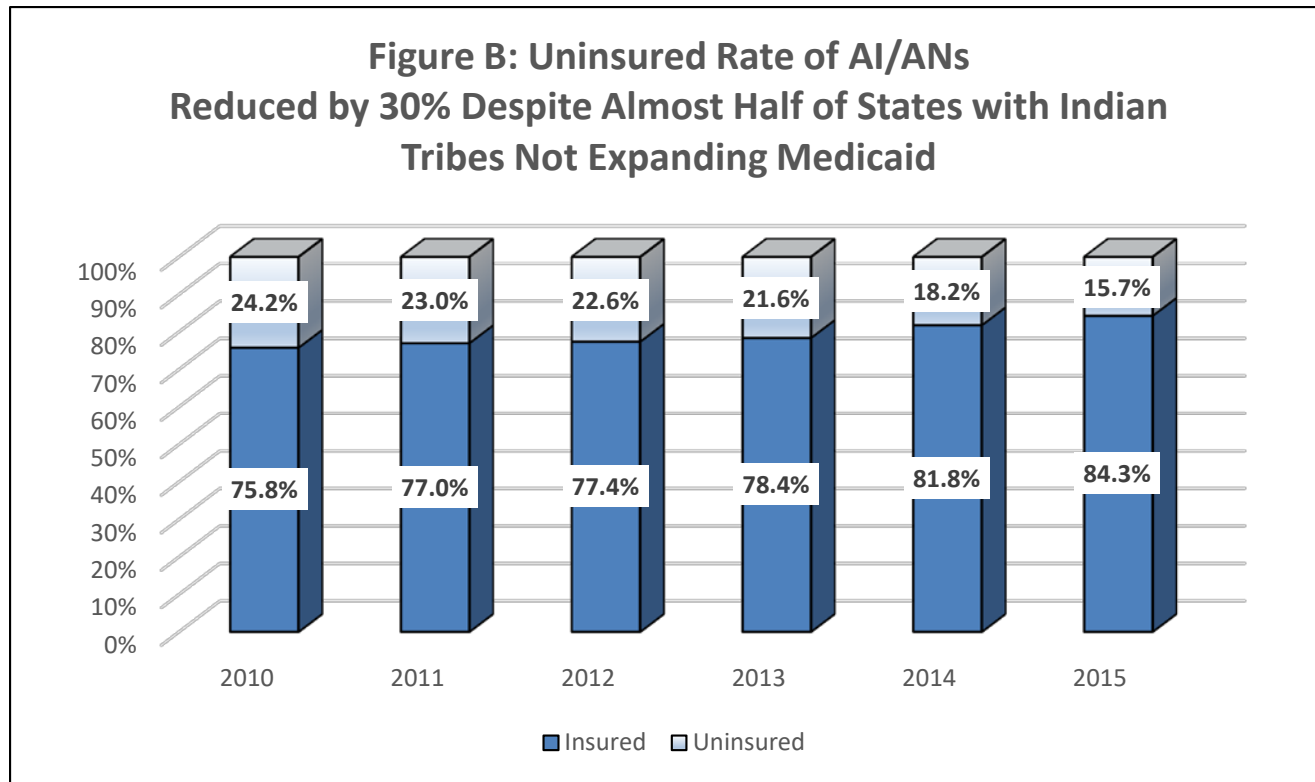
Presented by Doneg McDonough, Technical Advisor  
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# Tribal Priorities

- In a letter to HHS Secretary Price from the Tribal Technical Advisory Group (TTAG) to CMS on March 8, the following Tribal priorities were indicated:
  - Retain eligibility under Medicaid to all AI/ANs up to 138% FPL.
  - Maintain or strengthen affordability of individual market (*e.g.*, Marketplace) coverage for AI/ANs.
  - Ensure the trust responsibility for Indian health care remains a federal responsibility and is not shifted to the states.
  - Maintain 100% FMAP and give full effect to CMS's recent State Health Official (SHO) Letter.
  - Ensure Medicaid payments to the Indian health care system are not subject to a block grant or per capita cap.
  - Preserve AI/AN-specific provisions in Medicaid, including protections from premiums and cost sharing, prohibition of classifying trust lands and cultural and religious items as resources for eligibility purposes, and other protections.
  - Extend and apply these provisions to urban Indian health care programs (UIHPs), whenever permissible under federal law.

