

The American Health Care Act (AHCA) Would Reduce Farmworkers' Access to Health Insurance

Farmworker Justice opposes efforts to repeal and replace the Affordable Care Act, including the revised American Health Care Act (AHCA), which would repeal and replace important provisions of the Affordable Care Act. These provisions include the individual mandate, the employer mandate, tax credit eligibility, and Medicaid, among others. The bill would result in fewer farmworkers being able to afford health insurance, ultimately reducing farmworker access to health insurance and health care.

How Would the AHCA Reduce Farmworker Access to Health Insurance

Under the Affordable Care Act, farmworkers and their families have made important gains in health insurance coverage. These gains are threatened by the AHCA.

Repeal of the Employer Mandate

The AHCA will immediately eliminate the penalty under the ACA's employer mandate. The employer mandate states that large employers, defined as employers with 50 or more full-time or full-time equivalent employees, must offer comprehensive and affordable health insurance coverage to their full-time employees.¹ While there are exceptions,² large agricultural employers are generally liable under the mandate. As a result, farmworkers and their families have new opportunities for health insurance coverage. Prior to the ACA, agricultural employers rarely offered health insurance coverage to their employees. By repealing the employer mandate, large agricultural employers will have no incentive to offer health insurance to farmworkers and their families. Fewer farmworkers will have access to employer-provided health insurance; some may lose current coverage in future years.

Changes in Income Eligibility for Tax Credits

Currently, eligibility for the advanced premium tax credit is determined by the consumer's federal poverty level (FPL), a measurement of income and family size. The lower the consumer's FPL, the higher the tax credit amount. Anyone who is lawfully present in the United States, including farmworkers in the U.S. on H-2A temporary work visas, is eligible for tax credits. The AHCA will change tax credit eligibility, allocating tax credits based on age, not income.

¹ 26 USC §4980H

² The ACA's seasonal worker exception exempts from the penalty large employers whose workforce over the 50 FTE threshold are seasonal workers who work for fewer than 120 days in a calendar year.

Farmworkers rely on the ACA's tax credits to lower the cost of health insurance. Because of their low income, farmworkers qualify for substantial tax credits. Some workers, like H-2A workers, are paying as little as \$10 a month for their health insurance premium. The AHCA would substantially reduce the amount of tax credit for which low-income farmworkers are eligible. Under the AHCA, the amount of tax credit received would be primarily based on the consumer's age. Farmworkers, the majority of whom are under 45³, would receive less in tax credits than they currently receive under the ACA. The cut would be substantial. In North Carolina, for example, consumers would lose 65% of their tax credit, according to an analysis by the Center on Budget and Policy Priorities.⁴ The tax credit reduction would make health insurance unaffordable for farmworkers and their families.

Change in Immigrant Eligibility for Tax Credits

Anyone who is lawfully present in the United States qualifies for tax credits to lower the cost of health insurance. H-2A workers have gained the most from this expansion in immigrant eligibility. The AHCA would restrict tax credit eligibility to U.S. citizens, nationals, and "qualified" immigrants, as defined by section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).⁵ Under this definition, many farmworkers, most notably H-2A workers, will no longer be eligible for tax credits to reduce the cost of health insurance because they do not meet the "qualified alien" definition. H-2A workers, especially, would be hard hit by this change. Since 2014, many H-2A workers have gained access to health insurance. In North Carolina, for example, over 2500 H-2A workers enrolled in health insurance in 2016. Employers are not required to provide comprehensive health insurance to H-2A workers, only workers' compensation insurance. Without access to tax credits, H-2A workers would no longer be able to afford comprehensive health insurance.

Repeal of the ACA's cost-sharing subsidies

The ACA's cost-sharing subsidy, which reduces the cost of co-payments and deductibles for consumers enrolled in silver plans, would be repealed at the end of the 2019 coverage year. The cost-sharing subsidies are crucial to ensure that health insurance is not only affordable but also functional. Cost is a major barrier to care for many farmworkers and their families. Lower co-pays and deductibles encourage utilization of health care services. Repeal of the cost-sharing subsidies will render health insurance essentially ineffective.

Continuous Coverage Penalty

³ NAWS data 2011-2012

⁴ Center on Budget and Policy Priorities, analysis available at <http://www.cbpp.org/blog/rural-residents-face-especially-big-cuts-in-premium-help-under-house-plan>

In lieu of the ACA's individual mandate, the AHCA will penalize consumers who are without health insurance for more than 63 days in a 12-month period. Consumers who wish to enroll in coverage after this 63-day gap will have to pay 30% more for their monthly premium for the entire year. Gaps in coverage are not unusual among farmworkers, as many perform seasonal jobs. Workers may have employer-based health insurance at the beginning of the year but then may find themselves temporarily without health insurance as they migrate and change employers. As they migrate and change jobs, they may become newly eligible for insurance coverage. Few farmworkers would be able to afford a late penalty payment. Rather than incentivize continuous health insurance coverage, this penalty will deter otherwise eligible individuals from maintaining their health insurance coverage as their circumstances change.

End of Medicaid Expansion and Changes to Medicaid Funding

Under the AHCA, the ACA's Medicaid expansion would end and funding for Medicaid would be converted to a per-capita cap or block grant. Though few adult farmworkers qualify for Medicaid, many farmworker children benefit from Medicaid/CHIP. The amount states receive from a per-capita cap or block grant would result in a substantial reduction from current federal funding levels. States could significantly cut the Medicaid benefits they offer to farmworker children and adults. Undocumented children in California and other lawfully present adults in states across the country may lose their Medicaid benefits if the states are not able to make up the budget shortfall.

Eliminate Essential Health Benefits Requirement

States will be able to apply for a waiver to the ACA's Essential Health Benefits (EHB) requirement, which will reduce access to comprehensive health insurance plans and increase costs for workers and their families, especially those with pre-existing or chronic conditions. The EHB requirement ensures that all health insurance plans sold in the marketplace cover certain services, including emergency care, maternity and newborn care, prescription drugs, behavioral health treatment, and pediatric services, among others.

Farmworkers Need Greater, Not Reduced, Access to Health Care

Agricultural work is one of the most hazardous occupations in the U.S. At home and in the fields, farmworkers face numerous health risks, including but not limited to: pesticide exposure, musculoskeletal injuries, heat stress, gastrointestinal disease, and chronic conditions like diabetes and hypertension. According to the most recent National Agricultural Workers Survey (NAWS), only 32% of farmworkers have

health insurance.⁶ Under the ACA, farmworkers are able to newly access health insurance either through their employer, the health insurance marketplaces, or Medicaid. The AHCA would undo those health insurance gains. Given the numerous barriers to health care, farmworkers need more options for health insurance coverage, not fewer.

⁶ NAWS data 2011-2012