

What Repealing the Affordable Care Act (ACA) Would Mean for New York's Children, Young Adults and Families



What's At Stake



On November 10, 2020, the Supreme Court of the United States will hear oral arguments in *California v. Texas*, a case in which part or all of the Patient Protection and Affordable Care Act (ACA) could be found unconstitutional and overturned. **Overturing the ACA during a global pandemic and amidst economic downturn would undoubtedly harm New York's children, young adults and families, and will disproportionately impact our State's communities of color.** Furthermore, ACA repeal would walk back the historic gains New York has achieved in healthcare coverage, access and affordability in recent years.

The ACA has improved coverage and benefits for children and adults covered by all types of insurance in New York, including Medicaid and the Children's Health Insurance Program (CHIP), known as Child Health Plus (CHP) in New York.

- Under the ACA, New York's total uninsured rate fell from 10.7 percent in 2013 to 6.1 percent in 2016¹ to a historic low of 4.7 percent in February 2020.²
- New York's children's uninsured rate also declined during this period, dropping from 4.2 percent in 2013 to 2.4 percent in 2019, with 98 percent of New Yorkers under six insured in 2019. **In fact, New York is the only state in the nation that has significantly reduced its number of uninsured children over the last three years.**³

We know that as parents gain health coverage, children are more likely to be covered as well and that covering children and families is a smart investment. When families have consistent, comprehensive and affordable health coverage, children are more likely to grow and thrive, succeed in school and earn higher wages as adults.

I. Repealing the Affordable Care Act would negatively impact millions of New York children, young adults and families.

INCREASE IN UNINSURED NEW YORKERS

New York's uninsured population will grow significantly if the ACA is overturned. Growth estimates range from an 88 percent increase in our State's uninsurance rate – that's over 1.1 million additional uninsured New Yorkers by 2022⁴ – to as many as 3.2 million additional uninsured New

¹ "Health Insurance Coverage in the United States: 2016. Current Population Reports," United States Census Bureau, September 2017, <https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-260.pdf>.

² "Press Release: NY State of Health Announces Record High Enrollment – More than 4.9 Million New Yorkers Enrolled," NY State of Health, February 20, 2020, <https://info.nystateofhealth.ny.gov/news/press-release-ny-state-health-announces-record-high-enrollment-more-49-million-new-yorkers>.

³ "Children's Health Care Report Card: Children's Health Coverage in New York," Georgetown University Center for Children & Families, accessed November 8, 2020, <https://kidshealthcarereport.ccf.georgetown.edu/states/new-york>.

⁴ "The Potential Effects of a Supreme Court Decision to Overturn the Affordable Care Act: Updated Estimates," Urban Institute, October 2020, https://www.urban.org/sites/default/files/publication/103072/the-potential-effects-of-a-supreme-court-decision-to-overturn-the-affordable-care-act-updated-estimates_0.pdf.

Yorkers in the absence of the ACA's protections.⁵ **ACA repeal would increase uninsurance among New Yorkers of all ages**, exacerbating the impact of losses in employer-sponsored health insurance coverage due to pandemic-fueled unemployment.

- If the ACA is overturned, over 270,000 New Yorkers enrolled in qualified health plans purchased through our State's individual marketplace and approximately 800,000 New Yorkers covered by the Essential Plan (authorized by the ACA's Basic Health Program provision)⁶ would lose coverage.
- **Repealing the ACA would cause the uninsurance rate for New York children to increase by over one-third**, with 28,000 additional uninsured children in our State by 2022.⁷
- Under the ACA, New York's former foster youth are eligible to receive health insurance through Medicaid until the age of 26. Repealing the ACA jeopardizes stability in coverage for this uniquely vulnerable population.
- **New Yorkers between the ages of 27 and 49 could see their uninsurance rates increase by nearly 75 percent if the ACA is overturned**, with an estimated 460,000 additional uninsured New Yorkers in this age group by 2022.⁸ New York adults aging off of their parents' insurance plans at age 29 would no longer be able to purchase subsidized ACA plans.
- Of those New Yorkers who do remain insured under ACA repeal, some could see their insurance plans no longer cover vaccinations, pediatric services, maternity care or behavioral health treatment, among other services. While these and other ACA essential health benefits were recently codified into State law, this state-level consumer protection does not extend to all health insurance plans, such as self-funded plans.



