

House Republican Health Plan Would Mean More Uninsured, Costlier Coverage in North Dakota

The House Republican health care bill — the American Health Care Act, or AHCA — would cause 24 million people to lose coverage by 2026, the Congressional Budget Office [estimates](#). That means 1 in 10 non-elderly Americans who'd have health insurance under current law (the Affordable Care Act, or ACA) would lose it under the House bill. And many who didn't lose coverage under the House bill would end up with worse or less affordable health insurance.

The House bill would effectively end the ACA's Medicaid expansion and would radically restructure Medicaid funding in all states, cutting federal Medicaid spending by \$839 billion over ten years and causing 14 million people to lose Medicaid coverage. And it would slash subsidies that help people afford coverage and care in the individual market. Overall, the bill would cut more than \$1.1 trillion from Medicaid and marketplace subsidies and dedicate most of the savings to tax cuts for high-income people and corporations.

The House bill isn't fixable: almost every piece of it would cause people to lose coverage, make coverage less affordable or less comprehensive, or cut taxes for high-income people. And House Republicans are reportedly considering making the bill even worse by rolling back ACA rules that protect people with pre-existing conditions (such as heart disease, diabetes, or mental illness) and that require health plans to offer comprehensive coverage.

Plan Would Shift \$1 Billion in Medicaid Costs to North Dakota — And Result in Thousands Losing Coverage and Access to Services

North Dakota would have to raise taxes or cut other parts of its budget by \$1 billion over ten years to maintain North Dakota Medicaid, including the Medicaid expansion to low-income adults, under the House Republican health plan, the Urban Institute [estimates](#). (The Urban estimates reflect the bill as approved by the House Budget Committee.)

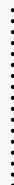


- **The House Republican health plan would end the Medicaid expansion in North Dakota.** In practice, the plan would effectively end the Medicaid expansion by requiring the state to spend up to 5 times more to cover people who enroll starting in 2020. Low-income North Dakotan adults who've newly gained coverage under the expansion would lose it.
- **Cuts to Medicaid funding for North Dakota would lead to reduced coverage and/or services for seniors, people with disabilities, and families.** The plan would also cap annual federal Medicaid funding for North Dakota and other states by forcing each state to choose between a "per capita cap" or block grant. Under either policy, federal Medicaid funding would grow more slowly each year than states' actual Medicaid costs, leading to deeper cuts over time. Breaking the link between federal funding and the actual needs of states and beneficiaries would leave North Dakota holding the bag.
- **Medicaid cuts would make it harder for North Dakota to respond to crises.** These cuts would jeopardize the health and well-being of seniors, people with disabilities, children, and adults who rely on Medicaid today. The cuts would be deepest precisely when need is greatest, since federal Medicaid funding would no longer increase

Medicaid Helps North Dakota's Families

87,000

North Dakotans get comprehensive, affordable health coverage through Medicaid.



Most are children, seniors, and people with disabilities.



Medicaid covers **32%** of children in the state.



Medicaid covers **13%** of seniors and people with disabilities in the state.

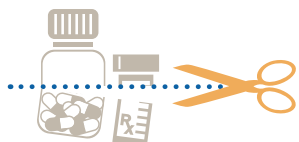
automatically when public health emergencies like the opioid epidemic or a natural disaster increase state costs. The cap or block grant also wouldn't take into account demographic changes, such as the rise in seniors' Medicaid costs as they age, meaning states would face even larger cuts over the long run. For example, the share of North Dakota seniors who are 85 or older will increase by 4 percent between 2025 and 2035.

- **The AHCA would deepen North Dakota's budget problems.** North Dakota is facing a budget shortfall for the upcoming fiscal year. If North Dakota didn't raise taxes or cut other budget areas like education to compensate for the House bill's Medicaid cost-shift, it would have no choice but to drop the Medicaid expansion and cut Medicaid eligibility, benefits, and/or payments to hospitals and physicians.

