

Commonwealth of Virginia

*Virginia Board for People with Disabilities*

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May 5, 2017

MEMORANDUM

Subject: **VBPD Statement on AHCA Passage in the US House of Representatives**

The American Healthcare Act (AHCA) narrowly passed the US House of Representatives yesterday by a vote of 217 - 213. It is not yet the law. It must first pass the Senate, where significant amendments are expected. If it does become law, the AHCA will have serious implications for people with disabilities in Virginia and throughout the United States.

The AHCA was passed without the benefit of an assessment by the Congressional Budget Office (CBO) on the impact of the most recent amendments to the Act. In March, the CBO estimated that the Act would decrease Federal deficits by $150 billion, while increasing the number of people who are uninsured in the United States by twenty-four million by 2026 relative to current law. It would also likely result in reduced benefits for people with disabilities.

Current estimates suggest that nearly $1 trillion would be cut from Medicaid spending over the next decade, which would almost inevitably lead to massive rollbacks to services and supports around the nation. It does this by rolling back Medicaid expansion under the Affordable Care Act (ACA) and converting Medicaid from a guaranteed federal matching program into a capped per capita system, or a block grant program, at the state's discretion. Under a per capita system, states would either absorb the burden of future increases in medical costs and Long Term Services and Supports, or they would be forced to ration care and services to constrain costs. Block grants would present similar problems and very likely would result in reduced benefits and rationed care.

Recent amendments to the AHCA, as passed by the House, would allow insurance companies to charge higher fees to people with preexisting conditions. Research suggests that, in some cases, these surcharges could go as high as 3,500% annually in any state that was approved for a waiver to allow the change. The amendments would also allow states to waive essential health benefits requirements established under the ACA. Insurance companies will not be able to deny coverage outright to people with preexisting conditions, such as people with disabilities, but they will be able to effectively make insurance cost prohibitive for them by charging very high premiums for these individuals.

Taken together, the provisions of the AHCA, if it becomes law, would very likely result in reductions in Medicaid benefits and Long Term Services and Supports for people with disabilities, the pricing out of people with disabilities from the private insurance market, and lack of coverage by private insurance companies of essential health benefits, such as mental health care, prescription drugs, and rehabilitative or habilitative services and devices. These changes would put people with disabilities at greater risk of institutionalization and greatly impede the ability of people with disabilities to live healthy, productive, integrated lives in communities of their choosing.