



NEWS RELEASE

9/21/17

FOR IMMEDIATE RELEASE

For more information, contact:

Jim Carnes at (334) 832-9060 | jim@alarise.org

Graham-Cassidy health plan would cost Alabama \$27 billion through 2036

Proposal also would put pre-existing condition protections at risk for more than 2 million Alabamians

Alabama would lose \$27 billion in federal health care funding through 2036 if the Graham-Cassidy health care plan becomes law, according to [a new study by Avalere Health, an independent analysis firm](#). The proposal also would open the door to [erosion or elimination of pre-existing condition protections](#) for more than 2 million Alabamians with cancer, diabetes or other medical conditions.

The plan temporarily would divert federal funding from states that expanded Medicaid to cover low-income adults to states like Alabama that have not, but the gains would disappear in 2027. Medicaid expansion in Alabama would generate at least as much new federal money through 2026 as Graham-Cassidy – and likely more, according to research from the University of Alabama at Birmingham.

“Every state would be a loser under Graham-Cassidy, and Alabama is no exception,” Arise Citizens’ Policy Project policy director Jim Carnes said Thursday. “Over time, this bill would wreck our state’s General Fund budget and force enormous Medicaid cuts that would hurt children, seniors, and people with disabilities across Alabama. We urge Congress to reject this harmful plan and work together in a bipartisan way to strengthen our country’s health care system.”

The amendment, sponsored by Sens. Lindsey Graham, R-S.C., and Bill Cassidy, R-La., would:

- Cost Alabama [\\$27 billion in federal health care funding through 2036](#).
- Force deep cuts to Medicaid, which covers more than 1 million Alabamians – almost all of whom are children, seniors, pregnant women, or people with disabilities.
- Imperil [vital protections that keep coverage affordable for more than 2 million Alabamians](#) with pre-existing conditions.

The risks to Medicaid and rural health care in Alabama

The Graham-Cassidy plan would end both Medicaid expansion for low-income adults and subsidies for individual plans under the Affordable Care Act. (Alabama has not expanded Medicaid, but more than 140,000 Alabamians receive subsidies for individual ACA coverage.) In their place, the Graham-Cassidy plan would give states a block grant that would not increase in response to growing

costs or enrollment. The plan also would impose a per capita (or per-person) cap on federal Medicaid funding.

“This bill plays bait-and-switch with Alabama’s federal health care funding,” Carnes said. “The temporary gain wouldn’t be worth wreaking long-term havoc on our state’s health care system.”

At the same time, the Medicaid cap would force Alabama and all other states to pick up an increasingly larger share of health care funding. The result would be either higher state taxes or – perhaps more likely – deep cuts to Medicaid, which covers more than one in five Alabamians, almost all of whom are children, seniors, pregnant women, or people with disabilities.

Such cuts would be devastating for Medicaid patients, and they also would be bad news for rural communities across Alabama, where Medicaid plays a huge role in helping many hospitals and clinics stay open. Closure of those facilities would harm not just Medicaid patients but people with private insurance coverage as well.

The risks to Alabamians with pre-existing conditions

The Graham-Cassidy plan’s threats to Alabamians with private insurance would not end there. The bill also could put essential consumer protections at risk for more than 2 million Alabamians who have pre-existing health conditions like asthma, cancer, diabetes or heart disease.

Under the ACA, insurers are not allowed to charge higher premiums based on an applicant’s health history. The ACA also requires insurance plans to cover 10 “essential health benefits,” including maternity care, prescription drugs and mental health care, and forbids insurers to impose annual or lifetime coverage limits for those services.

The Graham-Cassidy proposal would allow states to seek waivers of those protections for any insurance plan subsidized by block grant funding. States seeking waivers would have to explain how they “intend” to keep insurance affordable for people with pre-existing conditions, but the bill does not set a clear definition of affordability.

If the ACA’s protection against higher premiums based on health status disappeared, many Alabamians with pre-existing conditions could see premiums soar by tens of thousands of dollars a year, effectively pricing them out of the insurance market. And if maternity care, mental health care or other services were no longer deemed to be “essential health benefits,” insurers once again could impose annual or lifetime coverage limits on them – or refuse to cover them at all.

“We can’t afford to return to the bad old days when people were punished with soaring premiums just because they got sick,” Carnes said. “Congress needs to stop trying to undermine consumer protections and start working together to ensure that all Americans can get quality, affordable health care when they need it.”

#

[**Arise Citizens’ Policy Project**](#) is a nonprofit, nonpartisan coalition of congregations, organizations and individuals promoting public policies to improve the lives of low-income Alabamians.