# Nationally, Uninsured Rate of American Indians and Alaska Natives Down 30% Since 2010

Rate decreased 8.5 percentage points, from 24.2% (2010) to 15.7% (2015)



- Source: U.S. Census Bureau, 2010-2015 American Community Survey, 1-Year Estimates, includes self-identified American Indians and Alaska Natives (“alone or in combination with other races”)



# Impact of ACA's Medicaid Expansion on Insurance Status of AI/ANs

## Medicaid expansion

- From 2013 to 2015, Medicaid enrollment among AI/ANs **increased by 217,368**, or 14.9%,<sup>1</sup> with additional enrollment growth occurring in 2016 as outreach efforts have continued and more states have implemented the expansion.<sup>2</sup>
  - Alaska, Montana, and Louisiana implemented the Medicaid expansion in September 2015, January 2016, and July 2016, respectively.
  - For AI/AN with access to IHS, there was a 114,000 increase in insured individuals.<sup>3</sup>
- Significant potential exists for future enrollment growth, as among the 35 states with federally-recognized Tribes, 16 have not yet authorized the ACA's Medicaid expansion.
  - As many as **251,000 additional AI/ANs** would gain eligibility for Medicaid if each of the current non-Medicaid expansion states were to authorize the (near completely federally-funded) expansion of eligibility to all persons with incomes at or below 138% FPL, according to the Urban Institute.<sup>4</sup>
- In total, under currently authorized Medicaid expansions and expansions pending authorization in the remaining states, 550,000 uninsured AI/ANs could be made eligible for comprehensive Medicaid coverage.<sup>5</sup>
  - This would have the effect of reducing the uninsured rate among AI/ANs to about 11%, compared with 24.2% in 2010, the year of the enactment of the ACA.

### FOOTNOTES:

(1) Census Bureau, 2013-2015 American Community Survey, 1-Year Estimates.

(2) Matthew Buettgens, *Estimates of Health Coverage Changes Under the ACA and How Actual Progress Could Be Evaluated* (Washington, DC: Urban Institute, Feb. 19, 2015), 10. The current figure might be lower, as several states have begun to implement the Medicaid expansion since that time.

(3) Edward Fox, PhD, *Health Insurance Coverage for American Indians and Alaska Natives: The Impact of the Affordable Care Act, 2012 - 2015*, March 17, 2017.

(4) Samantha Artiga and Anthony Damico, 5.

(5) Census Bureau, 2010 American Community Survey, 1-Year Estimates.



# Impact of Affordable Care Act's Marketplaces on Insurance Status of AI/ANs

## Marketplace

- In 2016, more **than 55,000 AI/ANs** secured coverage through a Federally-Facilitated Marketplace.
  - Enrollment occurred through the initiative of individual AI/ANs or through an Indian Tribe paying the premiums of uninsured Tribal members (Sponsorship).
  - Although this figure equates to only 6.7% of total (previously) uninsured AI/ANs, Marketplace enrollment of AI/ANs is showing substantial year-over-year increases. The 2016 AI/AN Marketplace enrollment level was 17% higher than the 2015 level (47,663) and in itself represents a 1.05 percentage point reduction in the AI/AN uninsured rate.
- **PTCs:** Under one Tribal Sponsorship program, an average of **\$5,600 per enrollee** in premium tax credits is being provided by the federal government.
- **CSRs:** AI/ANs (who are enrolled Tribal members or ANCSA shareholders) who enroll in coverage through a Marketplace pay no cost-sharing.
  - Federal government made an average of **\$2,089 in cost-sharing payments** on behalf of each AI/AN Marketplace enrollee in 2016.



