

# THE CONSEQUENCES FOR PENNSYLVANIA OF DECLARING THE ACA UNCONSTITUTIONAL

A case coming before the Supreme Court threatens to declare the entire Affordable Care Act unconstitutional. If that happens, the effect on Pennsylvania and Pennsylvanians would be devastating, according to estimates we made in July of 2019, which are undoubtedly lower than a similar study would find today.<sup>[1]</sup>

- In Pennsylvania, **27% of adults under the age 65, or 2.1 million people, would be uninsurable in the private insurance market** due to pre-existing conditions (assuming that private insurance returns to the rules in force before the ACA was in effect). **This does not include the millions of people who would have to pay more for insurance because of their pre-existing conditions.**
- The number of uninsured Pennsylvanians would rise from 644,000 to 1,502,000, an increase from 6.2% to 14.4% of the population.
- **Prescription drug costs would rise by \$226 million for 208,000 Pennsylvania seniors on Medicare.** One provision of the ACA closes the Medicare donut hole, the gap in coverage that existed for some beneficiaries with high drug expenses.<sup>[2]</sup>
- Federal support for Medical Assistance (PA's Medicaid program) would decline from \$15.8 billion to \$10.7 billion.
- The cost of uncompensated care provided by hospitals and doctors would increase from \$1.5 billion to \$3.4 billion. Community hospitals in every area of the Commonwealth would face financial disaster.
- **Tens of thousands of Pennsylvanians would lose treatment for substance use disorder from Medicaid.** In 2017, 118,000 individuals received health care to deal with opioid-use disorder through Medicaid, many of them through expanded Medicaid, which would be ended if the ACA were repealed.
- About 80,000 Pennsylvanians between the ages of 18 and 26 would lose the right to stay on their parents' health insurance.
- 137,000 Pennsylvanians in the health care and related industries would lose their jobs.<sup>[3]</sup>



[1] Unless otherwise noted, all data comes from Diana Polson, *Impact of Full ACA Repeal in Pennsylvania*, Pennsylvania Budget and Policy Center, July 19, 2019, [https://krc-pbpc.org/wp-content/uploads/20190716\\_ACA-repeal\\_Final-2.pdf](https://krc-pbpc.org/wp-content/uploads/20190716_ACA-repeal_Final-2.pdf). That paper used data provided by the Urban Institute in March 2019. Thus, this post is based on an analysis of the consequences of ACA repeal before the COVID-19 pandemic. Almost every problem touched on in this brief has become worse because of COVID-19: fewer people have employer-based insurance now, so more of them are relying on either traditional or expanded Medicaid or health insurance purchased on the exchange; a larger percentage of the population will have pre-existing conditions, including having been infected with COVID-19, that make it impossible or extraordinarily expensive to secure health insurance; uncompensated care costs have increased for hospitals in Pennsylvania; federal support for Medicaid has increased and thus more would be lost if the ACA is repealed. We cannot yet estimate the impact of COVID-19 on these issues so these data should be taken as a conservative estimate of the extent of the problems it discusses.

- Fewer people have employer-based insurance now, so more of them are relying on either traditional or expanded Medicaid or health insurance purchased on the exchange.
- A larger percentage of the population will have pre-existing conditions, including having been infected with COVID-19, that would make it impossible or extraordinarily expensive to secure health insurance.
- Uncompensated care costs have increased for hospitals in Pennsylvania. And, federal support for Medicaid has increased so more would be lost if the ACA were to be repealed.

We cannot yet estimate the impact of COVID-19 on these issues so these data should be taken as a conservative estimate of the extent of the problems it discusses.

[2] Pennsylvania Budget and Policy Center calculations based on Juliette, Cubanski, Tricia Neuman, and Anthony Damico, *Closing the Medicare Part D Coverage Gap: Trends, Recent Changes, and What's Ahead*, Kaiser Family Foundation, August 21, 2018, <https://www.kff.org/medicare/issue-brief/closing-the-medicare-part-d-coverage-gap-trends-recent-changes-and-whats-ahead/>.

[3] Marc Stier, *Devastation, Death, and Deficits: The Impact of ACA Repeal on Pennsylvania*, January 19, 2017, [https://www.krc-pbpc.org/wp-content/uploads/Impact\\_ACA\\_Repeal\\_Final\\_Revised.pdf](https://www.krc-pbpc.org/wp-content/uploads/Impact_ACA_Repeal_Final_Revised.pdf), Part IV.bullets