

# The ACA: What's Out, What's In, What's Next

ITUP Conference  
February 6, 2018

Larry Levitt  
Senior Vice President  
Kaiser Family Foundation  
[@larry\\_levitt](#)

# The ghosts of health care past: Where we were a year ago

## *G.O.P. Plans Immediate Repeal of Health Law, Then a Delay*

By ROBERT PEAR, JENNIFER STEINHAUER and THOMAS KAPLAN DEC. 2, 2016

Here's how Republicans plan to repeal Obamacare within weeks of Trump taking office

by Philip Klein | Dec 15, 2016, 1:56 PM

## *Trump Tells Congress to Repeal and Replace Health Care Law 'Very Quickly'*

By MAGGIE HABERMAN and ROBERT PEAR JAN. 10, 2017

# Then what happened?

## *House Passes Measure to Repeal and Replace the Affordable Care Act*

By THOMAS KAPLAN and ROBERT PEAR MAY 4, 2017

## *Senate Rejects Slimmed-Down Obamacare Repeal as McCain Votes No*

By ROBERT PEAR and THOMAS KAPLAN JULY 27, 2017

## Collins to vote 'no' on Graham-Cassidy bill, likely killing latest Obamacare repeal



By [MJ Lee](#) and [Lauren Fox](#), CNN

Updated 10:48 PM ET, Mon September 25, 2017



Caitlin Owens Nov 14

## Senate tax bill will include individual mandate repeal

# The heart of the ACA is still intact

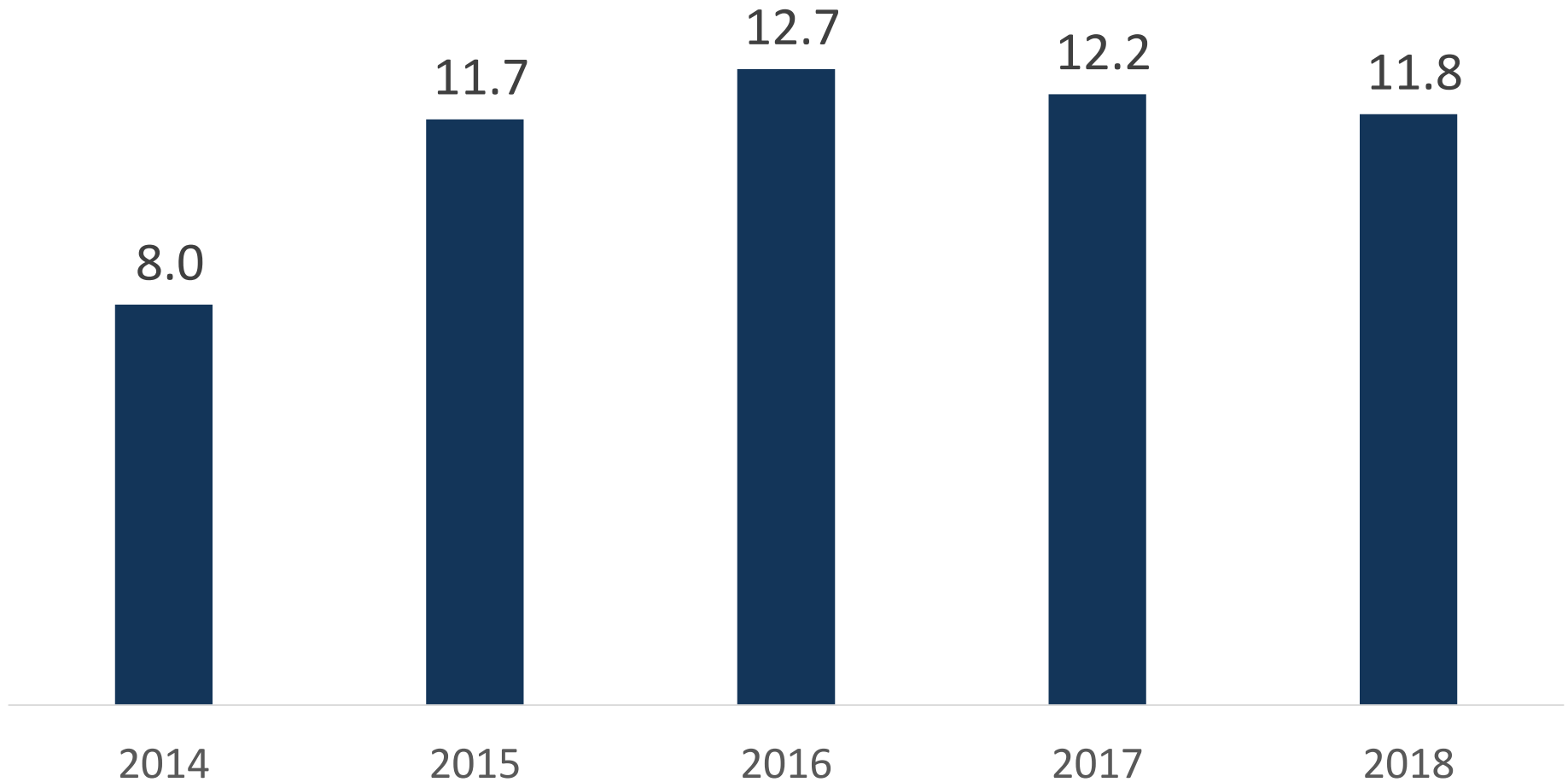
- Enhanced federal matching payments for expanded Medicaid eligibility up to 138% of the poverty level.
- Required coverage of essential benefits.
- Protections for people with pre-existing conditions.
- Premium subsidies for people buying their own insurance with incomes up to 400% of the poverty level.