# Net Premium Costs Under Affordable Care Act

(Example of Big Horn County, Montana; 2017)

<b>Figure D: Net Annual Household Premium Contribution for Selected Bronze PPO Plan; Big Horn County, Montana (2017)<sup>1</sup></b>				
<b>Household size:</b>		1-p HH	2-p HH	3-p HH
<b>Number enrolled:</b>		1 enrollee	2 enrollees	3 enrollees
<b>FPL</b>				
<b>Premium Tax Credit (PTC) eligible</b>	140%	\$0	\$0	\$0
	150%	\$0	\$0	\$0
	175%	\$159	\$0	\$0
	200%	\$595	\$194	\$726
	225%	\$1,023	\$772	\$521
	250%	\$1,505	\$1,422	\$1,338
	300%	\$2,520	\$2,791	\$3,061
	350%	\$3,096	\$3,567	\$4,038
	400%	\$3,671	\$4,343	\$5,014
<b>Non-PTCs</b>	<b>Over 400%</b>	<b>\$4,827</b>	<b>\$9,654</b>	<b>\$14,480</b>

<sup>1</sup> BC BS Basic 103, a MSP (BC BS of Montana) for 40-year-old non-smoker enrollees.

See TribalSelfGov.org: <http://www.tribalselfgov.org/wp-content/uploads/2017/01/TSGAC-Memo-Net-Marketpl-Premium-Costs-Hold-or-Lower-in-2017-2017-01-1....pdf>

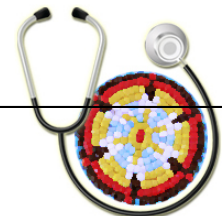


# Administration and Congressional Health Care Actions in 2017

- **Affordable Care Act**
  - **Medicaid Expansion**
  - **Marketplace provisions**
    - Premium tax credits
    - Cost-sharing protections
      - General population
      - Indian-specific protections
    - Monthly special enrollment periods
  - **Indian Health Care Improvement Act**
  - **Other Indian-specific ACA provisions**
- **Medicare**
- **Medicaid (non-Medicaid expansion)**

## Potential Action on Major Health Care Legislation in 2017 (1 of 2)

Recent Legislative Vehicle	Program	Elements	Status	Vehicle / Process, if repealed
Affordable Care Act	<b>Medicaid Expansion</b>	<ul style="list-style-type: none"> <li>- Enhanced federal funding (90% FMAP) for coverage of persons not eligible under traditional coverage categories in households up to 138% federal poverty level</li> </ul>	At risk of defunding	Reconciliation; 50+ votes
Affordable Care Act	<b>ACA Marketplace provisions</b>	<ul style="list-style-type: none"> <li>- Premium tax credits</li> <li>- Cost-sharing protections                             <ul style="list-style-type: none"> <li>- General population</li> <li>- Indian-specific protections</li> </ul> </li> <li>- Monthly special enrollment periods</li> <li>- Full payment to I/T/Us (no reductions for patient co-payments)</li> </ul>	At risk of eliminating and replacing with lower (or no) assistance levels	Reconciliation; 50+ votes
Affordable Care Act	<b>Indian Health Care Improvement Reauthorization and Extension Act of 2009</b>	<ul style="list-style-type: none"> <li>- Permanent reauthorization of IHCA</li> <li>- Established authority for continuum of care through integrated behavioral health programs</li> <li>- Authority for I/T/U health providers to be licensed in any state and practice at an I/T/U facility</li> <li>- Authorizes IHS and Tribes to enter into arrangements with VA and DoD to share medical facilities</li> <li>- Allows I/T/U providers to be eligible for participation in any federal healthcare program and for reimbursement from 3rd party payers</li> <li>- Other provisions</li> </ul>	Low risk	Regular legislation; 60+ votes





