



Cost Sharing Reductions – What They are And What’s at Stake RIGHT NOW (August 2017)

Obamacare provides subsidies – called Cost Sharing Reductions (CSRs) – to help people with lower incomes pay for out-of-pocket costs like deductibles and co-payments. Under the Affordable Care Act, six million people get CSRs and in 2016, 156,500 Illinois Marketplace enrollees received CSRs.

The House Republican bill (American Health Care Act) would have eliminated these subsidies in 2020. Versions of the Senate bill, none of which have passed yet, would also have phased out these subsidies. A Bi-Partisan group in Congress called the Problem Solvers has said that they want to stabilize the markets and pay CSRs but they have not brought a bill forward yet.

Unfortunately, President Trump can effectively eliminate the subsidies in the meantime if he stops paying the CSRs which he has repeatedly threatened to do and just let “ObamaCare implode.” At this point, he has not committed to paying the next CSR payment in August 2017. If Trump does not pay the next CSR installment, states or insurance companies might sue the federal government for payment, but we are not certain that they will.

The President could also drop the defense of a lawsuit (*House v. Price*) to stop the payment of CSRs. *House v. Price* is a dispute about whether or not the federal government is allowed to spend money for the CSRs. The House argues that the administration should not be paying for the CSRs without a formal and explicit appropriation from Congress; the Obama administration argued that the ACA itself does authorize the spending, because it is tied to an official appropriation for premium tax credits. The case is now before the D.C. Circuit Court of Appeals, which has put the case on hold with regular status updates. In August 2017, the Court ruled that State Attorneys General, including the AG of Illinois, could join the lawsuit and defend the CSRs on behalf of their state residents, so even if Trump fails to defend the CSRs, states could now defend them in court. **The next report is due to the court on October 30th.**

Without the CSR payments, insurance companies will lose money and some may go bankrupt. Many would exit the markets.

What can consumers and advocates do?

The future of cost-sharing reductions is jeopardized by repeal and replace proposals. GOP replace proposals don’t include robust programs to lower deductibles and other cost-sharing for consumers with low to middle incomes.

- Tell your representative in Congress (1-866-877-3303) that the financial help low- and middle-income consumers receive to reduce their deductibles, other cost-sharing, and premiums is essential.

- [Share your stories](#) about why premium credits and cost-sharing reductions, called “extra savings” on HealthCare.gov, are important to you.
- Send a clear message to the Trump administration that health care and coverage must continue and must be affordable, including for low and middle income consumers.
- Tell the Illinois Department of Insurance to take steps to protect consumers from the uncertainty around the payment of CSRs by keeping our markets competitive and increasing premium assistance to make up for any loss of subsidies. Email: DOI.InfoDesk@illinois.gov

Marketplace Enrollment and Financial Help by Congressional District in Illinois			
Congressional District, 115th Congress	Estimated Marketplace enrollees, 2016	Estimated marketplace enrollees with advance premium tax credits, 2016	Estimated marketplace enrollees with cost sharing reductions, 2016
Illinois District 1	19,400	13,900	9,200
Illinois District 2	18,400	13,500	8,800
Illinois District 3	19,400	13,900	9,200
Illinois District 4	19,500	13,800	9,300
Illinois District 5	19,900	14,300	9,500
Illinois District 6	22,600	17,800	10,600
Illinois District 7	19,500	13,800	9,300
Illinois District 8	21,100	15,900	10,000
Illinois District 9	19,500	13,800	9,300
Illinois District 10	21,200	16,100	9,900
Illinois District 11	20,200	16,200	9,700
Illinois District 12	14,500	12,400	6,800
Illinois District 13	14,300	12,100	6,600
Illinois District 14	20,900	16,900	9,600
Illinois District 15	16,800	14,300	7,200
Illinois District 16	17,200	15,000	7,700
Illinois District 17	16,300	14,000	7,300
Illinois District 18	14,400	12,200	6,500
TOTAL	335,100	259,900	156,500

Source: Marketplace Enrollment by Congressional District | The Henry J. Kaiser Family Foundation. For methodology, see: <http://kff.org/interactive/interactive-maps-estimates-of-enrollment-in-aca-marketplaces-and-medicaid-expansion/> [What Trump Can Do Without Congress to Dismantle Obamacare](#) and [House v. Price Case Threatens Health Care for Millions](#)

Protect Our Care Illinois is a statewide coalition of health care advocates, providers, consumers, and workers, standing together to protect and expand access to quality affordable health care provided by the Affordable Care Act and Medicaid.

www.protectourcareil.org

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