

The American Health Care Act Impact on Cancer Patients and Survivors



Numerous provisions of H.R. 1628, the American Health Care Act (AHCA), would adversely impact access to adequate and affordable health insurance coverage for cancer patients and survivors.

States Could Allow Pre-Existing Condition Exclusions

AHCA would allow states to apply for a waiver allowing insurance plans to medically underwrite people who experience a gap in insurance coverage of more than 63 days. The Kaiser Family Foundation estimates that 27 percent of Americans have a pre-existing condition that would likely leave them uninsurable if medical underwriting is used.¹ Many cancer patients stop working for a period of time during treatment and risk losing coverage, thus falling into the coverage gap. This change could price many patients out of the market, leaving them uninsured.

Essential Health Benefits Could be Waived

AHCA allows states to waive minimum essential health benefits (EHB) which insurers must currently provide to ensure patients receive a core set of benefits. Current law limits the out-of-pocket costs that patients have to pay for EHB services, and plans are not allowed to impose lifetime and annual limits on those services. The EHB standards are particularly important for cancer patients because treatment is expensive. Before lifetime and annual limits were prohibited, many patients – even in employer-sponsored plans – reached these limits and were left with unaffordable bills and sometimes bankrupted.

Older Cancer Patients and Survivors Will be Charged More

Current law allows age rating at 3:1. AHCA proposes to increase age rating to 5:1 which means older Americans could be charged five times as much in premiums as younger Americans. Moreover, states could choose to allow an even higher (but not lower) age ratio. Because the incidence of cancer increases dramatically with age, this change will directly and adversely impact cancer patients and survivors, pricing many out of the market.

Inadequate Subsidies for Purchasing Insurance

Currently, low-income individuals can receive advance premium tax credits – based on income – to help pay for premiums. AHCA replaces these tax credits in 2020 with age-adjusted subsidies that range from \$2,000 for individuals under age 30 to \$4,000 for individuals over age 60. Neither the cost of care nor premiums is factored into the amount of the tax credit, and those living in high-cost areas would pay much more out of pocket for premiums. On average, the bill's subsidies will be less generous than the health care law's advance premium tax credits, leaving individuals – particularly those who are older and/or have lower incomes – with higher costs.

Medicaid Quality and Access for Cancer Patients Jeopardized

Medicaid is a critical safety net for millions of Americans with cancer, as well as for children, the elderly, and persons with disabilities. Approximately, one-third of all childhood cancer patients are enrolled in Medicaid at the time of diagnosis and 1.5 million cancer patients receive their coverage through Medicaid. AHCA would reduce Medicaid funding by \$880 billion, jeopardizing health care coverage for millions of low-income Americans by forcing states to limit enrollment and cut access to life-saving treatments.

¹ Kaiser Family Foundation. Pre-Existing Conditions and Medical Underwriting in the Individual Insurance Market Prior to the ACA. December 2016. <http://files.kff.org/attachment/Issue-Brief-Pre-existing-Conditions-and-Medical-Underwriting-in-the-Individual-Insurance-Market-Prior-to-the-ACA>