## Potential Action on Major Health Care Legislation in 2017 (2 of 2)

Recent Legislative Vehicle	Program	Elements	Status	Vehicle / Process, if repealed
Affordable Care Act	<b>Other Indian-specific provisions</b>	<ul style="list-style-type: none"> <li>- <b>Section 9021 Exclusion of Health Benefits Provided by Indian Tribal Governments as Taxable Income</b></li> <li>- <b>Section 2902 Elimination of Sunset for Reimbursement for all Medicare Part B Services Furnished by Certain Indian Hospitals and Clinics</b></li> <li>- Section 2901(b) Payor of Last Resort</li> <li>- Section 2901(c) Facilitating Enrollment of Indians under the Express Lane Option</li> </ul>	(Provisions in red) potential risk, but not repealed in House Republican bill	<ul style="list-style-type: none"> <li>- For Sec. 9021 and Sec. 2902: Reconciliation; 50+ votes</li> <li>- Other provisions: likely require 60+ votes</li> </ul>
Various (Social Security Act)	<b>Medicare</b>	- All	Low risk. Potential "voucher", with limits on annual growth	Reconciliation; 50+ votes
Various (Social Security Act)	<b>Core Medicaid program operations</b>	<ul style="list-style-type: none"> <li>- <b>Guarantee of federal funding match (e.g., imposition of cap on federal funding)</b></li> <li>- <b>Retroactive coverage (three months)</b></li> <li>- <b>Defined "essential health benefits" benefit package (under "benchmark plans")</b></li> <li>- <b>Pressure to cut eligibility for program; covered benefits; payment rates</b></li> <li>- 100 percent federal reimbursement rate (i.e., 100% FMAP) for Medicaid services provided to American Indians and Alaska Natives that are received through the Indian health system.</li> </ul>	At risk from "per capita caps"	Reconciliation; 50+ votes

