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# HEALTH BRIEF: Republican Congress’ Health Care Affordability Proposals Don’t Measure Up

## *GOP Proposes Vouchers, High Risk Pools to Replace ACA’s Premium Tax Credits*

### Executive Summary

Elected officials in Congress and the White House have pledged to repeal and replace the Affordable Care Act, but thus far they have not coalesced around a vision for the future of health care reform. In February 2017, two documents—a policy brief<sup>1</sup> and a leaked legislative draft<sup>2</sup>—shed some light on the GOP proposals for health care reform.

- While opponents of the Affordable Care Act have criticized the law for the premium prices and out-of-pocket costs that some enrollees have experienced, these new details reveal that the GOP would radically redistribute resources away from people with low incomes and older adults toward people with higher incomes. **The end result is that people with low incomes, as well as those with pre-existing conditions, chronic health care needs, and other significant medical costs, would largely find health insurance unaffordable and inaccessible.**
- The ACA provides financial assistance to lower premiums for people with low to moderate incomes; the amount of help someone receives varies based on their incomes and on the costs of the plans available to them. **GOP proposals would replace the ACA’s individualized premium tax credit with a fixed tax credit—one that does not adjust according to income or costs of plans available but makes slight adjustments based on the age of enrollees.**
- This flat tax credit would operate like a voucher, providing less value to those who need it most—North Carolinians with low incomes, older adults, and people with pre-existing conditions. What’s more, it would redirect federal dollars to high-income earners who need less help with health insurance expenses. **This federal policy shift would leave North Carolinians—more than one-third of whom live below 200% of the poverty level—less likely to afford health insurance and more likely to become uninsured.**<sup>3</sup> It would also likely segregate consumers with pre-existing conditions into underfunded, inadequate high risk pools, severely limiting consumer access to affordable, quality health insurance coverage.

Along with other proposed repeal-and-replace measures, the GOP universal health care tax credit would fail to measure up to the ACA’s gains in coverage and affordability.

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1. “Obamacare Repeal and Replace: Policy Brief and Resources.” February 2017. <http://static.politico.com/0b/25/a498c2ab47b584ef53e8e72149f6/healthcare-policy-brief.pdf>

2. Paul Demko. “Exclusive: Leaked GOP Obamacare replacement shrinks subsidies, Medicaid expansion.” Politico. February 24, 2017. <http://www.politico.com/story/2017/02/house-republicans-obamacare-repeal-package-235343>

3. “Distribution of the Total Population by Federal Poverty Level (above and below 200% FPL).” Kaiser Family Foundation. Year 2015. <http://kff.org/other/state-indicator/population-up-to-200-fpl/?currentTimeframe=0>

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