# Administrative actions threatened to undermine open enrollment

- Termination of cost-sharing subsidy payments to insurers.
  - Low-income consumers remain eligible for reduced cost-sharing.
  - Most states and insurers blunted the impact by adding premium surcharges only to silver plans (the benchmark for premium subsidies).
- A 90% reduction in federal outreach funding and a 41% reduction in navigator grants.
- A shortened open enrollment period.

# Despite facing significant headwinds, the marketplace persisted

Marketplace plan selections, in millions

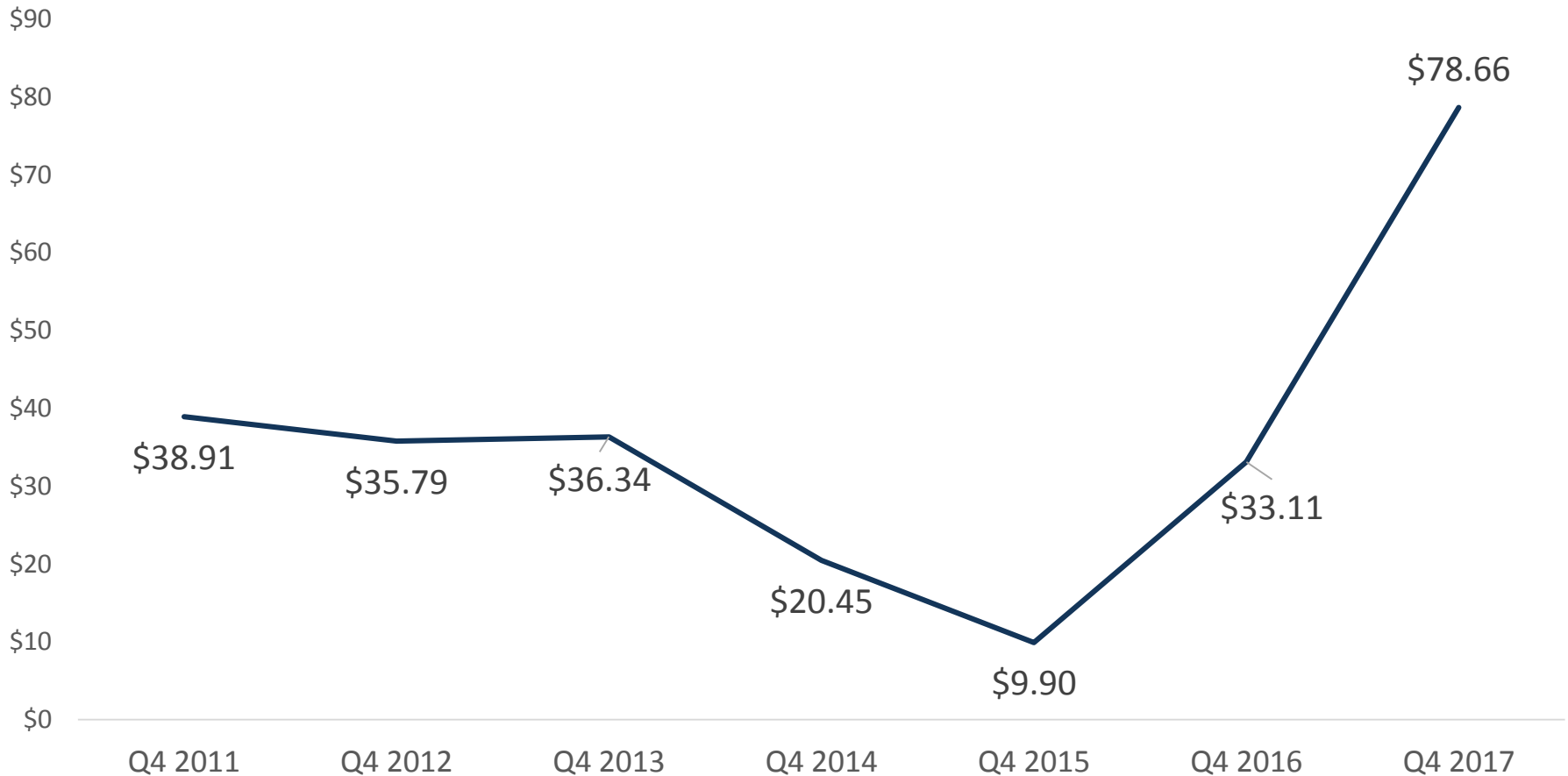


Note: 2018 is preliminary and does not include final figures for California and New York.

