

# Obamacare is doing well, but under attack



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Spring is in the air and the Affordable Care Act (ACA) is back in the news. There is a strong sense of déjà vu – the good news, the political attacks by Republicans and the legal challenges are all back.

The transition to the ACA has not been easy and there are still issues to resolve. None of that is surprising, given the size and complexity of the healthcare industry. But two recent reports confirm the ACA's success in the areas where healthcare in the U.S. was lagging far behind the rest of the industrialized world – cost and coverage.

The first report is from the Congressional Budget Office (CBO), the non-partisan office that evaluates the cost of legislation. According to the CBO, the cost of the ACA over the next decade will be 20 percent less than it predicted just a year ago. The prime cause is the reduction in the growth of health care premiums – precisely the opposite of what the critics of the ACA have consistently predicted.

The second report, from the U.S. Department of Health and Human Services, shows that the ACA is making a huge difference in access to health care. In the 2015 enrollment period, 11.7 million persons signed up through the federal and state exchanges, an increase of nearly 50 percent over 2014. Enrollment increased in every state but one. In Delaware, the percent of eligible persons enrolled increased by 21 points, making it sixth among all states in the percentage enrolled.

In addition, the expansion of Medicaid in 27 states provided health care access to 9.5 million persons. The provision allowing young adults to remain on

their parents' coverage until age 26 added at least 3 million more.

There are some interesting ironies in the enrollment figures. The state with the largest enrollment is Florida (1.6 million), with Texas not far behind (1.2 million). In spite of the enormous unmet need for health insurance in these states, Republican Govs. Rick Scott and Rick Perry both have been outspoken opponents of the ACA.

Florida and Texas also led the group of 24 states, all with Republican governors, which failed to expand Medicaid. The Urban Institute recently estimated that 6.7 million persons will be prevented from obtaining health care coverage as a result, with those states collectively losing almost \$60 billion in annual Medicaid funding and hospital reimbursements. Not only do individuals in these states suffer, but so does the local economy.

The ACA is again under attack in the Supreme Court, this time regarding the legality of subsidies provided to persons who bought insurance through the federally-run exchange. Knowledgeable court observers, including Linda Greenhouse of The New York Times, have suggested that in ordinary times the case would be a slam dunk for Obamacare. Unfortunately, polarization of our government, and our courts, has made these times anything but ordinary.

Partly in response to the pending court case, Republicans in Congress have finally gotten around to thinking about a replacement for the ACA, instead of just repeatedly voting to repeal it. One plan was offered by Sens. Hatch and Burr and Rep. Upton and another by Reps. Ryan, Kline and Upton. Critical details are still lacking, but it is already clear that these plans are a big step backwards.

While the plans would retain some popular features of Obamacare, such as the extension of depen-

dent coverage for young adults and the limitation on lifetime expenses, they would eliminate the employer and individual insurance mandates, which are essential features of successful healthcare reform.

Like the ACA, they would provide subsidies in the form of tax credits, but with one critical difference – the credits are far too small. In every case that I examined across a wide range of family incomes and sizes, the credits were not only far smaller than under the ACA, but would leave insurance unaffordable for many low and moderate income families.

Many of the new patient safeguards under the ACA would disappear. Insurance companies could go back to offering plans with minimal or evaporating benefits, reversing the emphasis on standardized coverage for preventive care. Another provision would undermine state regulation of insurance.

The new ACA protection for persons with pre-existing conditions would be weakened, with any lapse in insurance coverage leading to huge increases in premiums. Because the tax credits are so low, such lapses are quite likely for low-income families, which would then make insurance permanently out of their reach.

On the whole, the proposals reflect a continuing Republican emphasis on ideological purity over evidence-based policy. The net result would likely be a return to the pre-ACA days of high cost and low access to healthcare.

Yes, spring is in the air and there is a sense of déjà vu – the Affordable Care Act is continuing to make a positive difference in the lives of millions of Americans, the Republican "plans" are essentially no plans at all, and we await a Supreme Court decision that could have far-reaching negative consequences.

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