State-by-State Estimates of the Coverage and Funding Consequences of Full Repeal of the ACA

Linda J. Blumberg, Matthew Buettgens, John Holahan, and Clare Pan

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In June 2018, we released a national-level analysis that estimated the coverage and health care spending implications of eliminating the entire Affordable Care Act (ACA) in 2019 (Holahan, Blumberg, and Buettgens 2018). We did this analysis to provide information on some of the consequences should a case then before the US District Court for the Northern District of Texas be decided in favor of the plaintiffs.[1] The district court judge in that case did find for the plaintiffs, yet the repeal of the ACA has been stayed pending appeal to the US Court of Appeals for the Fifth Circuit. In this current analysis, we estimate the state-by-state implications of full ACA repeal in 2019, updating our previous analysis to reflect 2019 Marketplace enrollment and premiums, as well as more recent Medicaid data. We also present a new sensitivity analysis that accounts for the uncertain circumstances for states that had Medicaid coverage expansion waivers in place before the ACA. In addition, we provide data on Marketplace premiums, insurer participation, and enrollment in 2018 and 2019 as indicators of the strength of the ACA's private nongroup insurance markets in the first year without the individual mandate penalties in place.

The plaintiffs argue that, because the 2017 Tax Cuts and Jobs Act eliminated the ACA's individual mandate penalties starting with the 2019 plan year, the entire ACA cannot operate or be sustained. Therefore, they argue that the ACA should be invalidated, or effectively repealed in its entirety.

Because of the complexity of fully repealing the ACA, we have estimated the implications in two ways: our main results assume that states with Medicaid 1115 coverage expansions in place before the ACA would be able to reinstate them, and our sensitivity results assume that those states would not be able to reinstate their waivers. How states and the federal government would respond to a full repeal of the ACA is uncertain. The states with waivers in place in 2010 (Arizona, Delaware, Hawaii, Massachusetts, New York, Vermont, and Wisconsin) are in different circumstances; for those that would seek to reinstate the coverage components of their 2010 waiver, it is unclear whether and under what conditions the current administration would renegotiate them. Thus, by estimating the implications of repeal with and without those waivers in place, we provide a reasonable range of possible effects.

If the entire law were eliminated and pre-ACA Medicaid expansion waivers were reinstated, our main analysis shows the following changes in 2019:

- The number of uninsured people in the US would increase by 19.9 million, or 65 percent.
- Federal spending on health care would fall by $134.7 billion, a decrease of 35 percent compared with ACA-level spending on Marketplace subsidies and Medicaid/Children's Health Insurance Program (CHIP) acute care for the nonelderly.
- State spending on Medicaid/CHIP would fall by $9.6 billion, a decrease of 6 percent compared with ACA-level spending on acute care for the nonelderly.
- Demand for uncompensated care would increase by $50.2 billion, an increase of 82 percent compared with ACA levels.
- The effects of repeal on insurance coverage would vary considerably across the country. States that most reduced their uninsured populations under the ACA (e.g., states that expanded Medicaid and/or had high Marketplace participation) would experience the greatest relative increases in their uninsured populations under repeal. For example, the number of uninsured in Kentucky would increase by 151 percent under repeal, compared with only a 12 percent increase in South Dakota, a state that has not expanded Medicaid and has had low enrollment in the Marketplace.
- Likewise, federal health care spending would fall most in states where coverage increased most. Federal health care spending on Medicaid/CHIP (acute care for the nonelderly) and Marketplace subsidies would fall by more than 40 percent in 15 states, but the relative decreases would be much smaller in states like Mississippi (15 percent) and Texas (21 percent).
- States with Medicaid 1115 waivers in place in 2010 would be able to protect more of their coverage under repeal *if* they would be able to reinstate those waivers on similar terms. However, those waivers would have to be renegotiated with the federal government, and the results of that process are highly uncertain.

Not all seven states with pre-ACA Medicaid expansion waivers have maintained the preexpansion coverage element of the waiver, given the opportunity to expand under the ACA. As a result, we

estimate the implications of those waivers not being reinstated under full ACA repeal as a sensitivity. Given that Wisconsin's waiver, for one, has been recently renewed, the most likely outcome would be somewhere between our main results and the following results of the sensitivity analysis:

- Without reinstating waivers in these seven states, up to 1.3 million more people could become uninsured beyond the first scenario, increasing national uninsurance under repeal by 21.2 million people, or 70 percent.
- Federal spending on health care could fall even further than noted above, by up to an additional $6.4 billion in 2019, bringing the total national decrease to $141.1 billion.
- Simultaneously, state spending on Medicaid/CHIP could fall further, by up to an additional $5.0 billion across the seven states, bringing the national decrease in state spending to $14.6 billion.
- With higher levels of uninsurance absent reinstated waivers, the demand for uncompensated care would be still higher. As a result, the national demand for uncompensated care could be up to $53.3 billion higher in 2019 than under current law.

Lastly, in response to claims that the ACA's private nongroup insurance markets could not function effectively with guaranteed issue and modified community rating but without an individual mandate, we analyzed Marketplace data and found that, despite elimination of the mandate penalties beginning in the 2019 plan year

- enrollment (measured as plan selections) as of the end of the open enrollment period is 97 percent of 2018 enrollment at the same point in the year;
- more insurers are participating in the Marketplaces in 2019 than in 2018; and
- typical benchmark (second-lowest-cost silver) premium increases in 2019 were well below those in 2018, and many more rating regions experienced benchmark premium decreases in 2019 than in 2018.

Data and Methods

Our analyses use the Urban Institute's Health Insurance Policy Simulation Model (HIPSM).[2] HIPSM is a detailed microsimulation model of the health care system designed to estimate the cost and coverage effects of proposed policy options. The model has been used extensively to estimate the cost and coverage implications of health reforms at the national and state levels and has been widely cited, including in the Supreme Court's majority opinion in *King v. Burwell*.[3]

HIPSM is based on two years of the American Community Survey. The population is aged to future years using projections from the Urban Institute's Mapping America's Futures program.[4] HIPSM is designed to incorporate timely, real-world data when they are available. We regularly update the model to reflect published Medicaid and Marketplace enrollment and costs in each state. The enrollment experience in each state under current law affects how the model simulates policy alternatives. The current version of HIPSM is calibrated to state-specific targets for Marketplace enrollment following

the 2019 open enrollment period, 2019 Marketplace premiums, and late 2018 Medicaid enrollment from the Centers for Medicare & Medicaid Services monthly enrollment snapshots. As of this publication, no 2019 data were available on off-Marketplace nongroup or non-ACA-compliant nongroup coverage. The simulations, account for relevant state regulations such as the banning of short-term, limited-duration plans (Blumberg, Buettgens, and Wang 2018).

Our current-law estimates account for the federal individual mandate penalties being set to $0 beginning in plan year 2019, as well as the fact that the District of Columbia, Massachusetts, and New Jersey have their own individual mandate penalties. Elimination of the federal individual mandate penalties is expected to reduce insurance coverage levels compared with having the penalties in place; however, eliminating the rest of the ACA would only exacerbate declining insurance levels.

We treat states in which the ACA Medicaid expansion has been approved by ballot initiative but not yet implemented as nonexpansion states (Idaho, Nebraska, and Utah).

Other ACA provisions that affect Medicare, payment and delivery system reform, support for community health centers, and preventive care initiatives would be eliminated if the ACA were fully repealed. As with our prior analysis, we do not analyze the elimination of those provisions here.

We estimate the impact of a complete repeal of the coverage provisions of the ACA, comparing it with insurance coverage and health care spending under current law at the national and state levels. The current-law estimates include the repeal of the federal individual mandate penalties and other recent policy changes, including the expanded availability of short-term, limited-duration policies; a shortened annual open enrollment period; and reduced funds for outreach and enrollment assistance. Our prior analysis did not account for the expansion of short-term policies under current law, because the regulations had not yet been finalized when the report was released in June 2018.

