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PRESS RELEASE**Impact of the American Health Care Act: How Repeal and Replace Could Affect North Carolina**

MORRISVILLE, NC (June 1, 2017)

The North Carolina Institute of Medicine (NCIOM) today published an issue brief reviewing the American Health Care Act passed by the US House of Representatives on May 4, 2017. The AHCA was designed to “repeal and replace” the Patient Protection and Affordable Care Act (ACA), also known as Obamacare, through the Fiscal Year (FY) 2017 budget reconciliation process.¹ Although the AHCA is not yet law, as the leading legislation on health reform in Congress right now, it is important to consider the potential impact of the AHCA on North Carolina. Key findings from the issue brief include:

- The AHCA would change federal funding for Medicaid to a per capita allotment. This would limit federal liability for the Medicaid program and place more risk on state budgets. **With the federal government contributing less, North Carolina would need to decide whether to contribute more to support Medicaid at current levels or reduce spending.**
- The AHCA repeals the individual health insurance mandate and changes the tax credit system for individuals who purchase their own insurance. Health insurance subsidies under the AHCA would, on average, be less generous than under the ACA. **Older and poorer North Carolinians will face higher costs while younger and more affluent North Carolinians will enjoy lower costs.**
- Under the AHCA, **states can decide to waive the requirements for essential health benefits**, which would result in less comprehensive plans, and community ratings, which would allow health insurance companies to charge individuals with pre-existing conditions more. Both options would lower insurance costs for many North Carolinians while raising costs for others.

Issue brief available at: <http://www.nciom.org/wp-content/uploads/2017/06/ACHC-Issue-BriefFINAL.pdf>

About the North Carolina Institute of Medicine:

The North Carolina Institute of Medicine (NCIOM) is an independent, quasi-state agency that was chartered by the North Carolina General Assembly in 1983 to provide balanced, nonpartisan information on issues of relevance to the health of North Carolina’s population. The NCIOM convenes task forces of knowledgeable and interested individuals to study complex health issues facing the state in order to develop workable solutions to address these issues to improve health, health care access, and quality of health care in North Carolina. Visit www.nciom.org for more information.

¹ Reconciliation is a congressional tool that allows for expedited consideration of certain tax, spending, and debt limit legislation, according to strict rules. In the Senate, reconciliation bills are not subject to filibuster, the scope of amendments is limited, and can pass with a simple majority of 51 votes, rather than the typical two-thirds majority.