

The Dangers of the AHCA for Older Adults

Because of the Affordable Care Act (ACA), more older adults get health insurance coverage and receive the supports they need to remain in their homes as they age. The American Health Care Act (AHCA), the Republican “repeal and replace” bill, would take away health insurance for 24 million Americans and cut Medicaid funding by 25 percent over the next ten years. Here are just some of the dangers for older adults if the AHCA is enacted.

AHCA Would Slash Medicaid

Over [six million older Americans rely on Medicaid](#) every year for necessary health care services. [According to the Congressional Budget Office \(CBO\)](#), the AHCA will cut Medicaid by \$880 billion over the next ten years.

- These dramatic cuts to the Medicaid program overall would be devastating for the older adults and people with disabilities whose care makes up nearly half of Medicaid spending.
- For adults 65 and over, Medicaid would be capped, providing only a limited per-person amount that would not keep up with medical costs. We know that as more adults age into their 80s and beyond, their health care costs go up. Adults age 85 and over [incur 2.5 times more Medicaid costs than those 65-74](#).
- This capped funding for Medicaid would place tremendous pressure on state budgets, and result in rationing care for older Americans.

Older Adults with Long-Term Care Needs Will Suffer

- Older adults who need Medicaid to get assistance with daily activities would see that assistance shrink, as states cut eligibility, services, and programs. Provider rates would go down, and seniors would have reduced access to care.
- [Six in ten nursing home residents rely on Medicaid](#). If Medicaid funding is capped, they could be without care, or in nursing homes that lack staffing or oversight, leading to abuse and neglect.
- Programs that provide at-home services that allow older adults and people with disabilities to stay in the community will be cut just as the population is aging and the need for such services is growing.

The Age Tax Would Hurt Older Adults Age 55-64

- The AHCA would allow insurers to charge five times more for older adults. This would mean that premiums would be substantially higher, and would amount to an “age tax.”
- Further, AHCA tax credits would not be linked to the cost of medical insurance and would be much less than current tax credits, harming older and poorer adults most.
- For example, a single 64-year old with an income of \$26,500 would have to pay a staggering \$14,600 a year in premiums, more than half of what he has available to live on. That compares to \$1,700 a year under the Affordable Care Act, an increase of more than 750%.
- The AHCA would allow insurance policies sold on the marketplace to have higher deductibles, increasing out-of-pocket costs for older adults.
- The AHCA creates a new continuous coverage requirement. People who don’t maintain continuous insurance coverage could be charged a 30% penalty on their monthly premium. Those with pre-existing conditions (eight out of ten adults age 55-64) [would face increased costs or be excluded entirely if insurance becomes unaffordable.](#)

The AHCA Effectively Ends Medicaid Expansion for Adults 55-64

- The Affordable Care Act expanded coverage for individuals age 55-64 through the Marketplaces and Medicaid expansion. However, [the AHCA freezes the Medicaid expansion](#) and would mean more uninsured older adults, who lack employer coverage, and cannot afford other private coverage. As a result, more older adults would enter Medicare in poor health.

The AHCA Undermines the Financial Stability of Medicare

- The AHCA cuts Medicare payroll taxes for the wealthiest Americans, decreasing Medicare revenues by \$177 billion, according to the CBO. [This will shorten the life of the Medicare Trust Fund by four years](#) and put health care for older adults in jeopardy.
- Medicaid and Medicare are bedrock programs that older adults rely on for care. Enacting the AHCA places these programs, and the older adults and their families who rely on them, in peril. Seniors can’t afford these risks.