As noted above, we present a range of estimated effects of repeal to account for the uncertainty surrounding whether states would reinstate their pre-ACA Medicaid 1115 coverage expansion waivers. Our main set of estimates assumes the waivers would be reinstated, whereas the second set of estimates, presented as a sensitivity analysis, assumes they would not be reinstated. Before the ACA, seven states received federal Section 1115 waivers to expand eligibility for Medicaid coverage; most often, these states demonstrated that their expansion would be budget neutral for the federal government, because savings would accrue from moving Medicaid enrollees into managed care organizations. The seven states were Arizona, Delaware, Hawaii, Massachusetts, New York, Vermont, and Wisconsin. Because the ACA made these waivers obsolete in ACA Medicaid expansion states, not all waivers, or the coverage aspects of the waivers, have been renewed since 2014.

If the ACA were effectively repealed and not all state waivers were reinstated, Medicaid eligibility in the nonrenewed states would shift back to the pre–waiver implementation eligibility levels. These states could apply to have their waivers renegotiated with the federal government if the ACA were invalidated, but the outcome would be uncertain. First, states would have to be willing and able to invest the time and expenses involved with the waiver process. Second, it is unclear what terms the administration would agree to. And third, it is unclear whether the states would be able to show that

their new waivers would be budget neutral to the federal government, given changes in circumstances since the waivers' original approval and intervening changes in the administration's approach to calculating budget neutrality. Though at least one of these seven states, Wisconsin, has a currently active coverage waiver, we present our sensitivity results for all seven states as a sensitivity in a steady-state situation, because it is unclear how future administrations would treat new waiver requests. We recognize that the most likely result of invalidating the ACA would fall somewhere between our main results and the secondary results from the sensitivity analysis.

It is possible that ACA repeal would be used as a vehicle to introduce the large-scale changes to Medicaid that the current administration now encourages through waivers, such as the imposition of work requirements. We did not simulate any such changes to the program.

The Impact of Full ACA Repeal Assuming Reinstatement of Pre-ACA Medicaid Coverage Expansion Waivers

National Effects on Coverage

Under current law, we estimate that 11.1 percent of the nonelderly population, or 30.4 million people, will be uninsured in 2019 (table 1). Another 147.3 million people will have employer-sponsored insurance, and 68.6 million people will have insurance through Medicaid or CHIP. Approximately 17.2 million people will have nongroup insurance coverage that abides by the ACA's consumer protections, including those receiving federal tax credits to reduce their premiums and those who buy policies with only personal funds. Another 2.2 million people will purchase short-term, limited-duration policies on the nongroup market. These policies, made more widely available under administrative regulations implemented in late 2018, do not comply with ACA requirements such as guaranteed issue, modified community rating, essential health benefits coverage, actuarial value standards, and prohibitions on preexisting condition exclusions.

If the ACA were repealed, the number of uninsured people in the US would increase to 50.3 million, an increase of 65.4 percent or 19.9 million people (table 1). Medicaid and CHIP enrollment would fall by 15.4 million people through the elimination of the ACA's Medicaid expansion. Reduced Medicaid eligibility would increase uninsurance among the low-income population.

TABLE 1

Health Insurance Coverage Distribution of the Nonelderly in 2019 under Current Law and Full ACA Repeal with Renewed Pre-ACA Medicaid Coverage Expansion Waivers

	Current Law ACA		Full Repeal with Renewed Pre-ACA Expansions		Change	
	1,000s of people	%	1,000s of people	%	1,000s of people	%
Insured	**243,939**	**88.9**	**224,062**	**81.7**	**-19,877**	**-8.1**
Employer	147,314	53.7	149,685	54.6	2,371	1.6
Nongroup total	*19,448*	*7.1*	*12,561*	*4.6*	*-6,887*	*-35.4*
ACA nongroup (with tax credits)	9,233	3.4	0	0.0	-9,233	-100.0
ACA nongroup (without tax credits)	7,973	2.9	0	0.0	-7,973	-100.0
Noncompliant nongroup coverage	2,241	0.8	12,561	4.6	10,319	460.4
Medicaid/CHIP	68,603	25.0	53,243	19.4	-15,361	-22.4
Other (including Medicare)	8,574	3.1	8,574	3.1	0	0.0
Uninsured	**30,377**	**11.1**	**50,253**	**18.3**	**19,877**	**65.4**
Total	**274,316**	**100.0**	**274,316**	**100.0**	**0**	**0.0**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.

Notes: CHIP = Children's Health Insurance Program. Reform simulated in 2019.

The total number of people with private nongroup insurance (ACA compliant and noncompliant) would drop 35.4 percent (6.9 million people), compared with having the ACA in place. Though we estimate that about 88 percent of nongroup coverage under current law is ACA compliant, postrepeal nongroup coverage would not be required to meet ACA consumer protections unless states passed them into law. Without the ACA's federal tax credits to attract many healthy people into the nongroup insurance market, those consumer protections could not be maintained because of the risk of substantial adverse selection into the market. Therefore, those enrolling in private nongroup coverage after repeal would likely have policies that cover significantly fewer benefits and require more out-of-pocket spending for services,[5] similar to nongroup coverage before ACA implementation. These policies also would no longer be required to cover preexisting conditions. Because of the elimination of guaranteed issue and modified community ratings, many people with current or past health problems would be unable to purchase the plans at any price, and others would be charged very high prices for insurance policies, further decreasing coverage and increasing financial burdens.

State-by-State Effects on the Uninsured

Table 2 shows the estimated increase in uninsurance and the percent of the nonelderly population uninsured in each state and the District of Columbia.

TABLE 2

The Uninsured Nonelderly in 2019 under Current Law and Full ACA Repeal with Renewed Pre-ACA Medicaid Coverage Expansion Waivers by State

	Current Law		Full Repeal with Renewed Pre-ACA Expansions			
					Difference from Current law	
State	1,000s of people	%	1,000s of people	%	1,000s of people	%
Alabama	504	12.3	647	15.8	143	28.4
Alaska	75	10.5	143	20.1	68	91.4
Arizona	768	12.8	1,064	17.7	297	38.6
Arkansas	206	8.1	505	19.9	299	145.1
California	3,421	10.0	7,210	21.0	3,789	110.7
Colorado	396	8.4	796	17.0	400	101.2
Connecticut	171	5.8	394	13.2	223	130.0
Delaware	66	8.4	94	12.0	28	41.8
District of Columbia	35	6.1	69	12.1	34	97.2
Florida	2,327	14.4	3,887	24.1	1,560	67.0
Georgia	1,594	16.9	2,055	21.8	461	28.9
Hawaii	132	10.4	143	11.2	11	8.1
Idaho	202	13.8	281	19.3	79	39.4
Illinois	1,297	11.6	1,902	17.0	605	46.6
Indiana	600	10.6	1,097	19.3	497	82.7
Iowa	149	5.7	336	12.9	187	125.7
Kansas	342	13.7	404	16.1	62	18.0
Kentucky	252	6.8	630	17.1	379	150.5
Louisiana	335	8.7	830	21.5	494	147.4
Maine	51	4.9	134	13.0	83	164.8
Maryland	374	7.1	719	13.6	345	92.2
Massachusetts	137	2.5	239	4.3	102	74.0
Michigan	627	7.7	1,347	16.6	720	114.8
Minnesota	331	7.0	596	12.6	265	80.0
Mississippi	404	16.2	504	20.2	100	24.9
Missouri	639	12.5	808	15.8	169	26.4
Montana	63	7.5	175	20.9	112	176.8
Nebraska	182	11.4	234	14.7	52	28.7
Nevada	376	13.8	658	24.1	282	75.1
New Hampshire	66	6.0	155	14.3	89	136.0
New Jersey	732	9.7	1,327	17.6	595	81.3
New Mexico	207	11.3	434	23.7	226	109.0
New York	1,488	8.9	2,095	12.6	607	40.8
North Carolina	1,168	13.3	1,672	19.1	503	43.1
North Dakota	56	9.6	81	14.0	25	45.6
Ohio	704	7.4	1,445	15.2	741	105.3
Oklahoma	617	18.2	763	22.5	146	23.7
Oregon	304	9.1	676	20.3	372	122.2
Pennsylvania	644	6.2	1,502	14.4	858	133.2
Rhode Island	57	6.6	124	14.3	67	116.3
South Carolina	536	13.3	778	19.3	242	45.0
South Dakota	101	14.0	114	15.7	12	11.9
Tennessee	738	13.2	905	16.3	168	22.7
Texas	4,678	19.2	6,411	26.3	1,733	37.0
Utah	383	13.6	484	17.2	102	26.5
Vermont	32	6.5	45	9.1	13	39.9
Virginia	670	8.9	1,312	17.4	642	95.7
Washington	538	8.8	1,102	18.1	565	105.0
West Virginia	92	6.4	254	17.6	162	175.6
Wisconsin	436	9.0	589	12.2	153	35.2
Wyoming	74	14.8	85	17.1	12	16.0
Total	**30,377**	**11.1**	**50,253**	**18.3**	**19,877**	**65.4**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.
Note: Reform simulated in 2019.

