

WHAT YOU NEED TO KNOW:

The Affordable Care Act (ACA), or “Obamacare,” made many changes to our health care system that improved access to healthcare for millions of Americans, including by expanding Medicaid, creating new tax credits and subsidies that help low-income people buy insurance, and mandating that insurance cover many basic services such as mental health and substance use disorder services. The Senate is currently considering another bill to repeal the ACA: the Graham-Cassidy plan. This plan caps federal reimbursement in the traditional Medicaid program that has been in place since long before the ACA, resulting in compounding cuts every year, with particularly deep cuts after 2024. The plan also eliminates the Medicaid Expansion and the tax credits and subsidies in 2020, replacing that guaranteed healthcare coverage with a temporary, shrinking block grant that is eliminated altogether after 2026. It also allows states to waive protections against higher premiums for people with pre-existing conditions and the mandate that all insurance plans cover basic healthcare services, including mental health services.

Whose healthcare coverage is threatened by Graham-Cassidy?

South Dakotans on Medicaid will lose coverage under massive Medicaid cuts:

- More than **109,000** South Dakotans have Medicaid coverage. In 2016, almost **80,000** children in South Dakota relied on Medicaid for services and supports, and more than **36,000** South Dakotans with disabilities have health insurance through Medicaid. As cuts to traditional Medicaid deepen over time, these populations will see services disappear and eligibility tighten.

People and families who rely on ACA subsidies and tax credits to help pay for insurance will lose guaranteed coverage:

- In 2016, almost **22,000** South Dakotans, including **3,000** children, received subsidies and tax credits to help them pay for insurance. The Graham-Cassidy plan would eliminate these subsidies and tax credits in 2020, replacing them with an insufficiently funded temporary block grant.

People with pre-existing conditions will no longer have guaranteed protections from insurers refusing to cover them, charging them higher premiums, or denying coverage of needed services.

- In 2015, 25% or over **126,000** non-elderly South Dakotans had pre-existing conditions that would allow insurers to deny them coverage without the ACA protections. These protections will no longer be guaranteed under Graham-Cassidy.

What will Graham-Cassidy cost South Dakota?

Under Graham-Cassidy, South Dakota will initially receive additional funding, but the end of the temporary block grant and the caps and cuts to traditional Medicaid will lead to a Medicaid and healthcare budget crisis in the long term. Over the next ten years, South Dakota will see an increase of **\$1 billion** in federal funds (a 9% increase). This will drop off sharply after the temporary block grant ends and as the Medicaid cuts compound over subsequent years. By 2036, South Dakota will have lost **\$4 billion** in federal funds (an 18% reduction).