

The San Francisco Department of Public Health

Federal Update

Budget & Finance Federal Select Committee
March 23, 2017



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Introduction

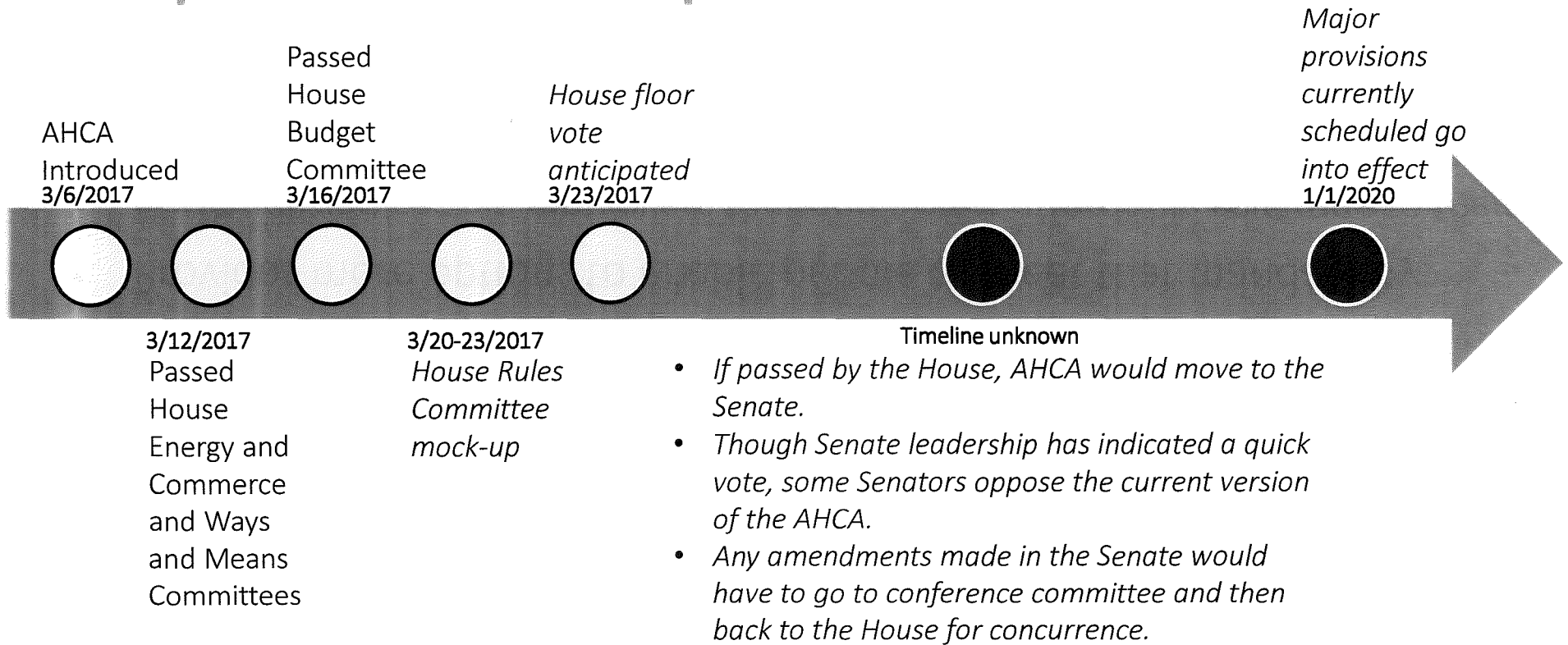
San Francisco has seen success in implementation of the Affordable Care Act

The **American Health Care Act (AHCA)** has been introduced to repeal and replace the Affordable Care Act

There is **significant uncertainty** about the AHCA

- Unclear whether the AHCA will pass
- If the AHCA does pass
 - *It may look different than the current version*
 - *Many details will be left to the Administration to interpret*
 - *What California does in response will be as important as federal level actions*

Proposed AHCA Implementation Timeline*



3/23/2017

*This is the timeline currently projected by Congressional Republican leadership but may be subject to change.

The Affordable Care Act

Signed into law by President Obama on 3/23/10, the **Affordable Care Act (ACA)** :

- Requires everyone to have health insurance (called the **Individual Mandate**)
- Provides more options to enable people to meet that mandate by:
 - *Penalizing certain employers that don't offer affordable coverage to their employees (called the **Employer Mandate**)*
 - *Providing subsidies to enable low-to moderate-income individuals to purchase private insurance (called the **Exchange Subsidies**)*
 - *Providing states with additional funding and the option to insure low-income adults in the Medicaid program (called the **Medicaid Expansion**)*



The Affordable Care Act in San Francisco

San Francisco has seen success in the implementation of the ACA.

- **133,000 San Franciscans** have ACA-insurance
 - *93,000 new Medicaid (Medi-Cal) enrollees*
 - *40,000 insured through Covered California*
- Uninsurance rate cut in half
- More San Franciscans assess their own health as good or better
- Fewer San Franciscans delaying needed care



The American Health Care Act

On 3/6/17, House Republican leadership introduced the American Health Care Act (AHCA), to **repeal and replace the Affordable Care Act**.

As currently proposed, the AHCA would:

- **Repeal** the individual and employer **mandates**
- **Repeal** the income-based **exchange subsidies** and replace them with age-based subsidies
- **Reduce** federal Medicaid funding to states like California that opted into the **Medicaid Expansion**
- **Restructure** the **pre-ACA Medicaid** program by capping federal funding

California's Role

California's policy response to the passage of the AHCA, if it occurs, **is as important as the federal action.**

If the AHCA is passed:

- California will receive **less federal Medicaid funding**, beginning largely in 2020.
- With less federal funding, **California could look to trim its Medi-Cal budget** in the following ways:
 - *Reduced reimbursement to providers*
 - *Reduced eligibility for services*
 - *Reduced set of services available to beneficiaries*



Potential Impact of the AHCA on San Francisco

The actual impact of the AHCA will depend on:

- specifics in final bill (if passed)
- California's policy response

Coverage for 133,000 San Franciscans who obtained insurance under the ACA could be lost or reduced:

- 93,000 obtained coverage through the Medicaid expansion
- 40,000 people enrolled in Covered California

Potential Impact of the AHCA on San Francisco

Of the 133,000 San Franciscans in ACA insurance:

- $\sim\frac{1}{4}$ receive their care through SFDPH
- $\sim\frac{3}{4}$ receive their care in other SF health systems
- Some or all of these individuals could lose their insurance or have their benefits reduced

To **preserve the gains we have made as a result of the ACA**, we would need to determine how we can maintain continuity of care for this population.

The **Healthy San Francisco** infrastructure remains in place.



President's Budget

President's "skinny" budget provides very little detail on health spending

- Health & Human Services budget to see an 18% decrease
- Specifics of how that will be achieved are not provided
- Budget proposal excludes spending on entitlement programs, like Medicaid

Not enough detail to determine the impact on SFDPH

Additionally, any reductions will likely also be impacted how California responds.



What is SFDPH doing to prepare?

Advocacy

- Regular communication with the city's federal and state lobbyists
- Working with our federal and state delegations
- Working with our national and statewide associations

Maximizing current programs

- Ensuring we are maximizing revenues that we are eligible for
- Educating clients/patients that nothing has changed and they can continue to access services

Analyzing the impact on the current health care environment

- San Francisco remains committed to ensuring health care access for our residents.
- We will continue to work toward this goal alongside our healthcare partners citywide, as we did when we created Healthy San Francisco.