The largest absolute increase in the number of people uninsured occurs in the largest states: 3.8 million more uninsured in California, 1.6 million more uninsured in Florida, and 1.7 million more uninsured in Texas.

The largest percentage increases in the uninsured would occur in the states with the largest increases in coverage under the ACA. For example, West Virginia and Kentucky have large low-income populations and had high uninsurance rates before the ACA, and both states expanded Medicaid eligibility in 2014. Under repeal, the number of people uninsured in Kentucky would increase by 379,000, or 150.5 percent; in West Virginia, the number of people uninsured would increase by 162,000, or 175.6 percent. The uninsured in Montana, another ACA Medicaid expansion state, would increase by 176.8 percent, or 112,000 people.

States that did not expand Medicaid and/or do not have measures in place to encourage high Marketplace enrollment would see much smaller changes in their number of uninsured residents under repeal. For example, uninsurance in South Dakota would increase by 12,000 people, or 11.9 percent; uninsurance in Kansas would increase by 62,000 people, or 18.0 percent.

Nationwide and State-by-State Effects on Federal Health Care Spending

Federal spending on acute care for nonelderly people would drop substantially with a full ACA repeal. Federal spending on Medicaid/CHIP acute care for the nonelderly and Marketplace premium tax credits in 2019 would fall by $134.7 billion, or 34.6 percent (table 3). The decline in federal Medicaid/CHIP spending alone would total $82.2 billion; the elimination of tax credits and reinsurance would reduce federal spending by $52.5 billion (not shown).

Table 3 shows how the decreases in federal spending would vary across the states and the District of Columbia. Consistent with the findings on coverage effects, the largest percent changes in federal health care spending from a full repeal of the ACA would occur in states with the largest coverage gains from the ACA: states that expanded Medicaid and/or had high Marketplace enrollment. If pre-ACA Medicaid coverage expansion waivers were renewed, the federal spending declines in waiver states would be smaller than in the average state. However, federal health care funding would substantially decrease in all states.

Fifteen states would see their federal health care funding decrease by 40 percent or more. These include both large and small states, most of which expanded Medicaid eligibility under the ACA (e.g., California, Colorado, New Jersey, New Mexico, Virginia, Washington, and Oregon). Others, like Wyoming and Nebraska, would experience large decreases in federal health care funding even though they did not expand Medicaid eligibility, because their traditional Medicaid programs are relatively small and the ACA's premium tax credits make up a large share of their current federal health spending. Federal health spending in Florida would drop by 40.9 percent, given the state's very high Marketplace participation rate.

TABLE 3

Federal Spending on Medicaid/CHIP Acute Care for the Nonelderly and Marketplace Subsidies in 2019 under Current Law and Full ACA Repeal with Renewed Pre-ACA Expansion Waivers by State

Millions of dollars, except where noted

	Current Law	Full Repeal with Renewed Pre-ACA Expansions		
			Difference from Current Law	
State	$	$	$	%
Alabama	5,009	3,853	-1,155	-23.1
Alaska	1,212	672	-540	-44.5
Arizona	10,810	8,691	-2,119	-19.6
Arkansas	5,179	3,401	-1,778	-34.3
California	48,893	26,491	-22,403	-45.8
Colorado	5,940	3,128	-2,812	-47.3
Connecticut	4,661	2,810	-1,851	-39.7
Delaware	1,413	1,111	-302	-21.4
District of Columbia	1,411	1,130	-281	-19.9
Florida	22,825	13,483	-9,342	-40.9
Georgia	10,149	7,830	-2,318	-22.8
Hawaii	1,139	833	-305	-26.8
Idaho	1,869	1,274	-594	-31.8
Illinois	9,133	6,136	-2,997	-32.8
Indiana	8,307	5,261	-3,046	-36.7
Iowa	3,798	2,401	-1,398	-36.8
Kansas	2,091	1,546	-545	-26.1
Kentucky	8,650	4,504	-4,146	-47.9
Louisiana	7,637	4,030	-3,606	-47.2
Maine	1,942	1,446	-495	-25.5
Maryland	6,927	3,988	-2,939	-42.4
Massachusetts	7,617	5,900	-1,718	-22.5
Michigan	13,707	8,516	-5,191	-37.9
Minnesota	6,404	4,563	-1,841	-28.7
Mississippi	4,673	3,956	-717	-15.3
Missouri	8,001	6,841	-1,161	-14.5
Montana	2,218	1,126	-1,092	-49.2
Nebraska	1,691	917	-774	-45.8
Nevada	3,076	1,906	-1,170	-38.1
New Hampshire	951	586	-366	-38.4
New Jersey	6,687	3,989	-2,698	-40.3
New Mexico	5,254	3,089	-2,165	-41.2
New York	27,920	17,770	-10,149	-36.4
North Carolina	15,097	10,527	-4,570	-30.3
North Dakota	488	309	-180	-36.8
Ohio	14,243	9,829	-4,414	-31.0
Oklahoma	4,746	3,510	-1,236	-26.0
Oregon	5,838	3,286	-2,552	-43.7
Pennsylvania	15,795	10,743	-5,052	-32.0
Rhode Island	1,303	794	-509	-39.1
South Carolina	5,388	3,734	-1,653	-30.7
South Dakota	826	626	-200	-24.2
Tennessee	8,196	6,609	-1,586	-19.4
Texas	31,271	24,815	-6,456	-20.6
Utah	3,179	2,188	-991	-31.2
Vermont	1,146	976	-169	-14.8
Virginia	8,631	3,953	-4,679	-54.2
Washington	7,949	3,799	-4,150	-52.2
West Virginia	2,929	1,884	-1,045	-35.7
Wisconsin	4,970	3,953	-1,017	-20.5
Wyoming	553	310	-243	-43.9
Total	**389,740**	**255,022**	**-134,718**	**-34.6**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.

Note: Reform simulated in 2019.

Federal health spending in Texas, which did not expand Medicaid eligibility under the ACA and has relatively low participation in the Marketplaces, would still fall by more than 20 percent. Tennessee would be in a similar situation.

State-by-State Effects on State Medicaid/CHIP Spending and Reinsurance Programs

Seven states (Alaska, Maine, Maryland, Minnesota, New Jersey, Oregon, and Wisconsin) have used Section 1332 waivers to create reinsurance programs to lower unsubsidized premiums in their private nongroup insurance markets. These programs are partly financed by federal savings generated in premium tax credits and additionally by state funds. These programs would be eliminated under full repeal of the ACA. We estimate that state spending on these programs would total $327 million in 2019 under current law, a relatively small amount compared with states' aggregate spending on Medicaid and CHIP acute care for the nonelderly ($168.5 billion; data not shown). State spending, shown in table 4, includes combined Medicaid/CHIP and reinsurance spending. Under full repeal, the reinsurance program would be eliminated, as would the ACA's Medicaid eligibility expansion. With pre-ACA waivers reinstated, state spending in the waiver states would fall less compared with other expansion states.