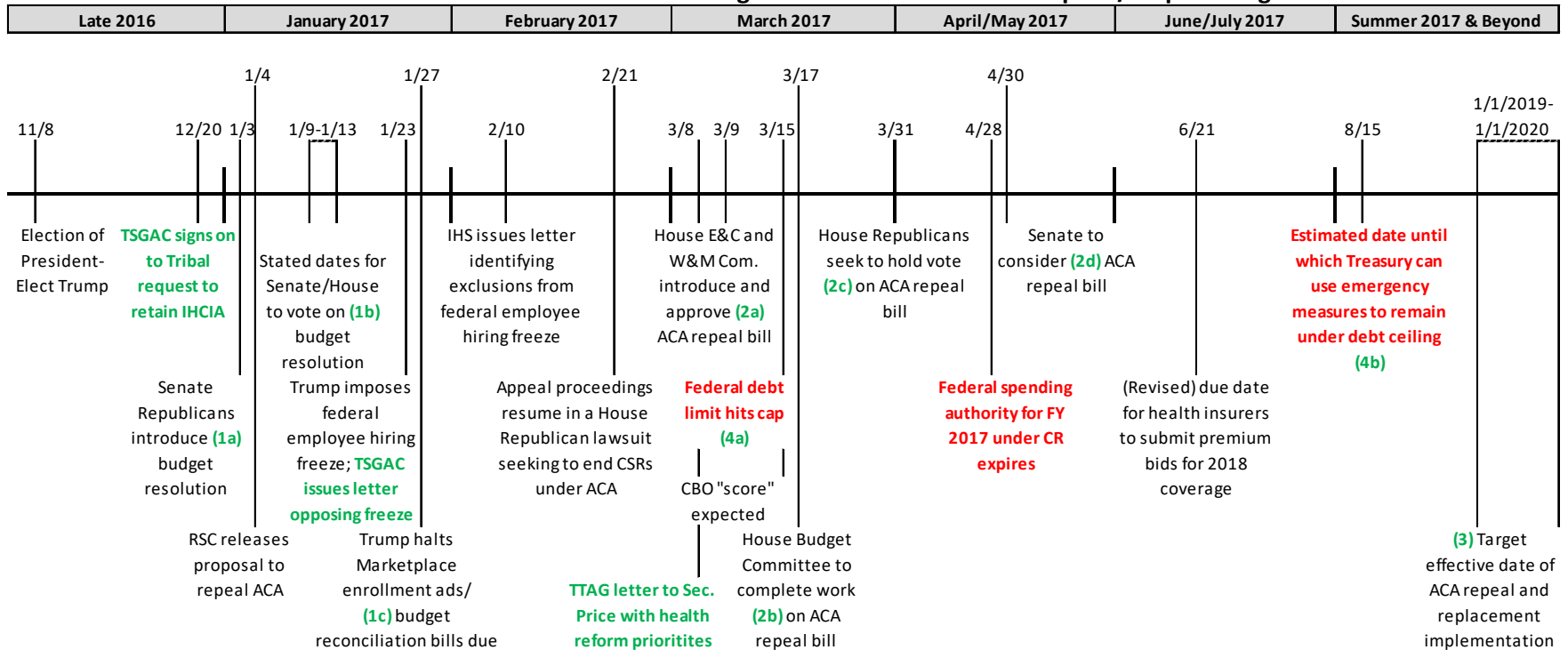


# Congressional Budget Office Assessment of House Health Plan, 2017

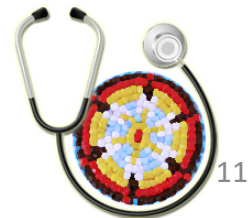
- The impact of the House Plan projected by the CBO is a net increase in the number of uninsured individuals of 14 million in 2018 and an increase of 24 million uninsured by 2026.
- Federal Medicaid funding would decline by \$880 billion between 2017 and 2026, mostly as a result of a 14 million reduction in Medicaid enrollees.
  - For core (pre-ACA) state Medicaid programs, cuts in Medicaid eligibility, benefits and payment rates might be necessary by states in response to reductions in federal funding, in addition to threats to the Medicaid expansion population.
- Under the House Plan, the total reduction in government assistance for securing health insurance (*e.g.*, Medicaid and premium tax credits) and accessing health care services (*e.g.*, cost-sharing protections) is sufficiently large for the federal deficit to be reduced by \$335 billion over the next decade, despite a loss of \$660 billion in revenues to the federal government as a result of tax repeals contained in the legislation.
  - Stated another way, federal financial assistance is reduced under the House Plan by \$1.2 trillion over the next decade, with \$.9 trillion of the savings used to offset tax cuts contained in the legislation and \$335 billion remaining to reduce the deficit of the federal government.

# Timeline for Administration / Congressional Action

Timeline of Potential Administration and Congressional Action on ACA Repeal / Replace Legislation



See TribalSelfGov.org: <http://www.tribalselfgov.org/health-reform/2017-health-actions/>

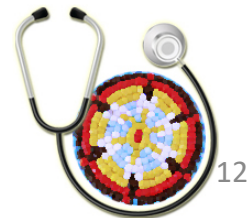


# Comparison of ACA to House Health Plan

(3/6/2017 Committee mark)

