

Five Key Facts Everyone Should Know About the Affordable Care Act and the GOP ‘Pay More For Less’ Bill

Republicans are consistently repeating falsehoods about the Affordable Care Act and how it is working, as a justification for why they are fighting for legislation to repeal the ACA.

Here are five key facts about the Affordable Care Act and the disastrous ACA Repeal bill that the Republicans have written, which CBO states will cause 24 million Americans to lose their coverage by 2026. There is a reason that doctors, nurses, hospitals, AARP, and patient advocacy groups have all come out strongly opposing this disastrous Republican “Pay More For Less” bill.

FACT #1: Millions of People Will be Financially Worse Off Under the GOP Repeal Bill with Less Competition, Especially Older People and in Rural Areas.

HHS Secretary Tom Price has said that he believes “[nobody will be worse off financially](#)” from the House repeal bill. He also has repeatedly said that the GOP repeal legislation will create more choice and competition for consumers.

That’s plain false. Millions of people, especially those who are older or live in rural areas, will see their health care costs skyrocket. And the bill will actually make it harder for people to shop for the best plan that works for them. Of note:

- **Millions Will Lose Their Coverage.** The nonpartisan Congressional Budget Office (CBO) found [24 million people would lose coverage](#) over the next decade, including 14 million next year alone.
- **Older People Will Pay What the AARP Deems an Age Tax.** The CBO also found a 64 year-old earning \$26,500 would pay \$1,700 under the Affordable Care Act but \$14,600 under the House repeal bill. That is [a \\$13,000 increase, or half of their yearly income](#). The AARP estimates that premiums could go up by [as much as \\$8,400](#) for a 64 year old who makes less than \$20,000 under the House Republican proposal.
- **Rural Areas will Be Hit Hard.** Premiums for individuals in marketplaces in rural areas was [6.6 percent higher](#) than the national average in 2016 because insurance pools tend to be smaller, making the costs for services in those areas higher. The way the tax credits are structured in the House repeal bill means rural areas are going to be paying even more because they don’t take income or geographic location into account. An analysis by Oliver Wyman found that a rural 45 year-old earning \$18,000 [would pay \\$2,291 more](#) than under the Affordable Care Act, and a bigger increase than what a person living in an urban area would pay. For a 62 year-old earning the same amount, that [increase would be \\$9,075 more](#), again roughly half their annual income.
- **Less Competition and Shopping for Consumers.** One of the features of the Affordable Care Act is consumers can shop and compare plans apples-to-apples. CBO says the House repeal bill will make plans “[harder to compare, making shopping for a plan on the basis of price more difficult](#).”

FACT #2: This Year, There was Virtually No Increase in Net Premiums for Most People in the Marketplaces

HHS Secretary Price repeatedly says that the average premium increased 25 percent in the past year. **This is misleading because it does not reflect what people pay out-of-pocket. More than 8 in 10 people receive tax credits that lower their premiums.** Two important points:

- **First, most people on the marketplaces get tax credits which kept their net premium relatively the same.** The Centers for Medicare and Medicaid Services (CMS) released a report that shows that consumers who received tax credits to help lower their premium - 84 percent of consumers in the marketplaces – have ended up paying on average \$106 in 2017, [no change from last year](#). While those who chose a silver plan - the most common choice - saw only a \$1 increase.

Figure 3: Average Monthly Premiums after APTC among HealthCare.gov Consumers with APTC



- **Second, the people on the marketplaces who do not receive financial assistance represent 3 percent of all Americans.** Most people get their coverage through their employer or the government, so they are not subject to the marketplace premium increases. Moreover, most people who purchase coverage through the marketplace also receive tax credits that help offset premium increases. That leaves people who purchase coverage through the marketplace without tax credits, or purchase it directly, who are impacted by the premium increases. [This population represents 3 percent of Americans.](#)
- **Third, premiums for employer-sponsored coverage has seen “a significant slowdown.”** According to the Kaiser Family Foundation, premium increases for families who get covered through their employer have seen “[a significant slowdown over the past 15 years.](#)” Last year, families in employer-sponsored coverage saw a 3 percent premium increase. The vast majority of people have health coverage through their employer.

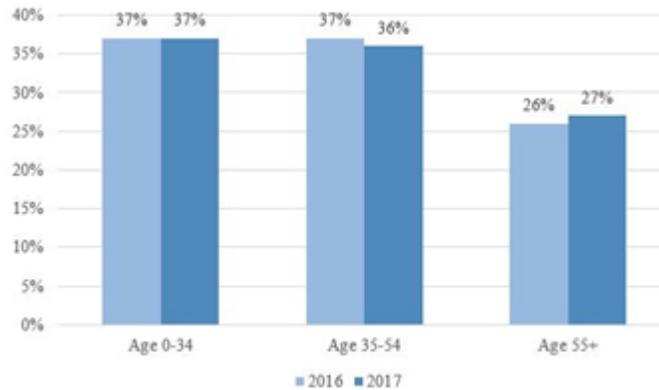
FACT #3: The Affordable Care Act is Stable

One of the main talking points from the Trump administration and Republicans in Congress is that the Affordable Care Act is “collapsing” or “a disaster.”

That is false. Some facts:

- The nonpartisan CBO found that under current law, the ACA’s mix of carrots and sticks “[are anticipated to cause sufficient demand for insurance by people with low health care expenditures for the market to be stable.](#)”
- In December, Standard & Poor’s said it expected [insurers’ performance in the marketplaces to be better in 2016 than in 2015.](#) In addition, it expected 2017 to show continued improvement.
- CMS released a report on the 2017 marketplaces and found [young adults made up roughly the same percentage of the marketplaces’ enrollees as last year.](#) Typically, young adults are used as an indicator of how stable the marketplace is.

- The marketplaces added nearly [4 million new consumers](#) last year, and enrollment held steady despite the Trump administration's efforts to sabotage open enrollment.



FACT #4: People are Getting the Care They Need.

Another Republican talking point is even though people have coverage they aren't getting the care they need. This belies the facts:

- **The Affordable Care Act Has Brought Financial Security to Millions of People.** The National Bureau of Economic Research looked at the impacts of expanding Medicaid and found that the [number of unpaid bills and debt has been reduced](#) for those who gained coverage from the expanded Medicaid program.
- **People are Getting the Care They Need.** According to the 2016 Commonwealth Fund Biennial Health Insurance Survey, the number of adults who said they had problems getting the care they need or filling their prescriptions [fell by 17 million people from 2012 to 2016](#).
- **People Like Their Coverage.** According to a 2016 Kaiser Family Foundation survey, "[about two thirds \(68%\) of marketplace customers rate their current coverage as either 'excellent' or 'good.'](#)"

FACT #5: There is No 3 Phase Approach to the Republican Repeal Strategy.

Republicans are selling the House repeal bill as the first step in "a three-step process." The second step is for administrative actions to gut the Affordable Care Act. The third step is to pass other reforms through separate legislation.

Sen. Tom Cotton (R-AR) put it best talking to Hugh Hewitt [about why the three step process won't work](#):

Hugh, there is no three-phase process. There is no three-step plan. That is just political talk. It's just politicians engaging in spin. This is why. Step One is a bill that can pass with 51 votes in the Senate. That's what we're working on right now. Step Two, as yet unwritten regulations by Tom Price, which is going to be subject to court challenge, and therefore, perhaps the whims of the most liberal judge in America. But Step Three, some mythical legislation in the future that is going to garner Democratic support and help us get over 60 votes in the Senate. If we had those Democratic votes, we wouldn't need three steps.