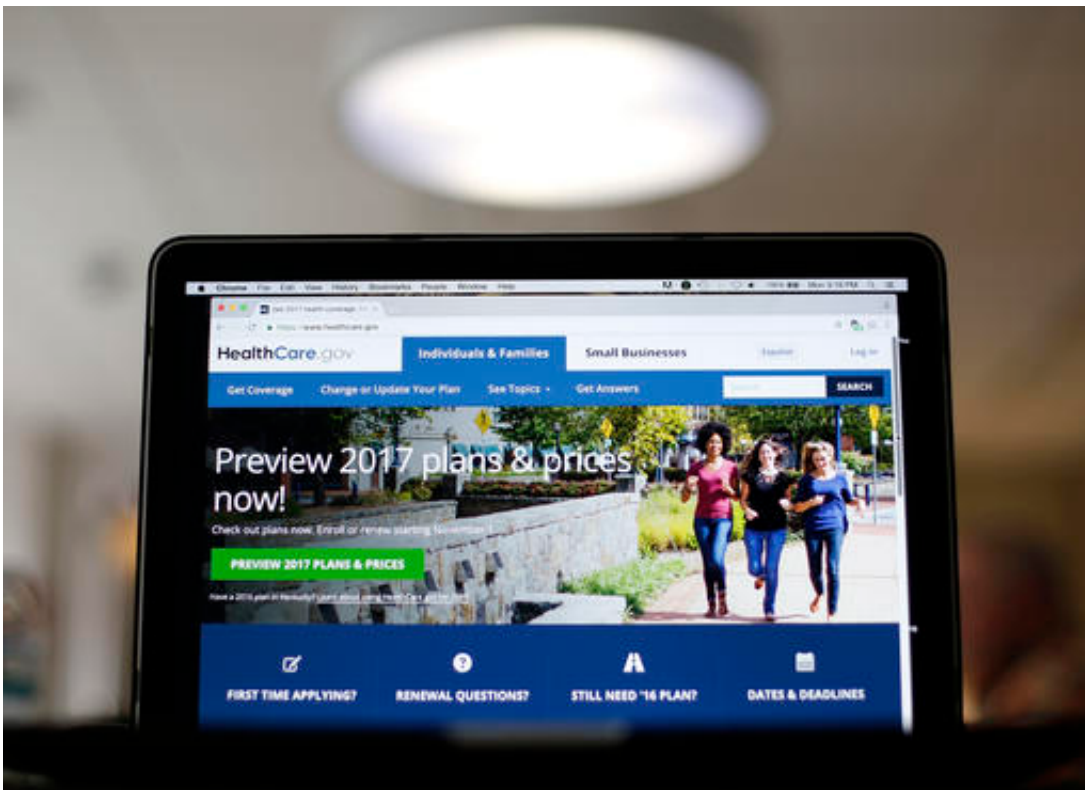


Study: 'Obamacare' repeal-only would make 30M uninsured

December 7 2016, by Ricardo Alonso-Zaldivar



In this Oct. 24, 2016, file photo, the HealthCare.gov 2017 web site home page as seen in Washington. Repealing President Barack Obama's health care law without a clear replacement risks making nearly 30 million people uninsured, according to a study released Dec. 7. Republicans say that won't happen because they are working on replacement legislation for a President Donald Trump to sign. Nonetheless, the complex two-stage strategy the GOP Congress is contemplating has raised concerns.(AP Photo/Pablo Martinez Monsivais, File)

Repealing President Barack Obama's health care law without a replacement risks making nearly 30 million people uninsured, according to a study released Wednesday.

Separately, a professional group representing benefit advisers warned congressional leaders of the risk of "significant market disruption" that could cause millions of Americans to lose their health insurance.

Republicans dismiss such dire scenarios, saying that they are working on replacement legislation for a President Donald Trump to sign. Nonetheless, the complex two-stage strategy the GOP Congress is contemplating has raised concerns not only among supporters of the law, but also industries like hospitals and insurers.

The plan is for Congress to first use a special budget-related procedure to repeal major portions of the Affordable Care Act, or ACA, next year. The effective date of that repeal would be delayed by months or even years to give lawmakers time to write replacement legislation.

The replacement law would presumably do many of the same things that "Obamacare" does, such as subsidizing coverage and protecting people with health problems. But it would not involve as much federal regulation, and it would eliminate a highly unpopular requirement that most Americans get health insurance or face fines.

The new study from the nonpartisan Urban Institute looks at a scenario where "repeal" goes through, but "replace" stalls. It predicts heavy collateral damage for people buying individual health insurance policies independent of government markets like HealthCare.gov. Though nonpartisan, the Urban Institute generally supports the goal of extending coverage to all Americans. Previously it has criticized some of the subsidies provided under Obama's law as insufficient.

The new analysis warns that repealing major parts of the health law without a clear replacement could upend the health insurance market for people buying their coverage directly, outside of the workplace. That group has grown substantially under the health care law, but also includes millions of other customers.

The study found that 22.5 million people would lose coverage directly due to repeal of the law's subsidies, Medicaid expansion, and its individual requirement to carry health insurance.

Another 7.3 million would become uninsured because of the ripple effects of market upheavals. That could happen if insurers lose confidence in the Republican promise of a replacement and abandon the individual market. A key industry worry is that a repeal law would get rid of subsidies and mandates but still leave insurers on the hook for covering people with health problems.

The number of uninsured people would rise to nearly 59 million in 2019, since the ACA did not completely eliminate the problem of people without coverage. As a result, the nation would have a higher uninsured rate than when the ACA passed in 2010, the study found.

Federal and state governments would save billions, but the potential price would be social dislocation and a political backlash.

"This scenario does not just move the country back to the situation before the ACA," the study concluded. "It moves the country to a situation with higher uninsurance rates than was the case before the ACA's reforms.

The concerns raised by the Urban Institute study were underscored in a letter Wednesday to congressional leaders from the American Academy of Actuaries. The group represents professionals who advise

corporations and government on how to design and maintain benefit programs like pension and health care plans.

The actuaries said even if Congress delays the date of repeal, the uncertainty could prompt insurers to stop offering individual plans for people not covered by employers.

"Delaying the effective date of repeal while a replacement is worked out likely won't be enough to assure the stability and sustainability of the individual market," wrote Shari Westerfield, the group's vice president for health care practice.

Earlier, hospitals warned that they would suffer heavy financial losses if Congress repeals coverage for millions of new paying customers. Those would be magnified if lawmakers leave in place cuts that hospitals accepted as part of the deal to pass the Obama health law. Insurers are also uneasy, even if the ACA hasn't turned out to be as profitable as expected.

Republicans say they won't allow chaos to happen.

"We are not going to rip health care out of the hands of Americans," House Ways and Means Chairman Kevin Brady, R-Texas, said in a recent interview with Associated Press reporters and editors.

"Republicans are going to give Americans choices and an appropriate transition."

© 2016 The Associated Press. All rights reserved.

Citation: Study: 'Obamacare' repeal-only would make 30M uninsured (2016, December 7) retrieved 2 May 2024 from

<https://medicalxpress.com/news/2016-12-obamacare-repeal-only-30m-uninsured.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.