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# THE POLICY CIRCLE

## THE AFFORDABLE CARE ACT



# ➤ WHAT IS THE AFFORDABLE CARE ACT? ◀



THE “AFFORDABLE CARE ACT” (ACA) IS THE NAME FOR THE COMPREHENSIVE HEALTH CARE REFORM LAW AND ITS AMENDMENTS. THE LAW ADDRESSES HEALTH INSURANCE COVERAGE, HEALTH CARE COSTS, AND PREVENTIVE CARE. THE LAW WAS ENACTED IN TWO PARTS: THE PATIENT PROTECTION AND AFFORDABLE CARE ACT WAS SIGNED INTO LAW ON MARCH 23, 2010 AND WAS AMENDED BY THE HEALTH CARE AND EDUCATION RECONCILIATION ACT ON MARCH 30, 2010.





# ➤ FACTS TO KNOW ◀



PRIOR TO THE ACA, AN ESTIMATED 50-129 MILLION NON-ELDERLY AMERICANS HAD AT LEAST ONE PRE-EXISTING CONDITION THAT COULD HAVE THREATENED THEIR HEALTH INSURANCE WITHOUT ACA PROTECTIONS. THE ACA EXPANDED COVERAGE TO ALMOST 20 MILLION PEOPLE.

A 2016 POLL FOUND OVER HALF OF DOCTORS HAD AN UNFAVORABLE VIEW OF THE ACA, AND OVER 40% OF HEALTHCARE PROVIDERS CLAIMED THE ACA NEGATIVELY IMPACTED THE COSTS OF HEALTHCARE, DOCTORS' SALARIES, AND DOCTORS' ABILITIES TO MEET PATIENT DEMANDS.

THE AVERAGE ANNUAL PREMIUM FOR EMPLOYER-BASED FAMILY COVERAGE ROSE 4% FROM 2020 TO 2021, TO \$22,221. FOR SINGLE COVERAGE, IT ROSE 4% TO \$7,739. THE AVERAGE FAMILY PREMIUM INCREASED 22% BETWEEN 2016 AND 2021, AND 47% BETWEEN 2011 AND 2021.

FOR 2021, EACH STATE HAD AN AVERAGE OF FIVE INSURANCE COMPANIES IN THE MARKETPLACE. EVEN THOUGH EVERY COUNTY IN THE U.S. HAD AT LEAST ONE INSURER, RURAL AREAS MOST OFTEN HAVE THE FEWEST INSURANCE OPTIONS, AN AVERAGE OF 2.5 INSURERS COMPARED TO 3.1 INSURERS IN METRO-AREA COUNTIES.

# ➤ GOVERNMENT SPENDING ◀



SPENDING FOR ADULTS TO BE INCLUDED IN MEDICAID EXPANSION IS PROJECTED TO GROW ANNUALLY BY ABOUT 6%, FROM \$74.2 BILLION IN 2018 TO \$124.3 BILLION IN 2027. ROUGHLY 90% OF THIS WILL BE FINANCED BY THE FEDERAL GOVERNMENT.

ENROLLMENT AND COSTS HAVE BEEN HIGHER THAN ANTICIPATED UNDER MEDICAID EXPANSION. ONE STUDY FOUND EXPANSION LED TO AN 11.7% INCREASE IN OVERALL SPENDING; THE FEDERAL MATCHING RATE HELPS STATES SAVE MONEY BUT PROVIDES LITTLE INCENTIVE FOR STATES TO BE EFFICIENT IN SPENDING

THE CBO ESTIMATED NET FEDERAL SUBSIDIES FOR HEALTH INSURANCE COVERAGE WOULD TOTAL \$920 BILLION IN 2021. ABOUT 5% GOES TO ACA COVERAGE, AND 45% IS FOR MEDICAID AND CHILDREN'S HEALTH INSURANCE PROGRAM PAYMENTS TO STATES, WHICH WERE EXPANDED UNDER THE ACA

PART OF THE ACA INCLUDED GOVERNMENT COMPENSATION TO INSURANCE COMPANIES TO COVER SOME EXPENSES FOR PEOPLE WITH LOW INCOMES. 12 SEPARATE LAWSUITS AGAINST THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ALLEGE THE GOVERNMENT OWES INSURERS \$12 BILLION.





