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For Immediate Release

August 24, 2017

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Cassidy-Graham ACA Repeal Bill Would Deeply Cut Health Coverage Funding for All States and Take Coverage from Millions of People

Washington, DC – An Affordable Care Act (ACA) repeal proposal from Senators Bill Cassidy (R-LA) and Lindsey Graham (R-SC) would slash federal funding for health coverage, according to a new report from the Center on Budget and Policy Priorities (CBPP). The report, which features state-by-state data, shows that the proposal would cause many millions of people to lose coverage, radically restructure and deeply cut Medicaid, increase out-of-pocket costs for individual market consumers, and weaken or eliminate protections for people with pre-existing conditions.

“No one should be fooled. The Cassidy-Graham plan is just another ACA repeal bill and would have the same harmful effects as the other failed repeal bills, including costing millions of people their health coverage,” said Judith Solomon, CBPP Vice President for Health Policy. “Despite claims to the contrary, there are no winners under this plan: all states would eventually face deep and growing cuts to federal health coverage programs.”

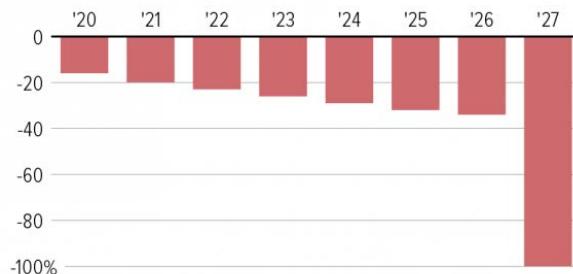
In the wake of the Senate’s failure to pass a repeal bill in July, there have been growing calls among federal and state policymakers for a transparent, bipartisan effort to strengthen the health care system without taking people’s coverage away or capping and cutting Medicaid. Unfortunately, Senators Cassidy and Graham are reportedly working with the White House to block this bipartisan approach and instead revive the ACA repeal effort by pushing their proposal.

The plan would eliminate the ACA’s marketplace subsidies and enhanced matching rate for the Medicaid expansion, replacing them with an inadequate block grant whose funding would shrink further over time (compared to current spending levels) and then disappear altogether after 2026.

The plan would also convert Medicaid’s current federal-state financial partnership to a per capita cap, which would cap and cut federal Medicaid funding for seniors, people with disabilities, and families with children.

Cassidy-Graham Health Care Block Grant Shrinks Over Time, Then Ends

Percent cut compared to current law spending for Affordable Care Act’s Medicaid expansion and marketplace subsidies



Note: Senators Bill Cassidy and Lindsey Graham’s plan to repeal and replace the Affordable Care Act (ACA) would eliminate the ACA’s marketplace subsidies and enhanced matching funds for the Medicaid expansion, replacing them with an inadequate block grant.

Source: CBPP calculations based on Congressional Budget Office estimates

By 2026 — the year before the plan’s block grant would end altogether — 42 states and the District of Columbia would see net cuts in federal health coverage funding due to its block grant and Medicaid per capita cap combined.

Finally, the plan would allow states to waive ACA provisions that prohibit insurance companies from placing annual or lifetime limits on coverage and require them to cover key services.

“As Congress returns, it should abandon damaging proposals to repeal the Affordable Care Act and instead pursue bipartisan solutions that strengthen, rather than weaken, our health care system,” said Solomon.

To learn more, please visit: <https://www.cbpp.org/research/health/cassidy-graham-would-deeply-cut-and-drastically-redistribute-health-coverage-funding>.

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