



# Improving Access to Quality, Affordable Health Care for Low-Income Americans

## THE PROBLEM

Obamacare jammed millions of able-bodied adults into Medicaid—a program specifically created to help disabled, elderly, and children below the poverty line access health care.

Medicaid was already facing challenges before Obamacare. The program has long been one of the top financial burdens for states, and continues to consume rapidly rising portions of their budgets each year. Consequently, before Obamacare many states limited Medicaid eligibility and reduced benefits in order to manage costs. Doctors were unable or unwilling to take on more Medicaid patients due to low reimbursement rates or burdensome paperwork and regulatory requirements, making it difficult for many beneficiaries to find specialists willing to treat them.

But Obamacare's reckless expansion of the program made these challenges worse—leading to even fewer choices and less access to quality care, and jeopardizing this critical lifeline for the nation's most vulnerable patients.

Other low-income Americans who were not pushed into Medicaid were instead forced into Obamacare's collapsing insurance market with skyrocketing premiums they cannot afford. Like Medicaid, fewer doctors are accepting Obamacare insurance, making it difficult for low-income individuals and families to visit the doctor they like or get the treatment that's right for them.

Despite being "covered" by Medicaid or expensive and inadequate Obamacare insurance, individuals and families are not getting quality care. This is not the health care system Americans were promised.

## THE SOLUTION

Unlike Obamacare, the *American Health Care Act* gives states and communities the tools to refocus Medicaid to best serve the most vulnerable patients, as well as promote competition and choice to strengthen the individual insurance marketplace and drive down costs. The legislation also gives low-income Americans freedom and flexibility like they've never had before to access quality, affordable care that's tailored to their needs. Here's how:

**Modernizing and strengthening Medicaid** by focusing the program's resources toward disabled, elderly, and children living in poverty—those who need this critical lifeline the most—and giving states the flexibility to tailor the program for their patients. This strengthens and preserves the



program for future generations. Instead of dumping millions more people on Medicaid, our plan helps other low-income Americans access the care they want and need by transitioning them out of a flawed government program and into a more robust individual insurance marketplace with lower costs and more choices.

**Helping low-income Americans access health care options that are right for them**—not options tied to a government website and dictated by Washington. Under our legislation, low-income individuals and families who do not receive insurance through work or a government program like Medicaid will be eligible to receive a monthly tax credit they can use to purchase coverage that is right for them. Unlike Obamacare’s flawed subsidies, our credit is based on age, so low- and middle-income individuals will not be penalized by losing some or all of this credit when they work their way up the income ladder. People can use this tax credit to help fund the premiums for the plan of their choice—a freedom people do not have under Obamacare.

**Establishing a Patient and State Stability Fund**, which provides states \$100 billion a year over 10 years to repair state marketplaces damaged by Obamacare and design programs that meet the unique needs of their patient populations. States could use these resources to cut out-of-pocket costs, like premiums or deductibles, or promote access to preventative services like getting an annual check-up or visiting the dentist.

**Delivering relief from Obamacare’s crushing taxes and mandate penalties.** Our legislation repeals nearly \$900 billion in Obamacare taxes and mandate penalties that have driven up costs for consumers, stifled job creation and wage growth for workers and families, and jeopardized access to care. We deliver relief from the following Obamacare taxes—which will directly benefit low- and middle-income Americans:

- Individual Mandate
- Employer Mandate
- Cadillac Tax
- Restrictions on the use of HSAs for over-the-counter drugs without a prescription
- Increased Tax on HSA distributions
- Limitations on FSAs
- Tax on Prescription Medications
- Medical Device Tax
- Health Insurance Tax (HIT)
- Increased thresholds for the Medical Expense Deduction
- Tanning Tax

**Restoring incentives to work and achieve the American Dream.** Obamacare discourages work, including by dramatically raising taxes and removing benefits as people work and earn more. According to CBO, Obamacare’s taxes and mandates could result in 2 million full-time-equivalent workers leaving the labor force by 2025. Instead, our reforms will help strengthen the economy, restore jobs, and improve wages by focusing on competition and driving down insurance costs for both job creators and workers alike.