

# U.S. SENATOR BOB CASEY



RANKING MEMBER *Special Committee on Aging*

## Older Americans in Delaware with Pre-Existing Conditions Likely to Be Priced Out, Kicked Out of Health Coverage under Republican American Health Care Act

Republicans in the U.S. House of Representatives passed the American Health Care Act (AHCA), which will result in higher premiums and less security for the 127,301 people age 55 to 64 in Delaware.<sup>1</sup>

**Insurance Companies Will Once Again Discriminate Based on Health Status.** Under current law, older Americans have the security of knowing that insurance companies are prohibited from discriminating against individuals with pre-existing conditions, like dementia, cancer and diabetes. The AHCA jeopardizes the care that 95,500 adults ages 55 to 64 in Delaware with a pre-existing condition receive.<sup>2</sup>

Under the AHCA, states can allow insurance companies to charge individuals with pre-existing conditions more for coverage. This will likely disproportionately impact the care older adults receive since they are more likely to be diagnosed with a disease or condition than younger adults. This is compounded by the fact that the AHCA also allows insurance companies to impose an “age tax” on older Americans (charging older adults 5 times more than younger adults) and significantly reduces the amount of financial support many older Americans will receive to help make health insurance affordable. Older adults with pre-existing conditions are among the most likely to be priced out of the health insurance market. ([Read more here.](#))

**Older Adults with Pre-Existing Conditions May Be Segregated into High-Risk Pools.** Prior to 2009, 35 states operated state-based high-risk pools. Some individuals paid 200% more than the average person in the state insurance market. Moreover, nearly all state high-risk pools refused to cover pre-existing conditions for between 6 and 12 months, and 33 states imposed limits on covered services. Some states even capped or closed enrollment in these pools.<sup>3</sup> The House-passed AHCA encourages states to resurrect these high-risk pools to replace current protections. For older, sicker adults, being segregated in underfunded high-risk pools could be devastating for their health and well-being.

**Insurance Companies Will Be Allowed to Decide the Benefits Covered.** Prior to 2009, families risked bankruptcy due to a pre-existing condition. That is because, in many cases, insurance companies determined the benefits covered. For example, 9 percent of people in the individual market lacked coverage for prescription drugs.<sup>4</sup> Now, prescription drugs are considered an essential health benefit and must be covered by insurance.

The AHCA allows states to decide what is and is not covered. That means, for example, that the two-thirds of people age 45 to 65 who used a prescription drug in the last 30 days could be without the coverage needed to manage their diabetes or address hypertension.<sup>5</sup>

It also means that older adults might not be protected from extreme out-of-pocket expenses. Current law prohibits annual and lifetime dollar limits on coverage for services that are essential health benefits. So, when the Republicans’ weaken essential health benefits, they expose older Americans to higher out of pocket cost for essential services. These potentially catastrophic costs could, once again, put older Americans at unsustainable financial risk.

## The AHCA Puts the Health and Financial Security of Millions of Older Americans at Risk.

- ❖ **AHCA allows insurance companies to once again discriminate against people with pre-existing conditions.**
- ❖ **AHCA will segregate people with pre-existing conditions into high-risk pools, which are costlier, can limit coverage for certain illnesses and conditions and place a cap on coverage.**
- ❖ **AHCA ends nationwide benefit protections and puts older Americans at financial risk.**

<sup>1</sup> Estimates from the U.S. Census Bureau, Current Population Survey <https://www.census.gov/programs-surveys/cps.html>

<sup>2</sup> Center for American Progress. Number of Americans with Pre-Existing Conditions by Congressional District <https://www.americanprogress.org/issues/healthcare/news/2017/04/05/430059/number-americans-pre-existing-conditions-congressional-district/>

<sup>3</sup> Kaiser Family Foundation. Pre-Existing Conditions and Medical Underwriting in the Individual Insurance Market Prior to the ACA. <http://kff.org/health-reform/issue-brief/pre-existing-conditions-and-medical-underwriting-in-the-individual-insurance-market-prior-to-the-aca/>

<sup>4</sup> Center for Budget and Policy Priorities. Eliminating Federal Protections for People with Health Conditions Would Mean Return to Dysfunctional Pre-ACA Individual Market. <http://www.cbpp.org/research/health/eliminating-federal-protections-for-people-with-health-conditions-would-mean-return>

<sup>5</sup> The Centers Disease Control and Prevention. Health, United States, 2015. <https://www.cdc.gov/nchs/data/aus/aus15.pdf>

