A State Alternative to Obamacare

December 5, 2016

Gives patients the power by:

● making enrollment easy
● requiring price transparency
● eliminating mandates
● transferring power over insurance back to patients and state governments
Republicans must maintain three values heading into 2017:

1) Provide health care coverage to the uninsured

2) If you like what you have you can keep it—AND WE MEAN IT!

3) Respect states’ rights, giving states options to choose from and include states in the repeal and replace process
Congress enables repeal/replace of Obamacare by states

State’s Choice

State opts for no credits nor Medicaid expansion

State Alternative

State opts to stay in Obamacare
Congress Passes Obamacare repeal with 3-4 year phase out, replacing with state option

- 2017
- 2018
- Midterm
- 2019
- Presidential

State legislatures choose among options & how to enroll residents

- 116th Congress sworn in
- States implement replace option of choice

State can choose to opt in to alternative at any time
### Lower Costs by...

**Repealing Federal Mandates**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Obamacare</th>
<th>Alternative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Mandate Penalty</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Employer Mandate Penalty</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Federal Essential Health Benefits Mandates</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Federal Actuarial Value Mandates</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Federal 3-1 Age Band Requirement</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>
Money Made Available to States

Obamacare Tax Credits + Obamacare Medicaid expansion funding = Total Allocation
Enrollment

- State could choose to use tax credits, enrolling eligible Americans automatically with optional opt-out by individual.

- Similar to automatic Medicare enrollment at age 65.

- Could achieve 95% enrollment, restoring stability and actuarial soundness to insurance market through the law of big numbers.
Funding Goes Directly to the PATIENT

States: no state exchange & may choose:

1) Per Capita Block Grant Funding

or

2) Federal Tax Credit Funding

but

A federal or state tax credit goes to patient to purchase health coverage
Patients use HSA to Purchase Health Coverage
Lower Costs by…
Equalizing Tax Treatment

Uninsured/ACA Coverage
Avg. HSA Proposed Credit: ~$2,500/person*

Public Insurance
(Medicare, Medicaid, etc.)
Avg. Govt. Spending:
$7,567/person

Employer-Sponsored Insurance
Avg. Tax Benefit:
$1,900/person

*Tax credit is adjusted for age and geography
Patients have the Power of…

**Portability, Protection and Price Transparency**

Patients can move between health insurance plans without penalty during open enrollment.

Continuous coverage protects those with pre-existing conditions.

Providers must publish cash price for services reimbursed from a HSA.