

# Paying More for Less: Affordable Care Act Repeal

Medicare guarantees access to health care for older adults and people with disabilities. Together with Medicare and Medicaid, the Affordable Care Act (ACA) builds health security for Americans of all ages. Repealing the ACA and delaying a meaningful replacement would force older adults and people with disabilities to **pay more for less**.

## ACA repeal without immediate replacement harms people not yet on Medicare.

- Almost 30 million Americans could lose health coverage if Congress rushes to repeal the ACA and delays a replacement—including older adults. Nearly 20% of people ages 55-64 could become uninsured.<sup>i</sup>
- Medicare eligibility begins at age 65 for most. People ages 55-64 often find it hard to stay in the full-time job market or to find new employment after a job loss, making access to health coverage critically important.<sup>ii</sup>
- Most proposals to replace coverage would shift drastically higher costs to people in their 50's and 60's, such as by allowing insurers to charge them higher premiums. Some of the proposals have no restrictions on how high premiums for older adults can go.<sup>iii</sup>
- People with disabilities could also lose, because the ACA provides coverage that was previously lacking during the required two-year waiting period for Medicare.

## People Who Need the ACA: Annie

Several years ago, Annie was diagnosed with cancer and was uninsured. She worked hard and long hours earning a modest middle-class income, but health insurance was not offered through her employer. Her cancer might have been detected much earlier through routine physician visits if she had coverage.

Once she was diagnosed, Annie scrambled for coverage. Fortunately, under new ACA rules she qualified to enroll in a health plan that would cover her treatments. She had multiple surgeries at a major cancer hospital. Although these treatments were successful, the illness resulted in disability.

Annie remained fully insured post-surgery during the two-year waiting period for Medicare, after which she was able to enroll. **Together, the ACA and Medicare saved Annie's life.**

## ACA repeal harms people with Medicare, today and in the future.

Full repeal of the ACA without an immediate replacement plan would have wide-ranging and harmful effects on Medicare and the people who depend on it. Recent proposals to repeal the ACA vary in their treatment of Medicare—keeping some improvements to the program and eliminating others. Depending on its final form, a proposal to repeal and delay the ACA could:

- Roll back improvements to the long-term financial outlook for Medicare, likely leading to higher premiums, deductibles, and cost sharing for people with Medicare.<sup>iv</sup>
- Reopen the Part D coverage gap (often called the “donut hole”) and hike prescription drug costs. The ACA has saved over \$26 billion on prescription drugs for more than 12 million people with Medicare since 2010.
- Eliminate new coverage for preventive care. In 2016, over 40 million people with Medicare received at least one low-to-no cost preventive service.<sup>v</sup>
- Undo consumer protections for people with Medicare Advantage, such as rules to ensure plans spend 85% of premium dollars on care and don’t impose increased costs for key services, like cancer care.<sup>vi</sup>

Some plans to repeal the ACA would use the savings to pay for tax cuts for the wealthiest Americans. To replace the ACA later, Congress would need to find new savings—**making Medicaid and Medicare vulnerable to harmful cuts.**<sup>vii</sup> For example, some lawmakers propose to end the Medicare guarantee through what’s known as premium support.

- Past premium support proposals would give people with Medicare a voucher or coupon to purchase health coverage, either a private plan or Original Medicare. The value of the voucher is not likely to keep pace with rising health care costs, meaning people with Medicare would pay significantly more.
- Under past premium support proposals, Original Medicare would wither away. Over time, younger, healthier people with Medicare would likely opt for private plans, leaving older, sicker beneficiaries in Original Medicare and causing costs to go up substantially.<sup>viii</sup>

## People Who Need the ACA: Just the Facts

Nearly 30 million Americans who rely on Medicaid and the individual market could lose coverage as a result of repealing and delaying key aspects of the ACA.

Nearly 3.3 million people between ages 55 and 64 have coverage through the Marketplaces, representing the largest share of enrollees nationwide—26%.

People with disabilities also have coverage through the ACA, especially those who are in the two-year Medicare waiting period or awaiting formal disability determinations. Over 750,000 people receive formal disability determinations per year, which means over 1.5 million people are in the two-year waiting period at any time and frequently turn to the ACA for coverage before their Medicare takes effect.

The ACA made major strides in **reducing uninsured status among veterans.** Between 2013 and 2015, the uninsured rate for non-elderly veterans fell by an estimated 42%.

<sup>i</sup>Urban Institute , “Implications of Partial Repeal of the ACA through Reconciliation,” (December 2016)

<sup>ii</sup> National Council on Aging (NCOA), “Mature Workers Facts,” (Last visited December 2016)

<sup>iii</sup> Manatt, “Comparison of Key Repeal and Replace Proposals,” (December 2016)

<sup>iv</sup> Kaiser Family Foundation, “What Are the Implications of Repealing the Affordable Care Act for Medicare Spending and Beneficiaries?,” (: December 2016)

<sup>v</sup> Information on the donut hole and preventive services from: Centers for Medicare & Medicaid Services (CMS), “Nearly 12 million people with Medicare have saved over \$26 billion on prescription drugs since 2010,” (January 2017)

<sup>vi</sup> Kaiser Family Foundation, “Summary of Key Changes to Medicare in 2010 Health Reform Law,” (April 2010)

<sup>vii</sup>Center on Budget and Policy Priorities, “ACA Repeal Would Leave Inadequate Resources for Replacement and Put Medicaid and Medicare at Risk,” (: December 2016)

<sup>viii</sup> Center on Budget and Policy Priorities, “House Republican Health Plan Would Radically Restructure Medicare,” (= July 2016)