# ➤ FRAMING THE ISSUE ◀

COST-SHARING REDUCTION PROGRAMS WERE MEANT TO COMPENSATE INSURERS FOR THE COST OF HEALTHCARE FOR PEOPLE WHO SIGNED UP FOR ACA PLANS, BUT LAWSUITS AGAINST THE GOVERNMENT HAVE RULED THAT MANY INSURERS ARE ENTITLED TO UNPAID FUNDS. MANY OTHERS HAVING DIFFICULTY MAKING A PROFIT HAVE PULLED OUT OF THE ACA MARKETPLACE OR INCREASED RATES TO OFFSET PREDICTED COSTS OF STAYING IN THE MARKETPLACE.

INCREASES IN COSTS HAVE LEFT MORE PEOPLE THAN EVER UNDERINSURED, MEANING EVEN THOUGH THEY HAVE INSURANCE, HIGH OUT-OF-POCKET COSTS AND DEDUCTIBLES PREVENT THESE INDIVIDUALS FROM ACTUALLY USING INSURANCE AND RECEIVING CARE.



THE ACA'S EMPLOYER MANDATE IMPOSED A MINIMUM COVERAGE REQUIREMENT. THE RESULT HAS BEEN BUSINESSES AND WORKERS TAKING ON INCREASING SHARES OF HEALTH COSTS.

AFTER THE INDIVIDUAL MANDATE TAX WAS REDUCED TO \$0, TEXAS AND 17 OTHER STATES ARGUED THAT "THE ACA MUST BE INVALIDATED BECAUSE THE ENTIRE LAW DEPENDS ON THE MANDATE." THE SUPREME COURT REJECTED THE CLAIM BASED ON STANDING. THERE HAS BEEN NO DETERMINATION REGARDING THE CENTRAL ARGUMENT OF WHETHER THE ACA IS CONSTITUTIONAL.



# ➤ POTENTIAL SOLUTIONS ◀

ONE POLICY SOLUTION THAT HAS GARNERED SUPPORT IS THE ABILITY TO BUY INSURANCE ACROSS STATE LINES, TO CREATE MORE CHOICE AND COMPETITION.

COST TRANSPARENCY IS ANOTHER METHOD TO IMPROVE INSURANCE SO PEOPLE CAN KNOW THE PRICE OF THEIR INSURANCE AND MEDICAL SERVICES.

TECHNOLOGICAL INNOVATION AND DIGITIZATION ALSO HELP PROVIDERS ADOPT COST-SAVING MEASURES AND EMPOWER PATIENTS TO BE MORE IN CONTROL OF THEIR TREATMENT OPTIONS.



# ➤ WHAT YOU CAN DO ◀

## MEASURE -

WHAT STATE OR LOCAL HEALTHCARE ASSOCIATIONS OPERATE UNDER THE TERMS OF THE ACA OR ARE IMPACTED BY THE ACA? HOW MANY CITIZENS HAVE HEALTH INSURANCE BECAUSE OF THE ACA?



## IDENTIFY -

WHAT ARE YOUR LOCAL AND STATE LEVEL ELECTED OFFICIALS POSITIONS ON THE AFFORDABLE CARE ACT?



## REACH OUT -

FOSTER COLLABORATIVE RELATIONSHIPS WITH HEALTHCARE PROFESSIONALS, YOUR LOCAL AND STATE LEVEL REPRESENTATIVES AND LOCAL ORGANIZATIONS.

## PLAN -

SET MILESTONES BASED ON YOUR STATE'S LEGISLATIVE CALENDAR OR LOCAL COMMUNITY CALENDAR.



## EXECUTE -

TALK TO HEALTHCARE PROFESSIONALS TO UNDERSTAND HOW PATIENTS AND DOCTORS ARE IMPACTED WITH AND WITHOUT THE ACA. SHARE RELEVANT RESOURCES WITH LOCAL ELECTED OFFICIALS. COMMUNICATE WITH LOCAL ORGANIZATIONS. INVESTIGATE THE PERCENTAGE OF INDIVIDUALS WHO RELY ON THE ACA IN YOUR AREA