Beyond eliminating reinsurance programs, full ACA repeal would also affect states' spending on their Medicaid and CHIP programs. Not only did Medicaid/CHIP enrollment increase in states that expanded eligibility under the ACA, but it also increased in states that did not, though significantly less so. The increases in Medicaid/CHIP enrollment in nonexpansion states are attributable to greater child enrollment. With the availability of Marketplace premium tax credits, some parents applied for subsidized Marketplace coverage and discovered that their children were already eligible for Medicaid or CHIP and then enrolled their children in the appropriate program. Without the Marketplaces or the associated subsidies available for that coverage because of a full ACA repeal, such parents would not discover that their children were eligible for public insurance, and enrollment would decrease. Decreased enrollment would therefore lead to modestly decreased state spending on these programs.

Nationwide, states' spending on Medicaid, CHIP, and reinsurance would decrease under full repeal by $9.6 billion in 2019, or 5.7 percent. The largest percentage decreases would occur in states that had the lowest eligibility rates for Medicaid before the ACA and that expanded eligibility under the ACA. These include New Mexico (16.6 percent lower spending), Kentucky (19.3 percent lower spending), Montana (17.0 percent lower spending), and Louisiana (18.4 percent lower spending).

TABLE 4

State Spending on Medicaid/CHIP Acute Care for the Nonelderly and Reinsurance in 2019 under Current Law and Full ACA Repeal with Renewed Pre-ACA Expansion Waivers by State

Millions of dollars, except where noted

	Current Law	Full Repeal with Renewed Pre-ACA Expansions		
			Difference from Current Law	
State	**$**	**$**	**$**	**%**
Alabama	1,364	1,307	-57	-4.2
Alaska	446	381	-65	-14.6
Arizona	3,030	3,444	414	13.6
Arkansas	1,327	1,162	-165	-12.4
California	25,538	22,627	-2,911	-11.4
Colorado	2,904	2,542	-362	-12.5
Connecticut	2,958	2,663	-296	-10.0
Delaware	660	740	80	12.1
District of Columbia	484	451	-33	-6.7
Florida	8,324	7,782	-541	-6.5
Georgia	3,493	3,355	-138	-3.9
Hawaii	551	650	99	18.0
Idaho	529	482	-47	-8.8
Illinois	5,369	5,259	-111	-2.1
Indiana	2,698	2,438	-261	-9.7
Iowa	1,400	1,271	-129	-9.2
Kansas	942	888	-54	-5.7
Kentucky	1,960	1,582	-378	-19.3
Louisiana	2,185	1,783	-402	-18.4
Maine	826	767	-60	-7.2
Maryland	3,946	3,387	-559	-14.2
Massachusetts	4,644	5,215	571	12.3
Michigan	4,666	4,235	-431	-9.2
Minnesota	5,037	4,532	-505	-10.0
Mississippi	1,129	1,089	-40	-3.5
Missouri	3,246	3,237	-9	-0.3
Montana	552	458	-94	-17.0
Nebraska	737	694	-43	-5.9
Nevada	1,111	983	-127	-11.5
New Hampshire	565	533	-32	-5.7
New Jersey	3,687	3,307	-380	-10.3
New Mexico	1,146	955	-190	-16.6
New York	13,877	15,952	2,075	15.0
North Carolina	4,996	4,567	-428	-8.6
North Dakota	275	274	-1	-0.4
Ohio	5,848	5,377	-472	-8.1
Oklahoma	1,647	1,590	-58	-3.5
Oregon	2,128	1,821	-306	-14.4
Pennsylvania	8,468	8,031	-436	-5.2
Rhode Island	730	643	-86	-11.8
South Carolina	1,527	1,410	-117	-7.6
South Dakota	395	384	-11	-2.8
Tennessee	3,267	3,183	-84	-2.6
Texas	15,051	13,786	-1,264	-8.4
Utah	910	876	-34	-3.7
Vermont	740	836	96	13.0
Virginia	4,067	3,577	-489	-12.0
Washington	4,032	3,522	-510	-12.6
West Virginia	637	554	-82	-12.9
Wisconsin	2,533	2,419	-114	-4.5
Wyoming	275	275	0	0.0
Total	**168,853**	**159,277**	**-9,576**	**-5.7**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.

Note: Reform simulated in 2019.

Compared with current law, state spending under repeal would increase for states with pre-ACA expansion waivers. This is because those earlier expansions provided federal funding at the traditional matching rates, and these traditional rates are lower than the federal matching rate for the ACA's expansion population, which is at 93 percent in 2019 and would reach its low of 90 percent in 2020. Because restoring coverage through a waiver would return the federal match to the traditional rate, full repeal would increase state spending if those waivers were renewed. For example, repeal with the waivers renewed would increase state spending in Arizona by 13.6 percent, or $414 million, compared with current law.

States that did not expand Medicaid eligibility under the ACA would experience the smallest percent changes in their spending under repeal (e.g., no net change in spending in Wyoming, a 0.3 percent decrease in Missouri, a 2.6 percent decrease in Tennessee, and a 2.8 percent decrease in South Dakota). These states' Medicaid enrollment changed very little under the ACA.

State-by-State Effects on the Demand for Uncompensated Care

As shown previously, repealing the ACA in 2019 would substantially increase uninsurance in the US, by approximately 20 million more people (table 1). Consequently, repeal would also increase demand for uncompensated care, care provided to those who cannot pay for it. Uncompensated care is financed by federal, state, and local government programs and by health care providers (e.g., hospitals and physicians). We estimate that, nationwide, full repeal of the ACA would increase demand for uncompensated care by $50.2 billion in 2019, or 81.9 percent (table 5). Increases in demand for uncompensated care would vary substantially across states, relating directly to the state's increase in the number of uninsured residents and their health statuses. Funding for uncompensated care is not guaranteed to increase to meet this additional demand; consequently, a significant share of this increased demand could translate into further unmet medical need.

ACA Medicaid expansion states with large low-income populations and narrower pre-ACA Medicaid programs would be among the states experiencing the largest increases in demand for uncompensated care. Demand would increase by 132.8 percent in West Virginia, 138.8 percent in Kentucky, 116.8 percent in Pennsylvania, and 183.3 percent in Iowa, for example. Increased financial pressure on health care providers in these and many other states could intensify if government programs do not expand proportionate to the increase in the number of uninsured people. Smaller increases in demand for uncompensated care would occur in states with small increases in coverage under the ACA, like Idaho (25.2 percent increase), Alabama (20.5 percent increase), and Tennessee (31.2 percent increase).

