



May 4, 2017

## **“I have a pre-existing medical condition. What will happen to me under the House plan to repeal and replace Obamacare?”**

### *Questions & Answers*

#### **1. Will insurance companies be able to refuse to cover me because of my illness?**

No. The House plan maintains “guaranteed issue” that requires insurers to cover individuals regardless of health status.

#### **2. Will insurers be able to charge me higher premiums because of my illness?**

No, as long as you continue to have health insurance and aren't without it for more than 63 days of the year. Individuals who maintain health insurance will be protected with “community rating” that prohibits insurers from charging higher premiums due to your health.<sup>1</sup>

- *You can't be denied coverage.*
- *You won't be charged higher premiums if you maintain coverage.*
- *You have options even if you don't maintain coverage.*
- *You'll have the benefit of other reforms to lower costs and increase your choices.*

#### **3. What happens if I go without insurance for more than 63 days?**

You still cannot be denied insurance. However, insurers will place a 30 percent surcharge on your premium for one year unless you are in a state that receives a waiver. The surcharge helps stabilize premiums for everyone by preventing people from buying insurance only when they become ill. The surcharge doesn't discriminate against people with pre-existing conditions because it also applies to healthy individuals.<sup>2</sup>

#### **4. What happens if I live in a state with a waiver?**

If you maintain health insurance, nothing happens. You still have community rating protections. However, if you go without insurance for more than 63 days, no surcharge applies but insurers can charge higher premiums based on health status. This health status rating would only apply during the year following your lapse in coverage.<sup>3</sup>

**5. If I go without insurance for more than 63 days and live in a waiver state, what protections do I have from unaffordable premiums?**

States will not be able to receive a waiver unless they (1) maintain a program that helps cover costs for people with pre-existing medical conditions, such as an invisible risk pool in the individual market or a separate high-risk pool outside the individual market, and (2) show the waiver will reduce premiums, increase enrollment, or otherwise stabilize the market.<sup>4</sup>

**6. I've heard that some insurers have defined being female as a pre-existing condition and charged women higher premiums. Could a waiver state allow insurers to charge higher premiums based on gender?**

No. Insurers are prohibited from charging discriminatory premiums based on gender.<sup>5</sup>

**7. So I won't be denied coverage and I won't be charged more as long as I maintain coverage. But my insurance premiums have skyrocketed under Obamacare and I've lost choices of insurers, doctors and hospitals. Will the plan do anything else to help with that?**

The plan includes many reforms to reduce your costs and increase choices, such as:

- A Patient and State Stability Fund to lower costs for patients and stabilize state insurance markets;<sup>6</sup>
- An additional \$15 billion for state-run invisible risk pools that help cover the cost of enrollees with expensive medical conditions in the individual market,<sup>7</sup> with an additional \$8 billion for high-risk pools to added by the Upton amendment;
- Reforms to Obamacare's age band restrictions that have made insurance unaffordable for the young and healthy enrollees that are needed to keep insurance costs down for everyone in the insurance pool;<sup>8</sup>
- Tax credits for buying insurance that increase with age;<sup>9</sup>
- Improved Health Savings Accounts that combine the benefit of a low-premium high-deductible health plan with a tax-favored way to afford the deductible and copayments;<sup>10</sup>
- Repeal of \$1 trillion in Obamacare tax hikes, including taxes on health insurance and health products that raise costs for consumers;<sup>11</sup> and
- A waiver that would allow states to design their own package of "essential health benefits" that insurers must cover (rather than a one-size-fits-all federal list) so their residents aren't forced to pay for coverage they don't want and will never use.<sup>12</sup>

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<sup>1</sup> See section 133 of the American Health Care Act of 2017 (AHCA), found at <https://www.congress.gov/bill/115th-congress/house-bill/1628/text>.

<sup>2</sup> Section 133 of AHCA.

<sup>3</sup> Section 136 of AHCA as added by the MacArthur amendment, found at <http://www.politico.com/f/?id=0000015b-a790-d120-addb-f7dc0ec90000>.

<sup>4</sup> Section 136 of AHCA.

<sup>5</sup> Section 137 of AHCA as added by the MacArthur amendment.

<sup>6</sup> Section 132 of AHCA.

<sup>7</sup> Section 132 of AHCA.

<sup>8</sup> Section 135 of AHCA.

<sup>9</sup> Section 214 of AHCA.

<sup>10</sup> Sections 215-217 of AHCA.

<sup>11</sup> Title II of AHCA.

<sup>12</sup> Section 136 of AHCA.