



TrumpCare Eliminates Essential Health Benefits

Committee on Energy and Commerce, Democratic Staff

March 24, 2017

In order to cater to the ideological demands of their right wing Freedom Caucus members, House Republicans are gutting protections for Essential Health Benefits, thus making a bad bill substantially worse for consumers.

Before the ACA, there were virtually no nationwide rules on what health insurance plans had to cover in the individual and small group market.

- Some states set standards, but among enrollees in the individual market in 2011:
 - 62 percent lacked maternity coverage;
 - 34 percent lacked coverage for substance use disorder treatment;
 - 18 percent lacked coverage for mental health services; and
 - 9 percent lacked prescription drug coverage.¹
- With these bare bones plans, Americans risked insurmountable medical bills if an illness or injury struck. Individuals had a one-in-ten chance of incurring \$30,000 in medical bills in a given year.²

The ACA strengthened coverage by providing a number of protections for consumers, including the essential health benefits (EHBs).

- The law ensures that when consumers purchase health insurance on the individual market, they can be confident that their plan covers critical services in ten benefit categories. The ten categories of services are:
 - **Outpatient care**, such as a doctor's visit for the flu;
 - **Trips to the emergency room**, which can cost more than a month's rent;
 - **Inpatient treatment in the hospital**, which for an average three-day stay can cost \$30,000;
 - **Care before and after a baby is born**, which can cost \$50,000 for a C-section without insurance;
 - **Mental health and substance use disorder services**, which includes behavioral health treatment, counseling, and psychotherapy;
 - **Prescription drugs**, which nearly half of all Americans took in the last thirty days;
 - **Services and devices to help injured individuals recover, as well as those with disabilities or chronic conditions**, such as physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation;
 - **Lab tests**, which can have widely varying costs even for simple blood tests;
 - **Preventive services**, including counseling, cancer screenings, and vaccines to keep individuals healthy and manage chronic diseases; and
 - **Pediatric services**, including dental care and vision care for children.³

¹ Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, *Essential Health Benefits: Individual Market Coverage* (Dec. 16, 2011).

² Jeanne Lambrew, *Why the ACA's Basic Health Benefits Matter*, Century Foundation (Jan. 31, 2017) (online at https://tcf.org/content/commentary/refresher-acas-basic-health-benefits-matter/?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals).

³ Jeanne Lambrew, *Why the ACA's Basic Health Benefits Matter*, Century Foundation (Jan. 31, 2017) (online at https://tcf.org/content/commentary/refresher-acas-basic-health-benefits-matter/?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals).

- The law also ensured that consumers in the individual and small group market would not be subject to crippling costs, by prohibiting annual and lifetime limits on these ten categories of services, and limiting annual out-of-pocket spending for EHB benefits.

Eliminating EHBs will result in higher out of pocket costs and bare bones plans that don't cover the services individuals commonly need.

- TrumpCare eliminates the ACA's protections that require insurers actually cover services Americans commonly need, allowing states to define EHBs as narrowly or broadly as they please.
- Eliminating this requirement will make coverage meaningless for those who need care for pre-existing conditions- what good is coverage that doesn't cover the services you need?
- Eliminating this requirement also gives insurers the green light to once again discriminate against the sickest and costliest patients by designing "skinny" plans that cover very little, thereby resulting in higher costs for sicker patients who need true health coverage.