--Example of two 40-year-old adults; two 20-year-old kids

Comparison of Federal Financial Assistance for Health Insurance Costs (Individual Market):						
Affordable Care Act (ACA) vs. House Republican Plan <sup>1</sup>						
Example of 4-Person AI/AN Family in Big Horn County, MT; 2017						
Two 40-year-olds; two 20-year-olds; all meet ACA definition of Indian						
	Household Income	Total Plan Premium <sup>2</sup>	Average Out-of-Pocket (OOP) Costs <sup>3</sup>	Premium Tax Credit (PTC) <sup>4, 5</sup>	Net Premium Costs	Net Total Costs
ACA (Current)	\$35,000	\$14,450	\$0	\$14,450	\$0	\$0
House GOP Plan	(144% FPL)		\$6,930	\$10,000	\$4,450	\$11,380
DIFFERENCE: House GOP plan vs. ACA:					\$4,450	\$11,380
ACA (Current)	\$50,000	\$14,450	\$0	\$13,913	\$537	\$537
House GOP Plan	(206% FPL)		\$6,930	\$10,000	\$4,450	\$11,380
DIFFERENCE: House GOP plan vs. ACA:					\$3,913	\$10,843
ACA (Current)	\$75,000	\$14,450	\$0	\$9,963	\$4,487	\$4,487
House GOP Plan	(309% FPL)		\$6,930	\$10,000	\$4,450	\$11,380
DIFFERENCE: House GOP plan vs. ACA:					-\$37	\$6,893
ACA (Current)	\$150,000	\$14,450	\$0	\$0	\$14,450	\$14,450
House GOP Plan	(617% FPL)		\$6,930	\$10,000	\$4,450	\$11,380
DIFFERENCE: House GOP plan vs. ACA:					-\$10,000	-\$3,070



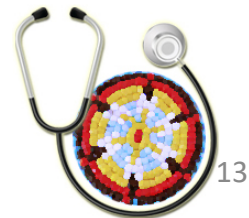
# Comparison of ACA to House Health Plan

(3/6/2017 Committee mark)

--Example of two 60-year-old adults; two 20-year-old kids

Comparison of Federal Financial Assistance for Health Insurance Costs (Individual Market): Affordable Care Act (ACA) vs. House Republican Plan <sup>1</sup>						
Example of 4-Person AI/AN Family in Big Horn County, MT; 2017						
Two 60-year-olds; two 20-year-olds; all meet ACA definition of Indian; bronze plan enrollment						
	Household Income	Total Plan Premium <sup>2</sup>	Average Out-of-Pocket (OOP) Costs <sup>3</sup>	Premium Tax Credit (PTC) <sup>4, 5</sup>	Net Premium Costs	Net Total Costs
ACA (Current)	\$35,000 (144% FPL)	\$25,297	\$0	\$25,297	\$0	\$0
House GOP Plan			\$6,930	\$12,000	\$13,297	\$20,227
DIFFERENCE: House GOP plan vs. ACA:					\$13,297	\$20,227
ACA (Current)	\$50,000 (206% FPL)	\$25,297	\$0	\$25,297	\$0	\$0
House GOP Plan			\$6,930	\$12,000	\$13,297	\$20,227
DIFFERENCE: House GOP plan vs. ACA:					\$13,297	\$20,227
ACA (Current)	\$75,000 (309% FPL)	\$25,297	\$0	\$22,898	\$2,399	\$2,399
House GOP Plan			\$6,930	\$12,000	\$13,297	\$20,227
DIFFERENCE: House GOP plan vs. ACA:					\$10,898	\$17,828
ACA (Current)	\$150,000 (617% FPL)	\$25,297	\$0	\$0	\$25,297	\$25,297
House GOP Plan			\$6,930	\$12,000	\$13,297	\$20,227
DIFFERENCE: House GOP plan vs. ACA:					-\$12,000	-\$5,070

<sup>1</sup> House Republican plan is based on March 6, 2017 W&Ms and E&C Committee mark.



# Comparison of ACA to House Health Plan as Percentage of Household Income

(3/6/2017 Committee mark)