TABLE 5

Demand for Uncompensated Care among the Nonelderly in 2019 under Current Law and Full ACA Repeal with Renewed Pre-ACA Medicaid Coverage Expansion Waivers by State

Millions of dollars, except where noted

	CURRENT LAW	FULL REPEAL WITH RENEWED PRE-ACA EXPANSIONS		
			Difference from Current Law	
State	$	$	$	%
Alabama	1,093	1,317	224	20.5
Alaska	223	379	156	69.9
Arizona	1,608	2,431	823	51.2
Arkansas	609	1,446	837	137.6
California	6,052	14,103	8,051	133.0
Colorado	1,019	2,069	1,049	103.0
Connecticut	425	1,204	780	183.6
Delaware	104	226	122	116.7
District of Columbia	95	151	56	58.9
Florida	4,498	8,461	3,963	88.1
Georgia	2,529	3,687	1,158	45.8
Hawaii	213	263	50	23.6
Idaho	510	638	128	25.2
Illinois	2,936	4,640	1,704	58.0
Indiana	1,476	3,060	1,584	107.3
Iowa	373	1,057	684	183.3
Kansas	794	1,107	313	39.4
Kentucky	673	1,608	935	138.8
Louisiana	872	1,950	1,078	123.7
Maine	222	496	274	123.0
Maryland	701	1,515	814	116.2
Massachusetts	353	784	431	122.2
Michigan	2,010	3,958	1,949	97.0
Minnesota	1,187	2,253	1,066	89.8
Mississippi	975	1,232	257	26.4
Missouri	1,762	2,341	579	32.9
Montana	239	595	356	149.3
Nebraska	369	552	183	49.4
Nevada	641	1,394	753	117.4
New Hampshire	204	438	234	114.6
New Jersey	1,344	2,695	1,351	100.6
New Mexico	417	908	490	117.5
New York	2,816	4,519	1,704	60.5
North Carolina	1,838	2,984	1,145	62.3
North Dakota	152	221	69	45.1
Ohio	1,688	3,613	1,924	114.0
Oklahoma	1,504	2,154	650	43.2
Oregon	642	1,729	1,087	169.3
Pennsylvania	1,555	3,372	1,817	116.8
Rhode Island	93	215	122	130.7
South Carolina	954	1,465	511	53.6
South Dakota	208	281	73	34.9
Tennessee	1,420	1,863	442	31.2
Texas	6,582	9,866	3,284	49.9
Utah	784	1,108	324	41.3
Vermont	89	174	86	96.6
Virginia	1,531	3,243	1,712	111.8
Washington	1,294	3,116	1,823	140.9
West Virginia	316	736	420	132.8
Wisconsin	1,080	1,491	412	38.1
Wyoming	176	289	113	64.1
Total	**61,251**	**111,401**	**50,150**	**81.9**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.

Note: Reform simulated in 2019.

Sensitivity Analysis: Effects of ACA Repeal without Reinstating Pre-ACA Medicaid Coverage Expansion Waivers

Tables 6 and 7 provide results when assuming pre-ACA Medicaid coverage expansion waivers are not reinstated under ACA repeal in the seven states that had these waivers (Arizona, Delaware, Hawaii, Massachusetts, New York, Vermont, and Wisconsin). It is likely that at least some of the seven states will be in this situation, and therefore, the actual effect of repeal will likely fall between the main results detailed previously and those in this sensitivity analysis. Without the 1115 waivers, repeal could lead to 21.2 million more uninsured people, a relative increase of 69.8 percent (table 6). This would result from a larger decrease in Medicaid/CHIP coverage under repeal than shown in our main results.

States with Medicaid 1115 waivers in place before the ACA would experience especially large percentage increases in uninsurance if those waivers were not renewed. For example, the number of uninsured people in New York would increase by 1.2 million, or 80.7 percent (table 6), compared with 607,000, or 40.8 percent, with the waiver (table 2). The Massachusetts pre-ACA waiver was instrumental in the state's comprehensive reforms legislated in 2006, and coverage increased further under the ACA. So, full repeal with their waiver renewed would still increase uninsurance in Massachusetts by 102,000 people, but without the waiver, the number of uninsured in Massachusetts would increase by 338,000 more people, or 245.9 percent.

If the ACA were repealed and the waivers were not renewed, federal spending on health care would fall further than predicted in our main results. Aggregate federal health spending could drop by up to $141.1 billion, or 36.2 percent (table 6), instead of $134.7 billion, or 34.6 percent, with renewed waivers. Additionally, state spending on Medicaid and CHIP would fall further, decreasing by up to $14.6 billion, or 8.6 percent (table 7), instead of $9.6 billion, or 5.7 percent, with renewed waivers (table 4).

With even more people uninsured, repeal without reinstating waivers would increase demand for uncompensated care by up to $53.3 billion, or 87.0 percent (table 7), compared with $50.2 billion, or 81.9 percent, with the waivers reinstated.

TABLE 6

The Uninsured Nonelderly and Federal Spending on Medicaid/CHIP Acute Care for the Nonelderly, Marketplace Subsidies, and Reinsurance in 2019 under Current Law and Full ACA Repeal without Pre-ACA Medicaid Coverage Expansion Waivers by State

	The Uninsured						Federal Spending on Medicaid/CHIP, Marketplace Subsidies, and Reinsurance			
	Current Law		Full Repeal without Pre-ACA Expansions				Current Law	Full Repeal without Pre-ACA Expansions		
State	*N*	%	*N*	%	Difference from current law (*N*)	Difference from current law (%)	Federal spending ($)	Federal spending ($)	Difference from current law ($)	Difference from current law (%)
Alabama	504	12.3	647	15.8	143	28.4	5,009	3,853	-1,155	-23.1
Alaska	75	10.5	143	20.1	68	91.4	1,212	672	-540	-44.5
Arizona	**768**	**12.8**	**1,392**	**23.2**	**625**	**81.4**	**10,810**	**6,674**	**-4,137**	**-38.3**
Arkansas	206	8.1	505	19.9	299	145.1	5,179	3,401	-1,778	-34.3
California	3,421	10.0	7,210	21.0	3,789	110.7	48,893	26,491	-22,403	-45.8
Colorado	396	8.4	796	17.0	400	101.2	5,940	3,128	-2,812	-47.3
Connecticut	171	5.8	394	13.2	223	130.0	4,661	2,810	-1,851	-39.7
Delaware	**66**	**8.4**	**122**	**15.6**	**56**	**84.8**	**1,413**	**945**	**-468**	**-33.1**
District of Columbia	35	6.1	69	12.1	34	97.2	1,411	1,130	-281	-19.9
Florida	2,327	14.4	3,887	24.1	1,560	67.0	22,825	13,483	-9,342	-40.9
Georgia	1,594	16.9	2,055	21.8	461	28.9	10,149	7,830	-2,318	-22.8
Hawaii	**132**	**10.4**	**190**	**14.9**	**58**	**43.6**	**1,139**	**671**	**-468**	**-41.1**
Idaho	202	13.8	281	19.3	79	39.4	1,869	1,274	-594	-31.8
Illinois	1,297	11.6	1,902	17.0	605	46.6	9,133	6,136	-2,997	-32.8
Indiana	600	10.6	1,097	19.3	497	82.7	8,307	5,261	-3,046	-36.7
Iowa	149	5.7	336	12.9	187	125.7	3,798	2,401	-1,398	-36.8
Kansas	342	13.7	404	16.1	62	18.0	2,091	1,546	-545	-26.1
Kentucky	252	6.8	630	17.1	379	150.5	8,650	4,504	-4,146	-47.9
Louisiana	335	8.7	830	21.5	494	147.4	7,637	4,030	-3,606	-47.2
Maine	51	4.9	134	13.0	83	164.8	1,942	1,446	-495	-25.5
Maryland	374	7.1	719	13.6	345	92.2	6,927	3,988	-2,939	-42.4
Massachusetts	**137**	**2.5**	**476**	**8.6**	**338**	**245.9**	**7,617**	**4,947**	**-2,671**	**-35.1**
Michigan	627	7.7	1,347	16.6	720	114.8	13,707	8,516	-5,191	-37.9
Minnesota	331	7.0	596	12.6	265	80.0	6,404	4,563	-1,841	-28.7
Mississippi	404	16.2	504	20.2	100	24.9	4,673	3,956	-717	-15.3

