24 Million to Lose Insurance Under GOP Plan, Says CBO Report

Why the Republican health care bill is “a redistribution from the poor to the middle class and wealthy”

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Last week, Republicans released their health care bill, and this week, the nonpartisan Congressional Budget Office (CBO) broke down the projected effects of the bill. The results are not pretty, though the White House has stated, “We disagree strenuously [with the numbers].”

As The New York Times reports, 24 million people would lose health insurance by 2026, while saving the federal budget $337 billion during the same time period, according to the CBO report. What’s more, average premiums would be 15 to 20 percent higher in the next two years for people buying their own insurance, although they could fall to about 10 percent lower than under current law by 2026.

But these changes wouldn’t affect all Americans equally. As Vox puts it, “The CBO report shows that [the Republican health plan] is fundamentally a redistribution from the poor to the middle class and wealthy.”

Created to replace the Affordable Care Act (ACA, or Obamacare), the GOP bill is called the American Health Care Act (AHCA). As POZ wrote earlier, in “What Does the GOP’s Health Care Bill Mean for People With HIV?” one of the biggest changes in health care would be to Medicaid, the state and federal insurance for low-income people, a program responsible for linking a significant number of folks with HIV to care and treatment. The Republican plan would halt the expansion of Medicaid and put per-capita caps on federal Medicaid spending.

The CBO report estimates that by 2026, federal Medicaid spending would be 25 percent lower under the GOP bill than it is now, and 14 million fewer people would be covered by Medicaid.

In crunching the numbers of the proposed tax credits under the Republican health plan, the CBO reports that the plan favors the young, healthy and wealthy while disadvantaging poorer and older populations. For example, as the Times points out:

> But the analysis does show that under the Republican plan there would be winners — and losers. Under current law, in 2026, a single 21-year-old earning $26,500 with an insurance policy that costs $5,100 a year would get a tax credit of $3,400 and would have to pay $1,700

> of the premium. Under the Republican bill, that person's share of the cost would drop to $1,450.
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> By contrast, a 64-year-old earning the same amount would fare much worse. That person's $15,300 health plan would be offset by a $13,600 tax credit under current law, leaving the consumer responsible for $1,700. Under the Republican plan, health insurers would be free to charge older people more, raising that person's premium to $19,500. But the tax credit would be only $4,900, and that person's share of the premium would then be $14,600.

Sarah Kliff at Vox puts similar numbers this way: "the GOP plan would be bad for aging Americans with low incomes. CBO expects that a 64-year-old who earns $20,000 would see her premiums rise from $1,700 to $14,600 under the Republican plan — a 758 percent increase. She'd be expected to spend more than half her annual income on health insurance."

In an article further explaining the CBO report, Kliff points out that the CBO doesn't always get its predictions exactly correct. For example, when reviewing the ACA, it overestimated how many people would buy insurance through the marketplace (it originally predicted 26 million enrollees but revised that number last year to 15 million). At the same time, it underestimated the number of people Medicaid expansion would cover. In the end, however, the two erroneous predictions canceled each other out, and the ACA ended up covering as many folks as the CBO predicted.

It turns out that, despite what Trump and the White House claim, the CBO provides the best analysis we have regarding how the Republican health bill will affect the United States.

You can read and download the 28-page CBO report here.

And for a related POZ article, read "AIDS Groups React to the GOP's Health Care Plan: 'Please Vote NO.'"

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