

Health Reform Repeal Would Double the Number of People Without Insurance in 2019

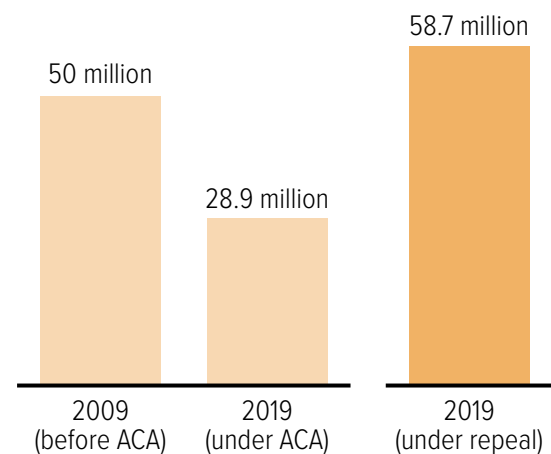


Nearly 30 million people would lose coverage by 2019 if the Affordable Care Act (ACA) is repealed, a new Urban Institute estimate shows. Republican policymakers plan to move quickly in January to repeal much of the health reform law without enacting a replacement.

This would more than double the number of people without insurance in 2019 to 58.7 million — or 1 in 5 of the non-elderly population — and leave more people uninsured than before the ACA.

Most of the coverage loss in 2019 would be from people in private insurance. The individual market would begin to unravel in 2017 and virtually disappear by 2019 without the requirement for individuals to have coverage or marketplace subsidies to help people afford it.

More People Would Be Uninsured After ACA's Repeal Than Before Its Enactment



Federal Spending on Health Care Would Fall While States and Providers Would Face Pressure to Cover New Health Needs

Federal health care spending would fall by \$1.3 trillion between 2019 and 2028 — a 28 percent drop — due to the elimination of marketplace financial assistance and the Medicaid expansion for low-income adults.

Meanwhile, the demand for uncompensated care would grow by \$1.1 trillion between 2019 and 2028 under repeal, even assuming the uninsured use less care and pay for some of their own care. State and local governments and health care providers (mostly hospitals) would likely bear these costs, as federal spending on uncompensated care would be expected to remain flat.

Repeal Would Hit Low- and Moderate-Income Families Especially Hard

An estimated 9.3 million low- and moderate-income people would lose marketplace insurance subsidies and many would also lose cost-sharing assistance that lower deductibles and other out-of-pocket costs. Nationwide in 2016, the premium subsidies paid for 73 percent of total premiums. In addition, 12.9 million people would lose Medicaid or CHIP coverage in 2019.

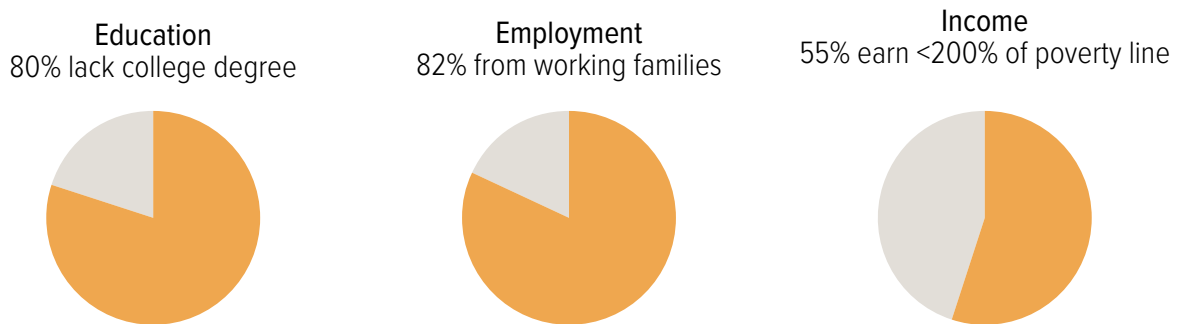
Uninsurance rates would double for people of almost all ages. Young adults (ages 18 to 24) — who have had the biggest gains in coverage since the ACA was enacted — would now face the largest jump in the uninsured rate, rising from 14 percent to 31 percent.

The effects of repeal would fall mostly on low-income working families with limited education. More than half of the people who lose coverage under repeal by 2019 would have income below 200

percent of the federal poverty line (\$23,760 for an individual or \$48,600 for a family of four).

Most people losing coverage under repeal would be non-Hispanic white (56 percent), in working families (82 percent), and have less than a college education (80 percent).

Coverage Loss Would Hit Poor and Near-Poor Especially Hard



Harmful Effects Would Be Felt Immediately and Escalate in Coming Years

Repeal would mean an immediate loss in coverage for millions of people now in the individual market, even if the repeal of the coverage provisions was delayed by two years. In 2017, an estimated 4.3 million people would drop their individual-market coverage if the requirement to have coverage was eliminated. Healthier people would tend to leave first, worsening the risk pool right away and delivering an estimated \$3 billion financial hit to health insurers that year. Some insurers would likely leave the market during 2017 as a result of the losses, resulting in disruptions to consumers' coverage and care. By 2018, even more insurers would likely exit the market, and those that stayed would need to raise their premiums, triggering an unraveling that would accelerate over time.

All told, this destabilization and resulting near-collapse of the individual market would cause 7.3 million to lose coverage and become uninsured by 2019, in addition to those losing coverage from repeal of the marketplace subsidies and Medicaid expansion. The individual market would cover only 1.5 million people in 2019, a 92 percent reduction from the 19.3 million people expected to be enrolled under current law.

Source: Linda J. Blumberg, Matthew Buettgens, and John Holahan, "Implications of Partial Repeal of the ACA through Reconciliation," Urban Institute, December 2016. The Urban Institute modeled the effect of a repeal bill similar to the reconciliation bill vetoed in January 2016. The estimates assume repeal in 2019 of the Affordable Care Act's marketplace subsidies and Medicaid expansion, immediate elimination of other provisions like the individual mandate, and retention of the market reforms.

Matt Broaddus and Edwin Park, "Census Data Show Large Health Coverage Gains Continued in 2015," Center on Budget and Policy Priorities, September 16, 2016.