



What Trump Means for the Affordable Care Act

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For more information, contact the authors:

[Professor Colleen Grogan](#)

cgrogan@uchicago.edu

(773) 702-5289

[Dean Sherry Glied](#)

sherry.glied@nyu.edu

(212) 998-7527

President-elect Donald Trump and leaders of the Republican-controlled Congress have [vowed](#) to repeal the Affordable Care Act. Congressional Republicans want to [repeal the law's](#) taxes and benefits and buy time to come up with an alternative by delaying the effective date of full repeal for several years. SSN scholars assess the impact the "[repeal and delay](#)" strategy will have on the millions of Americans who depend on Obamacare for coverage.

OBAMACARE INSURES MILLIONS

[Over 20 million Americans have been insured under the Affordable Care Act.](#) In September 2016, the share of non-elderly Americans without health insurance stood at 10.5 percent, the smallest percentage ever [recorded](#).

Almost all these gains [happened through the expansion of Medicaid](#) for the near-poor and through subsidies for low and middle income Americans to buy insurance on state marketplaces. On his campaign website, President-elect Trump promises to immediately repeal both the Medicaid expansion and the marketplace subsidies.

PICKING AND CHOOSING PARTS OF THE LAW WON'T WORK

Trump has mentioned [two regulatory provisions](#) included in the law that he might retain. The first lets parents include children up to the age of 26 on their employer-sponsored health plans. The second bars insurers from denying coverage to those with preexisting conditions. [These provisions were important but had a modest impact on expanding coverage.](#)

Keeping a few rules in the law while doing away with the requirement to obtain insurance – and the subsidies to pay for it – simply won't work. Younger, healthier individuals will choose to go un-insured, and [prices would sky-rocket](#) for those with pre-existing conditions who cannot go without health insurance. This would be too costly for insurance companies, which might take many steps to avoid sick individuals. In many states, [insurance markets could collapse altogether.](#)

PROPOSALS TO REPLACE OBAMACARE WOULD LEAVE AMERICANS FAR WORSE OFF

Replacing subsidies [with tax credits, pre-tax Health Savings Accounts, or insurance plans](#) sold across state lines would leave most current beneficiaries unable to avoid comparable coverage. Turning Medicaid into a [block grant to states](#) would lead to steady reductions in funding for the poor, elderly and disabled in most

states. During recessions or health emergencies, states would not have the federal funding to help more needy people without reducing benefits for others.

Republican-proposed changes would be especially harmful for certain groups of Americans:

Low-income Americans – especially whites. [Low-income Americans have benefited most from coverage expansions](#). The largest number of newly insured people are non-Hispanic whites, although coverage expansions have also helped blacks and Latinos.

Non-metropolitan communities. [Affordable Care reforms have especially helped Americans living in smaller cities, towns, and rural areas](#). Repeal will have dire consequences for patients and health care institutions in these places. For example, in New Mexico alone, more than 300,000 people out of a population of just over two million gained coverage through the Obamacare Medicaid expansion. Rural hospitals and community health centers, often the largest employers in their communities, would lose paying customers and see a rise in the need uncompensated care.

Children and families. Before Obamacare, [30 percent of children and youth lived with an uninsured family member](#). Repeal would mean that parents would once again have to choose between getting the care they need or providing for their families. [Research shows that poverty is intergenerational](#) – the more parents struggle financially, the less opportunity their children have to succeed.

Republicans. The 22 million Americans who have gained insurance coverage include many voters in the Republican base. Repealing revenues for expanded coverage may invite a [political firestorm](#). For example, Arizona Senator Jeff Flake is up for reelection in 2018 in a state that expanded Medicaid with the endorsement of the state's Chamber of Commerce. In 2016 alone, the federal government sent over [\\$9 million](#) in Medicaid dollars to Arizona. Another [\\$343 million](#) in subsidies have helped Flake's constituents pay for marketplace insurance plans. If he supports repeal of these funds, Flake's reelection may be at risk.

The federal deficit. Although coverage expansions generated new costs, they were more than fully offset by reductions in federal payments to hospitals and other providers who previously cared for the uninsured. The Affordable Care Act has generated new revenues by taxing health care businesses, wealthy people, and especially expensive private insurance plans. Repeal would give a big tax cut to the rich and eliminate the resources needed to expand insurance for low and middle income citizens.

WHAT EXPERTS SAY:



"Repealing the Affordable Care Act could devastate families for generations to come. Many newly-

insured parents will lose their health insurance. This means they will have huge medical bills to pay instead of saving for their children's college tuition– or putting a roof over their heads. Or they'll go without care, including for mental health problems, which could have long-term consequences for their kids."

[Professor Christine Percheski](#)

c-percheski@northwestern.edu

(847) 491-2697



"The number of uninsured patients in rural areas will likely mount without the ACA. People will still

need to be cared for when they become sick but won't be able to pay. This threatens the financial stability of local medical facilities. It will harm their ability to deliver basic services to rural New Mexicans – regardless of if they have insurance or not."

Senior Research Scientist Cathleen Willging

cwillging@pire.org

(505) 765-2328



"While Washington has remained mired in re-fighting Obamacare, my research shows that most of

America has moved on since 2010 and expect the new Republican government in Washington to improve and not end health reform. Thirty-one states have adopted its expansion of Medicaid and the highest enrollments in the insurance marketplaces include the Republican-controlled states of Florida and Texas. Polling I've done with Suzanne Mettler (Cornell University) shows that even some of the initial supporters of repeal have moderated and are now looking to Washington to improve health reform. Will Washington Republicans listen to America?"

Professor Larry Jacobs

ljacobs@umn.edu

(612) 625-3384

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**A previous version of the fact sheet has been updated to reflect the HHS more conservative enrollee estimate of 20 million, rather than other estimates of 22 million.*