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## VPC Analysis: The American Health Care Act (House GOP's proposed replacement for the Affordable Care Act)

March 8, 2017

In the years since its enactment in 2010, the Affordable Care Act (ACA) has helped millions of Americans gain access to health insurance,<sup>1</sup> promoted better health through its “core tenets of access, affordability and quality,”<sup>2</sup> and actually reduced the federal deficit (because its revenue increases and spending curbs more than offset its cost increases).<sup>3</sup>

Members of the Rising American Electorate (unmarried women, people of color, and young people) have especially benefitted. Among unmarried women (18 and over), the uninsured rate fell from 16.9% in 2013 (when ACA Open Enrollment began) to 11.0% in 2015.<sup>4</sup> The gains among people of color (ages 18-64) and young people (ages 19-25) have been even more impressive:

<u>Category</u>	<u>2013 uninsured rate</u>	<u>2016 uninsured rate</u>
African American	24.9%	15.1%
Hispanic	40.6%	24.7%
Ages 19-25	26.5%	14.6% <sup>5</sup>

***Yet these gains are in great jeopardy under the just-announced House Republican leadership plan to repeal the Affordable Care Act.*** Under this plan:

- **Millions of Americans (many of whom are RAE members) are likely to lose insurance coverage because the legislation effectively ends the ACA's federally-supported expansion of Medicaid** (under which 11 million lower income adults have gained coverage) by 2020. In addition, the GOP plan would place a cap on federal funding of Medicaid starting then, which would result in an additional reduction of \$116 billion in federal funding over the next ten years and make it very difficult for states to maintain pre-ACA levels of Medicaid coverage and benefits.<sup>6</sup>
- **Health care costs—especially for those with lower incomes—will rise significantly** because the Republican plan, 1) reduces the size of the tax credits used to help individuals pay premiums, and changes the calculation of those credits from one based on income (where lower income people receive larger credits) to one based solely on age (with older individuals receiving the largest credit);<sup>7</sup> and 2)

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eliminates the ACA's cost sharing subsidies,<sup>8</sup> which have helped 6.3 million low-income marketplace enrollees afford their copays, deductibles and other forms of cost-sharing.<sup>9</sup>

- **Instead of using the “savings” produced by cutting Medicaid and health care cost assistance to otherwise support accessible and affordable health care, the GOP plan offers \$600 billion in tax cuts over the next decade to higher income individuals, insurance companies, and pharmaceutical manufacturers, among others.**
- **And to top it all off, according to many health policy experts—of all ideological persuasions—the House Republican plan simply won't work, stating that it, “could unravel the individual insurance market” while reducing coverage and raising deductibles.<sup>10</sup>**

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<sup>1</sup> Namrata Uberoi, Kenneth Finegold, and Emily Gee, Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, *Health Insurance Coverage and the Affordable Care Act, 2010-2016*, March 3, 2016, <http://www.aspe.hhs.gov/sites/default/files/pdf/187551/ACA2010-2016.pdf>.

<sup>2</sup> Simmons, et al, Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, *The Affordable Care Act: Promoting Better Health for Women*, June 14, 2016, <http://www.aspe.hhs.gov/sites/default/files/pdf/205066/ACAWomenHealthIssueBrief.pdf>.

<sup>3</sup> Christine Eibner, “Estimating the Impacts of the Trump and Clinton Health Plans,” The RAND Blog, September 2016, <http://rand.org/blog/2016/09/estimating-the-impacts-of-the-trump-and-clinton-health.html#>.

<sup>4</sup> Figures were calculated from data from U.S. Census Bureau, “Current Population Survey, Annual Social and Economic Supplement,” using the CPS Table Creator available at <http://www.census.gov/cps/data/cpstablecreator.html> (visited on September 18, 2016).

<sup>5</sup> National Center for Health Statistics, CDC, “Health insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January-September 2016,” February 2017, <http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201702.pdf>.

<sup>6</sup> Edwin Park, House GOP Medicaid Provisions Would Shift \$370 Billion in Costs to States Over Decade,” Center on Budget and Policy Priorities,” March 7, 2017, <http://www.cbpp.org/blog/house-gop-medicaid-provisions-would-shift-370-billion-in-costs-to-states-over-decade>.

<sup>7</sup> Benjy Sarlin, “Experts: The GOP Health Care Plan Just Won't Work,” NBC News, March 8, 2017, <http://www.nbcnews.com/politics/congress/experts-gop-health-care-plan-just-won-t-work-n730361>.

<sup>8</sup> Kaiser Family Foundation, “Summary of the American Health Care Act,” March 2017, <http://www.files.kff.org/attachment/Proposals-to-Replace-the-Affordable-Care-Act-Summary-of-the-American-Health-Care-Act>.

<sup>9</sup> Maura Calsyn and Thomas Huelskoetter, *House GOP Proposals Would Make Health Care Coverage Less secure for All Americans*, Center for American Progress, August 1, 2016, <http://www.americanprogress.org/issues/healthcare/reports/2016/08/01/141954/house-gop-proposals-would-make-health-coverage-less-secure-for-all-americans-2>.

<sup>10</sup> Benjy Sarlin, “Experts: The GOP Health Care Plan Just Won't Work,” NBC News, March 8, 2017, <http://www.nbcnews.com/politics/congress/experts-gop-health-care-plan-just-won-t-work-n730361>.