

The Affordable Care Act – How Is It Working?

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Core Provisions of the ACA

Individual
Mandate



Subsidies
(Premium tax credit and
Medicaid Expansion)

Insurance
Reforms

Individual Mandate in Action

Returns Claiming Coverage	103.6 million
Returns Claiming Exemption	22 million
Returns With Penalty	5.6 million
Average Penalty	\$442

Exchanges – Are They Working?

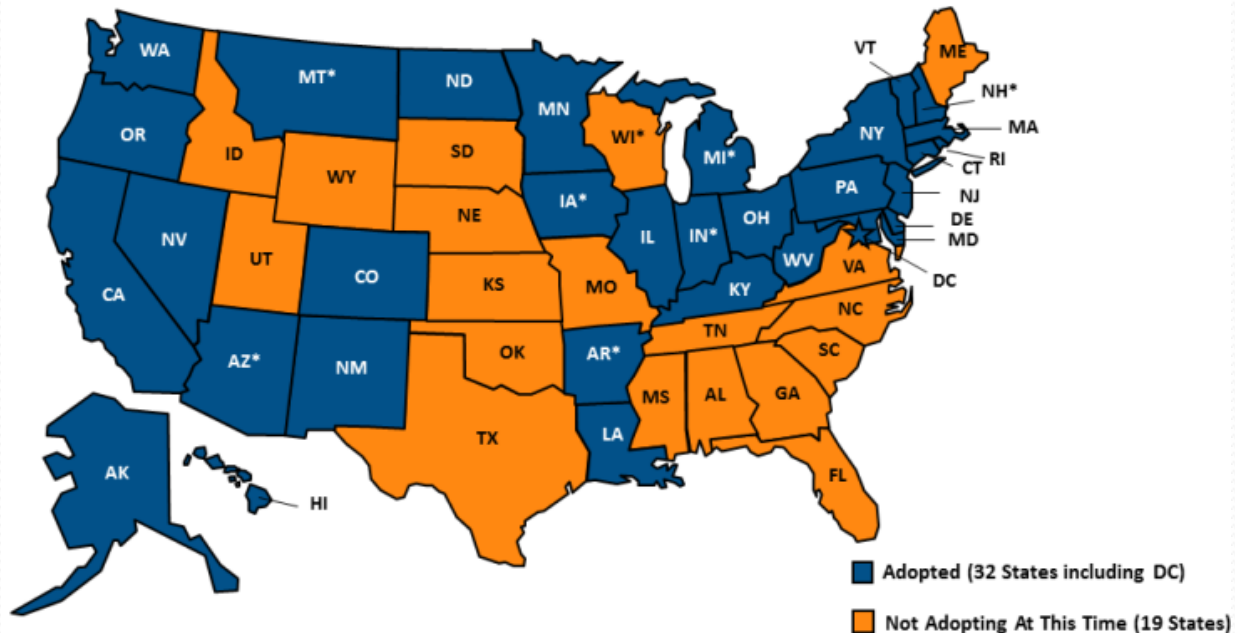
- Total enrollment for 2016: 11.1 million (85% with premium subsidies)

For future years:

- Aetna exiting 11 of 15 exchanges where it has offered plans in past years.
- United Healthcare exiting 26 of 34 exchanges where it has offered plans in past years.
- Significant premium increases on many exchanges for 2017.
- Exchanges still offering coverage for everyone.

Medicaid Expansion

Current Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

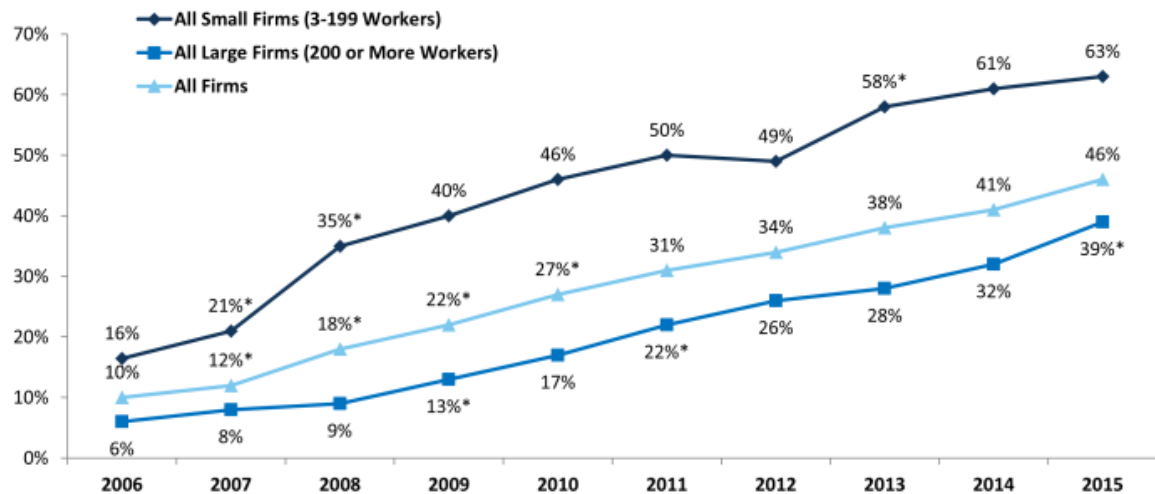
SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated October 14, 2016.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



Cost-Sharing Shifts to Consumer

Exhibit G:
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of \$1,000 or More for Single Coverage, By Firm Size, 2006-2015



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: These estimates include workers enrolled in HDHP/SO and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2015.



What Will Happen to the Law?

- Repeal the ACA? – No. The insurance reforms are very popular.
- Public Option? – Individual states may try this using a waiver.
- Stabilize the Exchanges? – Need more enrollees and a better risk pool.
- Cadillac Tax or Cap on Tax Benefit for Employer-Provided Coverage? -- Intense politics.
- Regulate Drug Pricing?