	The Uninsured						Federal Spending on Medicaid/CHIP, Marketplace Subsidies, and Reinsurance			
	Current Law		Full Repeal without Pre-ACA Expansions				Current Law	Full Repeal without Pre-ACA Expansions		
State	*N*	%	*N*	%	Difference from current law (*N*)	Difference from current law (%)	Federal spending ($)	Federal spending ($)	Difference from current law ($)	Difference from current law (%)
Missouri	639	12.5	808	15.8	169	26.4	8,001	6,841	-1,161	-14.5
Montana	63	7.5	175	20.9	112	176.8	2,218	1,126	-1,092	-49.2
Nebraska	182	11.4	234	14.7	52	28.7	1,691	917	-774	-45.8
Nevada	376	13.8	658	24.1	282	75.1	3,076	1,906	-1,170	-38.1
New Hampshire	66	6.0	155	14.3	89	136.0	951	586	-366	-38.4
New Jersey	732	9.7	1,327	17.6	595	81.3	6,687	3,989	-2,698	-40.3
New Mexico	207	11.3	434	23.7	226	109.0	5,254	3,089	-2,165	-41.2
New York	**1,488**	**8.9**	**2,690**	**16.2**	**1,201**	**80.7**	**27,920**	**15,120**	**-12,800**	**-45.8**
North Carolina	1,168	13.3	1,672	19.1	503	43.1	15,097	10,527	-4,570	-30.3
North Dakota	56	9.6	81	14.0	25	45.6	488	309	-180	-36.8
Ohio	704	7.4	1,445	15.2	741	105.3	14,243	9,829	-4,414	-31.0
Oklahoma	617	18.2	763	22.5	146	23.7	4,746	3,510	-1,236	-26.0
Oregon	304	9.1	676	20.3	372	122.2	5,838	3,286	-2,552	-43.7
Pennsylvania	644	6.2	1,502	14.4	858	133.2	15,795	10,743	-5,052	-32.0
Rhode Island	57	6.6	124	14.3	67	116.3	1,303	794	-509	-39.1
South Carolina	536	13.3	778	19.3	242	45.0	5,388	3,734	-1,653	-30.7
South Dakota	101	14.0	114	15.7	12	11.9	826	626	-200	-24.2
Tennessee	738	13.2	905	16.3	168	22.7	8,196	6,609	-1,586	-19.4
Texas	4,678	19.2	6,411	26.3	1,733	37.0	31,271	24,815	-6,456	-20.6
Utah	383	13.6	484	17.2	102	26.5	3,179	2,188	-991	-31.2
Vermont	**32**	**6.5**	**64**	**13.0**	**32**	**100.1**	**1,146**	**837**	**-308**	**-26.9**
Virginia	670	8.9	1,312	17.4	642	95.7	8,631	3,953	-4,679	-54.2
Washington	538	8.8	1,102	18.1	565	105.0	7,949	3,799	-4,150	-52.2
West Virginia	92	6.4	254	17.6	162	175.6	2,929	1,884	-1,045	-35.7
Wisconsin	**436**	**9.0**	**665**	**13.8**	**229**	**52.7**	**4,970**	**3,680**	**-1,290**	**-25.9**
Wyoming	74	14.8	85	17.1	12	16.0	553	310	-243	-43.9
Total	**30,377**	**11.1**	**51,583**	**18.8**	**21,206**	**69.8**	**389,740**	**248,662**	**-141,078**	**-36.2**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.

Notes: Reform simulated in 2019. Bolded states had pre-ACA Medicaid 1115 coverage expansion waivers.

TABLE 7

State Spending on Medicaid/CHIP Acute Care for the Nonelderly Plus Reinsurance and Demand for Uncompensated Care Spending in 2019 under Current Law and Full ACA Repeal without Pre-ACA Medicaid Coverage Expansion Waivers by State

Millions of dollars, except where noted

	State Spending on Medicaid/CHIP and Reinsurance				Demand for Uncompensated Care			
	Current Law	Full Repeal without Pre-ACA Expansions			Current Law	Full Repeal without Pre-ACA Expansions		
State	State spending	State spending	Difference from current law	Difference from current law (%)	Demand for uncompensated care	Demand for uncompensated care	Difference from current law	Difference from current law (%)
Alabama	1,364	1,307	-57	-4.2	1,093	1,317	224	20.5
Alaska	446	381	-65	-14.6	223	379	156	69.9
Arizona	**3,030**	**2,617**	**-413**	**-13.6**	**1,608**	**3,085**	**1,477**	**91.8**
Arkansas	1,327	1,162	-165	-12.4	609	1,446	837	137.6
California	25,538	22,627	-2,911	-11.4	6,052	14,103	8,051	133.0
Colorado	2,904	2,542	-362	-12.5	1,019	2,069	1,049	103.0
Connecticut	2,958	2,663	-296	-10.0	425	1,204	780	183.6
Delaware	**660**	**619**	**-41**	**-6.1**	**104**	**275**	**171**	**163.4**
District of Columbia	484	451	-33	-6.7	95	151	56	58.9
Florida	8,324	7,782	-541	-6.5	4,498	8,461	3,963	88.1
Georgia	3,493	3,355	-138	-3.9	2,529	3,687	1,158	45.8
Hawaii	**551**	**509**	**-42**	**-7.6**	**213**	**337**	**124**	**58.2**
Idaho	529	482	-47	-8.8	510	638	128	25.2
Illinois	5,369	5,259	-111	-2.1	2,936	4,640	1,704	58.0
Indiana	2,698	2,438	-261	-9.7	1,476	3,060	1,584	107.3
Iowa	1,400	1,271	-129	-9.2	373	1,057	684	183.3
Kansas	942	888	-54	-5.7	794	1,107	313	39.4
Kentucky	1,960	1,582	-378	-19.3	673	1,608	935	138.8
Louisiana	2,185	1,783	-402	-18.4	872	1,950	1,078	123.7
Maine	826	767	-60	-7.2	222	496	274	123.0
Maryland	3,946	3,387	-559	-14.2	701	1,515	814	116.2
Massachusetts	**4,644**	**4,262**	**-382**	**-8.2**	**353**	**1,603**	**1,250**	**354.0**
Michigan	4,666	4,235	-431	-9.2	2,010	3,958	1,949	97.0
Minnesota	5,037	4,532	-505	-10.0	1,187	2,253	1,066	89.8
Mississippi	1,129	1,089	-40	-3.5	975	1,232	257	26.4
Missouri	3,246	3,237	-9	-0.3	1,762	2,341	579	32.9

	STATE SPENDING ON MEDICAID/CHIP AND REINSURANCE				DEMAND FOR UNCOMPENSATED CARE			
	Current Law	Full Repeal without Pre-ACA Expansions			Current Law	Full Repeal without Pre-ACA Expansions		
State	State spending	State spending	Difference from current law	Difference from current law (%)	Demand for uncompensated care	Demand for uncompensated care	Difference from current law	Difference from current law (%)
Montana	552	458	-94	-17.0	239	595	356	149.3
Nebraska	737	694	-43	-5.9	369	552	183	49.4
Nevada	1,111	983	-127	-11.5	641	1,394	753	117.4
New Hampshire	565	533	-32	-5.7	204	438	234	114.6
New Jersey	3,687	3,307	-380	-10.3	1,344	2,695	1,351	100.6
New Mexico	1,146	955	-190	-16.6	417	908	490	117.5
New York	**13,877**	**13,305**	**-571**	**-4.1**	**2,816**	**5,742**	**2,926**	**103.9**
North Carolina	4,996	4,567	-428	-8.6	1,838	2,984	1,145	62.3
North Dakota	275	274	-1	-0.4	152	221	69	45.1
Ohio	5,848	5,377	-472	-8.1	1,688	3,613	1,924	114.0
Oklahoma	1,647	1,590	-58	-3.5	1,504	2,154	650	43.2
Oregon	2,128	1,821	-306	-14.4	642	1,729	1,087	169.3
Pennsylvania	8,468	8,031	-436	-5.2	1,555	3,372	1,817	116.8
Rhode Island	730	643	-86	-11.8	93	215	122	130.7
South Carolina	1,527	1,410	-117	-7.6	954	1,465	511	53.6
South Dakota	395	384	-11	-2.8	208	281	73	34.9
Tennessee	3,267	3,183	-84	-2.6	1,420	1,863	442	31.2
Texas	15,051	13,786	-1,264	-8.4	6,582	9,866	3,284	49.9
Utah	910	876	-34	-3.7	784	1,108	324	41.3
Vermont	**740**	**717**	**-23**	**-3.1**	**89**	**221**	**132**	**148.9**
Virginia	4,067	3,577	-489	-12.0	1,531	3,243	1,712	111.8
Washington	4,032	3,522	-510	-12.6	1,294	3,116	1,823	140.9
West Virginia	637	554	-82	-12.9	316	736	420	132.8
Wisconsin	**2,533**	**2,234**	**-299**	**-11.8**	**1,080**	**1,777**	**697**	**64.6**
Wyoming	275	275	0	0.1	176	289	113	64.1
Total	**168,853**	**154,284**	**-14,569**	**-8.6**	**61,251**	**114,550**	**53,299**	**87.0**

Source: Urban Institute analysis, Health Insurance Policy Simulation Model 2019.

