Massachusetts Coalition for Coverage and Care

EMBARGOED UNTIL: Tuesday, May 23, at 3:00 p.m.

Contact:

Julie Burns Blue Cross Blue Shield of Massachusetts Foundation Phone: 617-246-3361 Email: julie.burns@bcbsma.com

Maria Gonzalez Albuixech Health Care For All Phone: 617-275-2915 Email: mgonzalez@hcfama.org

Urban Institute Study Projects Major Losses to Health Coverage or Funding Gaps under House Repeal and Replace Bill

When Fully Phased In (2022), the AHCA Would Drain \$1.4 Billion in Federal Funding from Mass., or Nearly Half a Million Residents Could Lose Coverage if Federal Funds Not Replaced

BOSTON (May 23, 2017) – A study by the Urban Institute that was commissioned by the Blue Cross and Blue Shield of Massachusetts Foundation in its role as a co-convener of the Massachusetts Coalition for Coverage and Care (Coalition) projects devastating consequences for the Commonwealth of Massachusetts and its residents if the House-passed version of the American Health Care Act (AHCA) becomes law. The Coalition, made up of over 75 organizations and individuals, is committed to protecting against anything that threatens health care coverage or makes it increasingly unaffordable for Massachusetts residents; a commitment that has also been articulated by the Baker administration.

"The gains in coverage that we have worked so hard for here in Massachusetts could be erased if the AHCA is enacted in its current form. Nearly half a million of our most vulnerable residents could become uninsured," said Audrey Shelto, president of the Blue Cross Blue Shield of Massachusetts Foundation. "The study projects an overwhelming loss in federal revenue that if not replaced by state funding, or addressed through significant changes to the existing Medicaid program, could result in a loss of coverage that leaves us worse off than we were pre-reform in Massachusetts."

This state-level analysis created by the Urban Institute's Health Policy Center models the impact on Massachusetts in 2022 when the AHCA would be fully phased in. It is believed to be the first published study of the bill's impact on an individual state. Among its findings are:

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- In 2022, the AHCA would result in a reduction of \$1.4 billion in federal Medicaid funding for the Commonwealth.
- In order to maintain current levels of MassHealth coverage in 2022, the state would need to identify \$1.1 billion in replacement funds or make major changes to the program.
- If that funding is not replaced, approximately 355,000 adults on MassHealth, or one in five enrollees, could be cut and the state's uninsured rate could increase to as high as 10.3 percent.
- The elimination of the ConnectorCare program (which is supported by both federal and state funding) and the current ACA advance premium tax credits, would result in approximately 90,000 individuals losing coverage.

"The study's results detail a very bleak set of outcomes, all of which have serious repercussions," said Stephen Rosenfeld, interim executive director of Health Care For All, a coconvener of the Coalition. "We can calculate the impact in terms of dollars and statistics. However, behind each number there is a story of a neighbor or a family who will struggle to access the care they need."

The Urban Institute employed a state-level version of its Health Insurance Policy Simulation Model, or HIPSM, which estimates the cost and coverage effects of proposed health care policy options. To evaluate how the health care system would be affected by policy changes, HIPSM simulates the decisions of employers, families, and individuals to offer and enroll in health insurance coverage. The model shows the effects of policy on government and private health care spending, health insurance premiums in employer and non-group health insurance risk pools, rates of employer offers of coverage, and health insurance coverage.

About the Massachusetts Coalition for Coverage and Care

The Massachusetts Coalition for Coverage and Care comprises a broad array of Massachusetts organizations representing consumers, providers, health plans, businesses, labor unions and faith organizations. The Coalition's goals are to preserve and improve access to, and the affordability of, health insurance coverage in Massachusetts; and to protect the gains in access to care, health, and health equity that have resulted from near universal coverage in the state. For more information, <u>click here</u>.

About the Blue Cross Blue Shield of Massachusetts Foundation

The mission of the <u>Blue Cross Blue Shield of Massachusetts Foundation</u> is to expand access to health care for low-income and vulnerable individuals and families in the Commonwealth. The Foundation was founded in 2001 with an initial endowment from Blue Cross Blue Shield of Massachusetts. It operates separately from the company and is governed by its own Board of Directors.