

New analysis: 'Obamacare' coverage costs rising

24 March 2016, by Andrew Taylor And Ricardo Alonso-Zaldivar

Expanded health insurance coverage under the Affordable Care Act, President Barack Obama's signature legislative legacy, will cost the government more, according to an official study released Thursday. Still, on balance, the measure more than pays for itself.

The nonpartisan Congressional Budget Office said the health care law will cost \$1.34 trillion over the coming decade, \$136 billion more than the CBO predicted a year ago. That 11 percent hike is mostly caused by higher-than-expected enrollment in the expanded Medicaid program established under the law.

All told, 22 million more people will have health care coverage this year than if the law had never been enacted, CBO said. The measure's coverage provisions are expected to cost \$110 billion this year.

The number of uninsured people this year is anticipated at 27 million.

About 90 percent of the U.S. population will have coverage, a percentage that is expected to remain stable into the future.

The study also projected a slight decline in employment-based coverage, although it will remain by far the most common kind among working-age people and their families.

Employers now cover some 155 million people, about 57 percent of those under 65. That's expected to decline to 152 million people in 2019. Ten years from now, employers will be covering about 54 percent of those under 65.

CBO said part of the shrinkage is attributable to the health care law: some workers may qualify for Medicaid, which is virtually free to them, and certain employers may decide not to offer coverage because a government-subsidized

alternative is available. (Larger employers would face fines if they take that route.)

But the agency also noted that employer coverage had been declining due to rising medical costs well before the health care law was passed, and that trend continues.

The analysis underscores the view that the health care law is driving the nation's gains in insurance coverage, which raises political risks for Republicans who would repeal it.

Taking seniors covered by Medicare out of the equation, the government devotes \$660 billion to subsidizing health care for people under 65, including the Medicaid program for the poor and disabled and tax benefits for employer-provided health insurance.

The budget office did not provide a new estimate of Obamacare's overall impact on the federal deficit, other than to say that it is, on net, expected to reduce the deficit. The law included a roster of tax increases and cuts in Medicare payments to hospitals and other providers to pay for coverage expansion.

The Obama administration said the report shows that the law is working to cover the uninsured and that the cost projections, when viewed in context, remain positive.

"It's important to appreciate that the (health care law) is not just about some race to meet a given number of enrollees," spokesman Aaron Albright said in a statement. "It is about health care in America for all of us as we go through life ... affordable insurance is not out of reach because of costs or a pre-existing condition."

CBO is a congressional agency that does budget forecasts and cost estimates of legislation.

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APA citation: New analysis: 'Obamacare' coverage costs rising (2016, March 24) retrieved 15 September 2019 from <https://medicalxpress.com/news/2016-03-analysis-obamacare-coverage.html>

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