Note: Reform simulated in 2019. Bolded states had pre-ACA Medicaid 1115 coverage expansion waivers.

Comparison of Marketplace Competition and Enrollment with and without the Individual Mandate, 2018 and 2019

The US Department of Justice (DOJ) filed a brief in *Texas v. United States*, a 20-state lawsuit against the Affordable Care Act.[6] This case will next be heard by the US Court of Appeals for the Fifth Circuit. In the district court case, DOJ asserted that (1) the individual mandate is no longer constitutional because it is not supported by a tax penalty, and (2) in striking down the mandate, Congress also effectively struck down the guaranteed issue and community rating provisions, which could not operate without the mandate. However, DOJ contended that repeal of the individual mandate penalty does not affect the constitutionality of the rest of the ACA, including the premium tax credits and Medicaid provision.

DOJ argued that Congress did not intend to maintain the guaranteed issue and community rating provisions without the mandate because the markets could not function with those provisions but without the mandate. But evidence from the 2019 plan year, the first year without the penalties, proves otherwise. In fact, the number of participating insurers in the ACA's nongroup insurance Marketplaces is higher and the premium increases are lower in 2019 than they were in 2018, the last year in which the penalties were in place (table 8). In addition, though it varies by state, Marketplace enrollment remained high in 2019, with plan selections at the end of the open enrollment period dropping by only 2.8 percent relative to the 2018 open enrollment period (table 9).[7]

More insurers chose to participate in the ACA's Marketplaces during plan year 2019 than in 2018, and the typical increase in premiums in 2019 was substantially smaller than in 2018. We compared the changes in insurer participation and benchmark premiums (second-lowest-premium silver plan) in each rating region in the country in 2018 and 2019 to compare how the private markets functioned in the most recent year with the mandate fully in place (2018) and in the first year when insurers and consumers fully knew that the mandate had been repealed (2019). We found that the number of insurers in a rating region increased in 19 percent of regions in 2019, compared with only 4 percent in 2018 (table 8). The number of rating regions with declining insurer participation fell precipitously from 42 percent in 2018 to 3 percent in 2019. These indicate that insurers increased their participation in 2019 and insurer competition strengthened after a significant decrease in participation in 2018.

In addition, during the last year of the individual mandate, benchmark premiums increased by more than 20 percent in 81 percent of rating regions; however, this situation reversed itself in 2019, the first year without the mandate in place. In 2019, it was extremely unlikely for the benchmark premium to increase by large amounts, and it was much more likely for benchmark premiums to decrease from the previous year. In 2019, benchmark premiums decreased in 43 percent of rating regions, and they increased by more than 20 percent in only 3 percent of rating regions. Again, these are distinct signs of improvement in these markets compared with 2018. This occurred even though insurers knew at the time they made their 2019 participation and pricing decisions that the individual mandate would no longer be in place, and that guaranteed issue, modified community rating, and all other consumer protection regulations in the markets would remain in place.

Thus, even without the individual mandate but with the ACA private nongroup insurance reforms in place, the individual market continues to operate effectively when compared with 2018, when the mandate penalties were still in place. Though several factors and sources of uncertainty may have affected insurers' decisions about premiums and participation in 2018, the 2019 figures indicate that a stable market exists under current law.

TABLE 8

Changes in Insurer Marketplace Participation and Benchmark Premiums with and without Individual Mandate Penalties

2018 was the last plan year with individual penalties; insurers made 2019 plan year decisions knowing penalties would no longer be in place.

	With Individual Mandate Penalties		Without Individual Mandate Penalties	
	2017 to 2018 Rating Areas		2018 to 2019 Rating Areas	
	N	%	*N*	%
Insurer participation				
Increase in number of Marketplace insurers	22	4	95	19
Decrease in number of Marketplace insurers	211	42	17	3
Unchanged number of Marketplace insurers	265	53	386	78
Total rating areas	*498*	*100*	*498*	*100*
Benchmark premiums				
Decrease in second-lowest-cost silver plan	25	5	214	43
Increase of 0%–5% in benchmark plan	6	1	100	20
Increase of 5%–10% in benchmark plan	7	1	113	23
Increase of 10%–20% in benchmark plan	58	12	54	11
Increase of >20% in benchmark plan	402	81	17	3
Total rating areas	*498*	*100*	*498*	*100*

Source: Urban Institute analysis of Centers for Medicare & Medicaid Services and state-based marketplace data.

Notes: This analysis includes only those rating regions that stayed consistent across each pair of years. Idaho reduced its number of rating regions from 6 to 7 in 2018, making the 2018 national total 499 rating regions. In 2019, Washington increased its number of rating regions from 5 to 9, making the 2019 national total 502 rating regions. The benchmark plan is the second-lowest-premium silver-level plan offered in a rating region in a given year.

TABLE 9

Marketplace Plan Enrollment in 2018 and 2019, Number of People and Comparison between Years by State

Plan selections as of the end of the annual open enrollment period

State	2018	2019	2019 relative to 2018 (%)
Alabama	170,211	166,128	97.6
Alaska	18,313	17,805	97.2
Arizona	165,758	160,456	96.8
Arkansas	68,100	67,413	99.0
California	1,521,524	1,513,883	99.5
Colorado	165,777	169,672	102.3
Connecticut	114,134	111,066	97.3
Delaware	24,500	22,562	92.1
District of Columbia	19,289	NA	NA
Florida	1,715,227	1,783,304	104.0
Georgia	480,912	458,437	95.3
Hawaii	19,799	20,193	102.0
Idaho	101,793	103,154	101.3
Illinois	334,979	312,280	93.2
Indiana	166,711	148,404	89.0
Iowa	53,217	49,210	92.5
Kansas	98,238	89,993	91.6
Kentucky	89,569	84,620	94.5
Louisiana	109,855	92,948	84.6
Maine	75,809	70,987	93.6
Maryland	153,571	156,963	102.2
Massachusetts	270,688	NA	NA
Michigan	293,940	274,058	93.2
Minnesota	116,358	123,731	106.3
Mississippi	83,649	88,542	105.8
Missouri	243,382	220,461	90.6
Montana	47,699	45,374	95.1
Nebraska	88,213	87,416	99.1
Nevada	91,003	83,449	91.7
New Hampshire	49,573	44,581	89.9
New Jersey	274,782	255,246	92.9
New Mexico	49,792	45,001	90.4
New York	253,102	271,873	107.4
North Carolina	519,803	501,271	96.4
North Dakota	22,486	21,820	97.0
Ohio	230,127	206,871	89.9
Oklahoma	140,184	150,759	107.5
Oregon	156,105	148,180	94.9
Pennsylvania	389,081	365,888	94.0
Rhode Island	33,021	34,600	104.8
South Carolina	215,983	214,956	99.5
South Dakota	29,652	29,069	98.0
Tennessee	228,646	221,533	96.9
Texas	1,126,838	1,087,240	96.5
Utah	194,118	194,570	100.2
Vermont	34,142	34,396	100.7
Virginia	400,015	328,020	82.0
Washington	243,227	222,636	91.5
West Virginia	27,409	22,599	82.5
Wisconsin	225,435	205,118	91.0
Wyoming	24,529	24,852	101.3
Total[a]	**11,480,291**	**11,153,588**	**97.2**

Sources: "Final Weekly Enrollment Snapshot for the 2019 Enrollment Period," the Centers for Medicare & Medicaid Services, January 3, 2019, https://www.cms.gov/newsroom/fact-sheets/final-weekly-enrollment-snapshot-2019-enrollment-period. "Final Weekly Enrollment Snapshot for 2018 Open Enrollment Period," the Centers for Medicare & Medicaid Services, December 28,

2017, https://www.cms.gov/newsroom/fact-sheets/final-weekly-enrollment-snapshot-2018-open-enrollment-period. We collected data for state-based marketplace enrollment from each state website or from local media reports in each year. Specific sources for each of those states are available upon request.