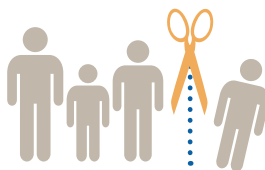
How Capping Federal Medicaid Funds Would Affect State Budgets

States really only have three ways to cut costs to Medicaid:

Cut Benefits



Cut Enrollment



Cut Payments to Providers



Plan Would Raise Costs for North Dakotans Buying Marketplace Coverage by \$2,121, on Average

\$2,121
increase in
total cost

North Dakotans, especially older residents, would pay far more under the House bill. The bill would raise total out-of-pocket health costs – premiums, deductibles, copays, and coinsurance – by an average of \$2,121 per year for people with coverage in North Dakota's health insurance marketplace.

Premiums
would rise by
\$1,286

- Under the House bill, the average "sticker price" for premiums in North Dakota would rise by \$226 a year, in contrast to Republican claims that their plan would bring down costs, and the tax credits to help offset those premiums would fall by an average of \$1,060. That means the average North Dakotan with marketplace coverage would pay \$1,286 more just to cover premium costs.

Out-of-pocket costs
would rise by
\$835

- The House bill would make it more likely that insurers would offer only higher-deductible plans. And it would repeal ACA cost-sharing subsidies that keep out-of-pocket costs lower for many low- and moderate-income Americans.
- The result? North Dakotans would pay higher premiums for plans with higher deductibles, copays, and coinsurance. North Dakotans with marketplace coverage would face \$835 in higher out-of-pocket costs per year, on average — on top of their extra \$1,286 in premiums.

For a 60-year-old
making \$22,000 a year,
net premiums would rise by
\$7,547

- Older North Dakotans would face even greater challenges. That's because the House bill lets insurers charge older people much higher premiums and cuts older people's tax credits the most. For a typical 60-year-old North Dakotan making \$22,000 a year, premiums (after accounting for tax credits) would rise by \$7,547. County-by-county data showing how North Dakotans would face higher premiums and lower tax credits can be found [here](#).

Wealthiest North Dakotans Would Get Windfall Tax Cuts While Medicaid Is Cut and Medicare Is Put at Risk

The House bill would spend more than \$600 billion on tax cuts largely for high-income households and drug companies, insurance companies, and other large corporations. In particular, it would repeal the ACA's two Medicare taxes, which only affect people with incomes above \$200,000 (\$250,000 for married filers) – giving tax cuts to 11,700 filers in North Dakota (or 3.2 percent of North Dakota residents). These high-income filers would get tax cuts averaging about \$6,140 each year, the Institute on Taxation and Economic Policy estimates. The top 1 percent in North Dakota would fare even better, generally getting an average of \$16,440 a year, while low- and middle-income North Dakotans would receive *nothing* from repealing these two taxes.

At the same time, the 109,000 North Dakotans with Medicaid or marketplace coverage would risk either losing it or facing big increases in premiums and out-of-pocket costs or cuts in benefits.

And, some of the high-income tax cuts would weaken Medicare's Hospital Insurance trust fund, exposing seniors and people with disabilities to the risk of more benefit cuts in the future.



The House GOP health bill would give **3.2%** of North Dakotans tax cuts averaging **\$6,140**...



...while **109,000** North Dakotans would be at risk of losing their coverage or facing increased costs.

Potential Changes Would Make Bill Even More Harmful

House Republicans also are reportedly discussing rolling back ACA rules that protect [134 million people](#) with pre-existing conditions and require plans to offer comprehensive coverage. The proposed changes to the bill would reportedly allow states to eliminate rules that prevent insurers from denying people coverage or charging them more based on their health history. States could also eliminate or weaken rules requiring plans to cover services like maternity care, mental health and substance use treatment, or prescription drugs – benefits that many individual-market plans [lacked](#) before the ACA. Plans could also impose annual and lifetime limits on coverage — including for people with job-based coverage.

These protections are critical for North Dakotans:

- 275,600 North Dakotans have a pre-existing condition, according to Department of Health and Human Services [estimates](#). Without the ACA protections, they could be denied coverage or charged unaffordable prices in the individual market.
- 311,300 North Dakotans – most of them people with employer coverage – had plans with lifetime limits before the ACA barred these limits, according to Brookings Institution [estimates](#). That meant their insurance companies capped the total amount they were willing to spend, so even people *with health insurance* could be one major illness away from medical bankruptcy.

The House proposal is fundamentally flawed because it shifts costs to low- and moderate-income consumers and the states while giving massive tax cuts to people at the top. Removing key consumer protections would only make a bad bill even worse for North Dakotans.