--Example of two 40-year-old adults; two 20-year-old kids

Comparison of Net Household Contribution for Health Insurance-Related Costs (Individual Market): Affordable Care Act (ACA) vs. House Republican Plan <sup>1</sup>							
Example of 4-Person AI/AN Family in Big Horn County, MT; 2017							
Two 40-year-olds; two 20-year-olds; all meet ACA definition of Indian; bronze plan enrollment							Household Contribution Difference (House Rep. vs. ACA)
Household Income		Net Enrollee Premium Costs		Total Costs: Premiums and OOP			
	Household Income (\$)	Federal Poverty Level (%)	Net Household Premium Contribution (\$)	Net Household Premium Contribution (%)	Total Net Household Contribution (\$)	Total Net Household Contribution (%)	
<b>ACA (Current)</b>	\$35,000	144%	\$0	0%	\$0	0%	+33 perct. points
House Rep. Plan			\$4,450	13%	\$11,380	33%	
<b>ACA (Current)</b>	\$50,000	206%	\$537	1%	\$537	1%	+22 perct. points
House Rep. Plan			\$4,450	9%	\$11,380	23%	
<b>ACA (Current)</b>	\$75,000	309%	\$4,487	6%	\$4,487	9%	+6 perct. points
House Rep. Plan			\$4,450	6%	\$11,380	15%	
<b>ACA (Current)</b>	\$150,000	617%	\$14,450	10%	\$14,450	10%	-2 perct. points
House Rep. Plan			\$4,450	3%	\$11,380	8%	

<sup>1</sup> House Republican plan is based on March 6, 2017 W&Ms and E&C Committee mark.



# Comparison of ACA to House Health Plan as Percentage of Household Income

(3/6/2017 Committee mark)

-- Example of two 60-year-old adults; two 20-year-old kids

Comparison of Net Household Contribution for Health Insurance-Related Costs (Individual Market): Affordable Care Act (ACA) vs. House Republican Plan <sup>1</sup>							
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Household Income		Net Enrollee Premium Costs		Total Costs: Premiums and OOP			
Household Income (\$)	Federal Poverty Level (%)	Net Household Premium Contribution (\$)	Net Household Premium Contribution (%)	Total Net Household Contribution (\$)	Total Net Household Contribution (%)		
<b>ACA (Current)</b>	\$35,000	144%	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>0%</b>	+58 perct. points
House Rep. Plan			\$13,297	38%	\$20,227	<b>58%</b>	
<b>ACA (Current)</b>	\$50,000	206%	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>0%</b>	+40 perct. points
House Rep. Plan			\$13,297	27%	\$20,227	<b>40%</b>	
<b>ACA (Current)</b>	\$75,000	309%	<b>\$2,399</b>	<b>3%</b>	<b>\$2,399</b>	<b>5%</b>	+22 perct. points
House Rep. Plan			\$13,297	18%	\$20,227	<b>27%</b>	
<b>ACA (Current)</b>	\$150,000	617%	<b>\$25,297</b>	<b>17%</b>	<b>\$25,297</b>	<b>17%</b>	-4 perct. points
House Rep. Plan			\$13,297	9%	\$20,227	<b>13%</b>	

<sup>1</sup> House Republican plan is based on March 6, 2017 W&Ms and E&C Committee mark.



# House Health Plan: New Higher-Income Premium Tax Credits

Phase Out of Premium Tax Credit (single filer) House Republican Health Plan (as of 3/6/2017)					
Age	\$0 - \$75,000	\$85,000	\$95,000	\$105,000	\$115,000
0-29	\$2,000	\$1,000	\$0		
20-39	\$2,500	\$1,500	\$500		
40-49	\$3,000	\$2,000	\$1,000	\$0	
50-59	\$3,500	\$2,500	\$1,500	\$500	
60+	\$4,000	\$3,000	\$2,000	\$1,000	\$0

Phase Out of Premium Tax Credit (joint return) House Republican Health Plan (as of 3/6/2017)					
Age	\$0 - \$150,000	\$160,000	\$170,000	\$180,000	\$190,000
0-29	\$2,000	\$1,000	\$0		
20-39	\$2,500	\$1,500	\$500		
40-49	\$3,000	\$2,000	\$1,000	\$0	
50-59	\$3,500	\$2,500	\$1,500	\$500	
60+	\$4,000	\$3,000	\$2,000	\$1,000	\$0

