

FACT SHEET: Impact of Repealing the Affordable Care Act

December 20, 2016

The budgetary and practical implications of repealing the Affordable Care Act (ACA), a landmark law that has been in effect since 2010, would be substantial, according to a 2015 [study](#) by the Congressional Budget Office (CBO). CBO estimates that full repeal of the ACA would increase federal budget deficits by \$137 billion over the 2016–2025 period, but the consequences of repealing individual policies within the ACA on the everyday lives of millions of Americans are equally telling, as revealed below in a series of impact studies.

Commercial Health Insurance	
The ACA requires health insurers to sell health coverage to all consumers (guaranteed issue and renewability), prohibits annual and lifetime dollar coverage limits, requires an essential benefits package meeting certain criteria, guaranteed preventive services, and establishes a ban on pre-existing coverage exclusions and other discriminatory practices.	
<i>Uninsured:</i> A 2016 study estimated that 58 million U.S. residents would be without coverage if the ACA is repealed.	<i>Annual/lifetime limits on coverage:</i> A 2012 study revealed that the impact of eliminating annual/lifetime limits on coverage could be devastating to those with life threatening illnesses.
<i>Coverage of pre-existing conditions:</i> A 2016 study estimates that 52 million people under the age of 65—27% of Americans—have a pre-existing condition that would make them uninsurable in the pre-ACA individual insurance market.	<i>Tax credits:</i> By 2019, 9.3 million people would no longer be receiving premium tax credits to buy private insurance on the exchange if the ACA is repealed, according to a 2016 study .
<i>Cost sharing subsidies:</i> Nearly 7 million people who are currently eligible for cost sharing subsidies could face greater out-of-pocket costs if the ACA is repealed, as outlined in a 2016 study .	<i>Parental coverage for those 26 and younger:</i> 1.4 million young adults, 26 years and younger, receive coverage under their parents plan because of the ACA. Those individuals could lose coverage if the ACA is repealed, based on a 2016 study .
<i>Preventive services:</i> As noted in a 2015 study , private health plans would no longer be required to provide a range of preventive services, as they must now do under the ACA. Plans could also impose cost-sharing (such as copayments, deductibles, or co-insurance) on patients receiving these services, if the ACA is repealed.	<i>Women’s health coverage:</i> The ACA prohibits coverage discrimination based on gender and if those protections are repealed, it could mean reverting back to gaps in health coverage for women, according to a 2016 study .
<i>Mental health parity:</i> The ACA ensures comparable mental and physical health coverage, but that could be in jeopardy if the ACA is repealed, as examined in a 2016 article . The ACA also expanded coverage of mental health and substance use disorders treatment which could be endangered under repeal.	<i>Coverage based on race:</i> If the ACA is repealed, by 2019, 56% of those who become uninsured would be White, 22% Hispanic, 12% Black, and 7% Asian, as revealed in a 2016 study .

Individual Insurance Mandate

The ACA requires that individuals have health insurance provided through a public insurance plan such as Medicare, an employer-sponsored plan, or a plan purchased in the individual market, or risk paying a fine. This is known as the individual mandate. Exemptions apply for some groups.

Uninsured: A 2015 [study](#) estimated that 12.3 million fewer people would have insurance if the mandate is repealed.

Medicaid Coverage

The ACA allows states to expand Medicaid eligibility to individuals with incomes at or below 138 percent of the federal poverty level. It permitted qualified non-elderly childless adults and other traditionally ineligible low-income people to enroll in Medicaid in all states.

Uninsured: A 2015 [study](#) estimated that 14 million fewer individuals would be covered under the Medicaid program if the ACA is repealed.

Incentives to cover the uninsured: Between January 2014 and June 2015, over \$79 billion in federal funding was made available to states that expanded their Medicaid program, according to a 2015 [study](#). If the ACA is repealed, continued federal funding for the states would cease.

Value-Based Payment Models

The ACA ushered in a new platform for testing innovative, value-based payment and delivery system models to improve care and reduce costs. That platform is now instrumental in the implementation of the Quality Payment Program for physicians under Medicare, which was created under the Medicare Access and CHIP Reauthorization Act (MACRA).

CMS Innovation Center: If the innovation center is eliminated, as part of ACA repeal, the ability to test models that promote broad payment and practice reform within Medicare, Medicaid and the Children's Health Insurance Program (CHIP) while preserving or enhancing the quality of care would be significantly compromised, as outlined in a 2016 [article](#).

Medicare Shared Savings Program (MSSP): The ACA established a voluntary shared savings program, MSSP, which promotes accountability for services delivered to a defined Medicare fee-for-service (FFS) patient population with the goals of increasing the quality and efficiency of services delivered. If the ACA is repealed, including the MSSP, the positive gains of the program to date, as noted in a 2016 progress [report](#), could be lost.

Lower Cost Prescription Drugs

The ACA instituted numerous reforms designed to assist older Americans with their out-of-pocket costs for prescription drugs, including improving access to lower cost generic and brand name drugs.

Closing the Rx coverage gap: The ACA reduces prescription drug prices for seniors and closes the coverage gap where they must pay out-of-pocket for prescription drugs. More than 10.7 million people with Medicare saved over \$20.8 billion on prescription drugs because of this ACA provision, as noted in a 2016 impact [article](#).

Saving on brand name and generic drugs: In 2016, Medicare beneficiaries in the donut hole (coverage gap) receive a 55% discount on brand-name drugs and a 42% discount on generic drugs, as outlined in a 2016 impact [study](#). These savings could be lost if the ACA is repealed.

Public Health

The ACA builds prevention into many of its reforms, including creating new funding and mechanisms for many public health activities.

Prevention and Public Health Fund (PPHF): Under threat of repeal, the ACA created the nation's first mandatory funding stream dedicated to prevention and public health programs to improve health and help restrain the rate of growth in private and public health care costs. The value of the PPHF cannot be understated in terms of its importance to public health, as noted in a 2013 [study](#).