

How Affordable Care Act (ACA) and Medicaid changes affect Oregon

People who have health coverage are healthier, on average, than people who lack health coverage. When people have access to health care, communities are healthier too. More people are able to work and go to school, and contribute in other ways to their local economy. Employers benefit from a healthier workforce, lower insurance costs, and less absenteeism. Fewer people turn to social services.

Oregon struggled with a high un-insurance rate before Congress passed the Affordable Care Act. In 2010, nearly 1 in 5 Oregonians lacked health coverage. Then, Oregon dramatically expanded health coverage after the ACA took effect. Today, 95 percent of Oregonians have health coverage. Although there is more work to do to improve the ACA, the law has brought important benefits to Oregon. The ACA, combined with Oregon's state Medicaid reforms, achieved the following:

- Reduced health care costs for state taxpayers
- Improved the quality of care Oregonians receive
- Created thousands of new jobs across Oregon

Congressional leaders want to repeal the ACA and overhaul Medicaid. Congress has not settled on a plan, but changes would have a major impact on our state. Here are six ways ACA repeal and Medicaid changes could affect people in Oregon.

1. Fewer Oregonians could have health coverage if the ACA is repealed:

The ACA created a Marketplace for people to buy quality health insurance and get subsidies to make coverage more affordable. Oregon was able to expand Medicaid to cover working people and families with low incomes. As a result:

Oregon's uninsured rate plummeted under the ACA:

- **Health coverage:** More than 95 percent of Oregonians – and 98 percent of children – have health care coverage.
- **Uninsured rate:** Since Oregonians began enrolling for coverage under the ACA and Medicaid expansion took effect, Oregon's uninsured rate dropped from 17 percent to 5 percent.

More Oregonians gained private health coverage and received help paying for it through the ACA:

- **Marketplace boosts coverage:** More than 155,000 Oregonians have signed up for health insurance through the Marketplace as of Jan. 31, 2017.
- **Subsidies make coverage more affordable:** More than 106,000 Oregonians have qualified for tax credits that make health premiums more affordable for moderate-income individuals and families. On average, Oregonians who bought health coverage through the Marketplace and received subsidies for 2017 plans had their premiums reduced by \$349 per month.

Oregon expanded health coverage for children and working families through the ACA:

- **Coverage for low-income working families:** Under the ACA, Oregon extended Oregon Health Plan (OHP) coverage to approximately 400,000 Oregonians who lacked health insurance.
- **Rates of coverage greatest in rural Oregon:** Today, OHP covers more than 1 in 4 Oregonians, including nearly as many as 4 in 10 residents in some rural parts of the state.

The Congressional Budget Office (CBO) estimates 18 million people nationwide would lose health coverage if the ACA is repealed without a replacement.

- **In Oregon, the uninsured rate could triple** if the ACA's health insurance subsidies and Medicaid expansion are repealed.

2. Fewer Oregonians could have access to appropriate care if the ACA is repealed and Medicaid coverage is rolled back:

Ahead of the ACA expansion, Oregon stood up a new coordinated care system for its Medicaid program designed to improve care while lowering costs by focusing on integration, prevention, paying for value rather than volume, and operating within a sustainable budget. By launching this system before the ACA expansion, Oregon was prepared to enroll newly eligible Oregonians into a higher quality, more sustainable model of care. Today, more than 900,000 Oregonians in OHP are enrolled in locally governed coordinated care organizations that are focused on prevention and eliminating avoidable costs. Oregon's model is working:


- **Better care:** Hospital readmissions among OHP members have been cut by one-third in the past five years.
- **Fewer ER visits:** Fewer OHP members are forced to rely on emergency rooms for medical care – avoidable emergency room visits dropped 50 percent in Oregon since 2011.

3. Health care costs would rise in Oregon if the ACA is repealed:

Gains in health coverage under the ACA have helped extend the reach of Oregon's innovative health reforms and save money for taxpayers.

- **Lower costs under Medicaid expansion:** Oregon implemented a new model of care in Medicaid that reduced per capita cost growth to 3.4 percent per year. Federal and state government saved \$1.4 billion in Medicaid costs just since 2012, and has avoided billions more since the inception of the Oregon Health Plan over two decades ago. The ACA has allowed the state to expand coverage to low-income Oregonians into a higher quality system that is containing costs.
- **ACA reduces uncompensated care:** The ACA's coverage expansion has saved Oregon hospitals millions in uncompensated care costs, dropping from \$845 million in 2013 to \$315 million in 2015.

If hundreds of thousands of Oregonians lose affordable private insurance or OHP coverage, more people would rely on emergency rooms – the most expensive point of care – for basic medical treatment.



Hospitals would again be saddled with the burden of uncompensated care. Employers would face higher premiums and taxpayers would bear greater costs.

4. Oregon's economy and state budget will feel the impact if the ACA is repealed:

- **Jobs grow following ACA:** Oregon added 23,300 new health care jobs from 2013 to 2016. The nonprofit Economic Policy Institute estimates Oregon would lose a total of 42,000 jobs if the ACA is repealed.
- **Medicaid expansion spurs better job growth:** On average, Oregon's rate of job growth has outpaced rates of job gains in states that did not expand Medicaid coverage, according to the office of Oregon's state economist.
- **Impact on state budget:** Oregon's budget received \$6.4 billion in federal funding for Medicaid expansion from 2014 to 2016.

Under the ACA, fewer Oregonians say that health care is a major reason they need food assistance: The Oregon Food Bank reports the number of people who cited "health care" as a top reason for seeking food assistance dropped in half between 2012 and 2015, following passage of the ACA.

5. Oregonians could lose important health benefits if the ACA is repealed:

- **ACA protects Oregonians with pre-existing conditions:** The ACA protects more than 1.6 million Oregonians who have existing medical conditions from being denied coverage or charged higher premiums by insurers.
- **The ACA prohibits discrimination:** Today, insurers cannot discriminate based on a person's race, color, national origin, sex, gender identity, age, or disability.
- **ACA mandates preventive and contraceptive coverage:** Subject to limited exceptions for religious employers, commercial insurers must cover birth control and reproductive health services, including office visits, without charging a co-payment or co-insurance. They also must cover prevention services that improve outcomes and reduce downstream costs.

6. Oregon would lose federal funding for vital public health services if the ACA is repealed:

- **ACA funds core public health programs:** In 2016, Oregon received \$10.4 million in federal funds through the ACA for immunization, teen suicide prevention, and other core public health services. ACA repeal puts these programs at risk.