Notes: [a] Total for 2018 plan selections exclude the District of Columbia and Massachusetts because plan selection totals for the 2019 plan year are not yet available for those states. Including them in the 2018 totals alone would distort the calculation of the national 2018 to 2019 comparison.

Discussion

Despite the repeal of the individual mandate penalties and various administrative policy decisions since early 2017 that have reduced insurance coverage and increased premiums in the private nongroup insurance market, we estimate that 243.9 million nonelderly people will have insurance coverage (either private or public) in 2019, and 30.4 million people will be uninsured.

Without the ACA, the number of insured people would fall to 224.1 million, if all of the pre-ACA Medicaid coverage expansion waivers were reinstated. Medicaid enrollment would drop by 15.4 million people, and 19.9 million more people would become uninsured. Government investments to support health care for the nonelderly would fall markedly, with the federal government spending $134.7 billion less and states spending $9.6 billion less in aggregate in 2019. Simultaneously, demand for uncompensated care would balloon, potentially outstripping government and provider ability/willingness to finance it. This would exacerbate the increase in unmet medical need that would result regardless as a consequence of the large increase in the number of people uninsured. If the pre-ACA Medicaid 1115 coverage expansion waivers were not all reinstated in the states that had them, the effects on coverage, government spending, and uncompensated care would be larger still.

These shifts would decrease revenue for health care providers; increase the financial burdens associated with uncompensated care; and increase the medical financial burdens for families, particularly those with low and middle incomes, who are the chief beneficiaries of ACA benefits. Thus, invalidating the entire ACA would cause considerable harm, even compared with the ACA as restructured by recent policy changes.

Finally, using data on 2018 and 2019 Marketplace premiums, insurer participation, and enrollment, we show that the private nongroup insurance markets continue to function effectively in the first year without the individual mandate in place. Enrollment is down by approximately three percent in 2019, and this may translate into a noticeable increase in the number of people uninsured absent a mandate in some states; however, the decline appears to be modest, and some states are experiencing enrollment increases. In addition, insurer participation has increased, and premium increases were lower in 2019 than 2018, with many markets experiencing decreases in benchmark Marketplace premiums. These findings clearly indicate that the ACA's private nongroup insurance markets remain strong, even without individual mandate penalties in place to encourage enrollment.

Notes

[1] Texas v. United States of America. 579 U.S. ___ (2016).

[2] "The Health Insurance Policy Simulation Model (HIPSM)," Urban Institute, accessed March 19, 2019, https://www.urban.org/research/data-methods/data-analysis/quantitative-data-analysis/microsimulation/health-insurance-policy-simulation-model-hipsm.

[3] King v. Burwell, 576 U.S. __ (2015).

[4] Nan Marie Astone, Steven Martin, H. Elizabeth Peters, Austin Nichols, Kaitlin Franks Hildner, Allison Stolte, et al., "Mapping America's Futures," Urban Institute, accessed March 19, 2019, http://apps.urban.org/features/mapping-americas-futures/.

[5] The exception is Massachusetts, which passed its own comprehensive health care reform, including financial assistance for low-income people, an individual mandate, and insurance market reforms in 2006. Massachusetts's ability to keep those reforms in place would depend on its ability to retain the federal waiver that permitted the 2006 reforms. Even under this first scenario, we categorize nongroup coverage in Massachusetts as ACA compliant, because the state has its own coverage requirements written into law.

[6] Attorney General Jefferson B. Sessions, "Re: *Texas v. United States*, No. 4: l 8-cv-00167-O (N.D. Tex.)," June 7, 2018, https://www.justice.gov/file/1069806/download.

[7] This estimate excludes the District of Columbia and Massachusetts, because they have not yet made their plan selection information public for 2019.

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About the Authors

Linda Blumberg is an Institute Fellow in the Health Policy Center at the Urban Institute. She is an expert on private health insurance (employer and nongroup), health care financing, and health system reform. Her recent work includes extensive research related to the Affordable Care Act (ACA); in particular, providing technical assistance to states, tracking policy decisionmaking and implementation at the state and federal levels, and interpreting and analyzing the implications of particular policies. Examples of her work include analyses of the implications of congressional proposals to repeal and replace the ACA, delineation of strategies to fix problems associated with the ACA, estimation of the cost and coverage potential of high-risk pools, analysis of the implications of the *King v. Burwell* case, and several studies of competition in ACA Marketplaces. In addition, Blumberg led the quantitative analysis supporting the development of a "Road Map to Universal Coverage" in Massachusetts, a project with her Urban colleagues that informed that state's comprehensive health reforms in 2006. Blumberg frequently testifies before Congress and is quoted in major media outlets on health reform topics. She serves on the Cancer Policy Institute's advisory board and has served on the *Health Affairs* editorial board. From 1993 through 1994, she was a health policy adviser to the Clinton administration during its health care reform effort, and she was a 1996 Ian Axford Fellow in Public Policy. Blumberg received her PhD in economics from the University of Michigan.

Matthew Buettgens is a senior fellow in the Health Policy Center, where he is the mathematician leading the development of Urban's Health Insurance Policy Simulation Model (HIPSM). The model is currently being used to provide technical assistance for health reform implementation in Massachusetts, Missouri, New York, Virginia, and Washington as well as to the federal government. His recent work includes a number of research papers analyzing various aspects of national health insurance reform, both nationally and state-by-state. Research topics have included the costs and coverage implications of Medicaid expansion for both federal and state governments; small firm self-insurance under the Affordable Care Act and its effect on the fully insured market; state-by-state analysis of changes in health insurance coverage and the remaining uninsured; the effect of reform on employers; the affordability of coverage under health insurance exchanges; and the implications of age rating for the affordability of coverage. Buettgens was previously a major developer of the Health Insurance Reform Simulation Model—the predecessor to HIPSM—used in the design of the 2006 Roadmap to Universal Health Insurance Coverage in Massachusetts.

John Holahan is an Institute fellow in the Health Policy Center, where he previously served as center director for over 30 years. His recent work focuses on health reform, the uninsured, and health expenditure growth, developing proposals for health system reform most recently in Massachusetts. He examines the coverage, costs, and economic impact of the Affordable Care Act (ACA), including the costs of Medicaid expansion as well as the macroeconomic effects of the law. He has also analyzed the health status of Medicaid and exchange enrollees, and the implications for costs and exchange premiums. Holahan has written on competition in insurer and provider markets and implications for premiums and government subsidy costs as well as on the cost-containment provisions of the ACA.

Holahan has conducted significant work on Medicaid and Medicare reform, including analyses on the recent growth in Medicaid expenditures, implications of block grants and swap proposals on states and the federal government, and the effect of state decisions to expand Medicaid in the ACA on federal and state spending. Recent work on Medicare includes a paper on reforms that could both reduce budgetary impacts and improve the structure of the program. His work on the uninsured explores reasons for the growth in the uninsured over time and the effects of proposals to expand health insurance coverage on the number of uninsured and the cost to federal and state governments.

Clare Pan is a research analyst in the Health Policy Center, where she works primarily on the Health Insurance Policy Simulation Model. Pan holds a master of public policy from the McCourt School of Public Policy at Georgetown University.

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500 L'Enfant Plaza SW
Washington, DC 20024

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