Source: <https://www.kff.org/health-reform/state-indicator/marketplace-enrollment-2014-2017/?currentTimeframe=1&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

# Financial condition of non-group market health insurers stabilized with 2017 premium increases

Average individual market gross margins per member per month



Note: Q3 data is year-to-date from January 1 – September 30

Source: Kaiser Family Foundation analysis of data from Mark Farrah Associates Health Coverage Portal TM

# Changes underway will wound the ACA, but not kill it

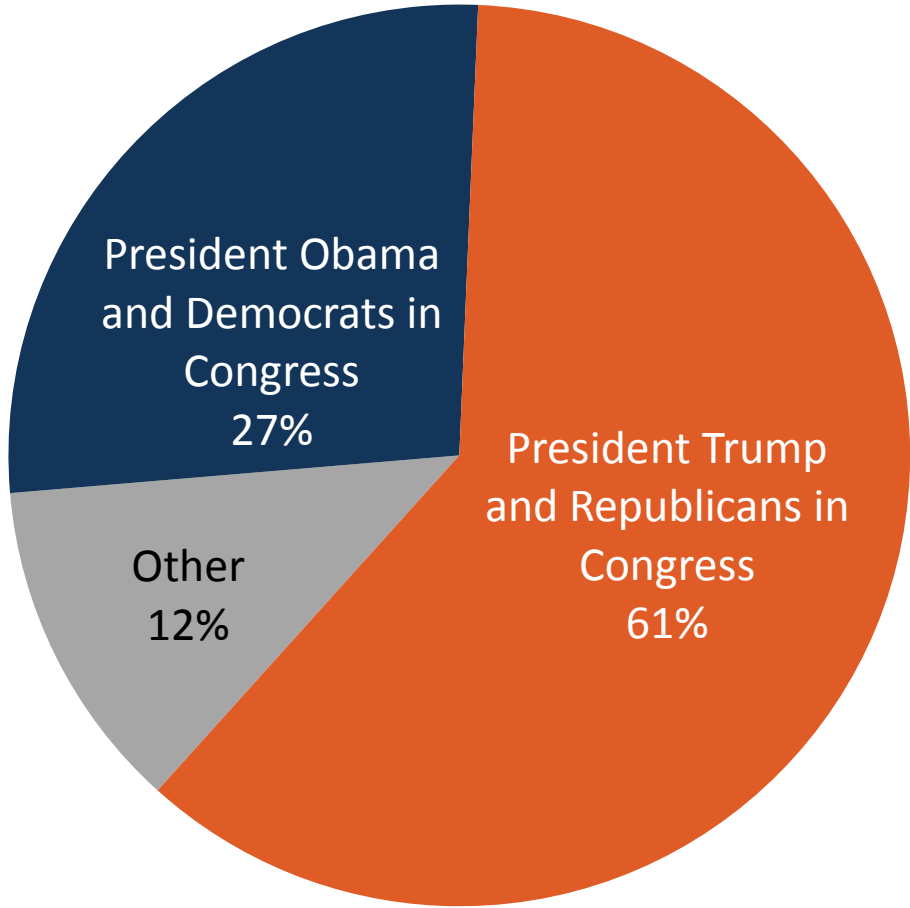
- Repealing the individual mandate penalty in 2019 will increase premiums and reduce coverage.
  - CBO: 10% average premium increase in the individual insurance market, and 13 million more people uninsured by 2027.
- Loosely-regulated association and short-term health plans will be able to cherry pick healthy people with lower premiums, increasing premiums in the regulated ACA market.
- Premium subsidies will protect lower income people from rate hikes and help to keep the market stable.
- Healthy people may get cheaper options, but middle-class people with pre-existing conditions will feel the full brunt of premium increases.



# The effects of federal policy changes will vary tremendously from state to state

- Some markets are more stable than others.
- States running their own insurance exchanges are shielded from federal outreach funding reductions.
- States may be able to limit the expansion of loosely-regulated association and short-term plans.
- States can impose their own individual mandates.
- New flexibility in Medicaid (such as work requirements) is at state discretion.

# Who is responsible for any ACA problems going forward?



NOTE: "Other" includes the shares that say "Neither of these/someone else is responsible" (Vol.) and "Both are equally responsible" (Vol.).  
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted January 16-21, 2018).

# What's next?

- A bipartisan effort (Alexander-Murray) to fund cost-sharing subsidies seems to be losing steam, and might even do more harm than good at this point.
- A separate effort (Collins-Nelson) would provide federal funding for reinsurance (\$10 billion over two years) and help temporarily offset the premium increase from repealing the individual mandate penalty.
- Another attempt to repeal and replace the ACA or convert Medicaid to a block grant?
- A health care détente?