ECONOMIC IMPLICATIONS OF ACA REPEAL IN NEW YORK

Overturning the ACA could have devastating economic implications for New York's children, young adults and families – as well as for our State budget. In the absence of the ACA's financial supports, New Yorkers will have to pay more for their healthcare and will thereby have less resources to spend on food, rent and other basic necessities.



- Overturning the ACA would eliminate premium tax credits and financial subsidies for individuals to purchase health insurance in our State's marketplace, and could also drive reductions in cost-sharing. Without the ACA's strong protections, lifetime and annual coverage spending limits on certain insurance plans (such as self-funded plans) could also return, potentially causing financial hardship for New York children, individuals and families with complex medical needs who are covered under these plans. Vulnerable New Yorkers could consequently find themselves more likely to fall into medical debt or bankruptcy.
- As the number of insured New Yorkers falls under ACA repeal, so too will health spending decline. The financial implications of decreased health spending will be felt throughout our State's healthcare system and will be particularly problematic for public hospitals and community-based providers.

⁵ "Supreme Court Hearings: How 3.2M New Yorkers Lose Health Coverage if ACA Struck Down," Democrat & Chronicle, October 14, 2020, <https://www.democratandchronicle.com/story/news/coronavirus/2020/10/14/how-many-new-yorkers-lose-health-coverage-if-aca-obamacare-struck-down-scotus/5972705002/>.

⁶ "2019 Open Enrollment Report," NY State of Health, May 2019,

https://info.nystateofhealth.ny.gov/sites/default/files/NYSOH%202019%20Open%20Enrollment%20Report_0.pdf.

⁷ "Overturning the ACA Would Increase Uninsurance among People of All Ages, Races and Ethnicities," Urban Institute, October 20, 2020, <https://www.urban.org/urban-wire/overturning-aca-would-increase-uninsurance-among-people-all-ages-races-and-ethnicities>.

⁸ "Overturning the ACA Would Increase Uninsurance among People of All Ages, Races and Ethnicities," Urban Institute, October 20, 2020, <https://www.urban.org/urban-wire/overturning-aca-would-increase-uninsurance-among-people-all-ages-races-and-ethnicities>.

- Over 52,000 jobs in New York could be lost if the ACA is repealed⁹ – further destabilizing families and causing additional loss of employer-sponsored insurance coverage.

ACA repeal would also lead to a decrease in federal funding for our State and its counties at a time when such funding is drastically needed.

- If the ACA is overturned, New York's federal funding for marketplace subsidies and Medicaid/CHIP acute care would drop by more than a third – approximately \$12.4 billion – in 2022.¹⁰ Our State would also lose substantial federal dollars in the absence of the Essential Plan, for which New York received \$5.6 billion in federal funding in fiscal year 2020 alone.¹¹
- In light of New York's growing budgetary shortfall – and in the absence of the ACA's federal funding – the extent to which our State could maintain operation of its individual marketplace is unclear. New York's marketplace may consequently experience a decline in functionality and a delay in optimization.

II. During the COVID-19 pandemic, protections for individuals with preexisting conditions are more important than ever.

If the Supreme Court ultimately strikes down the ACA's protections for individuals with preexisting health conditions, New York's children, young adults and families could suffer dire consequences.

- In 2018, **26 percent of all New Yorkers ages 18 to 64 (3,200,000 New Yorkers) and 28 percent of New York women ages 18 to 64 had a preexisting condition** that could have denied them health coverage in the individual health insurance marketplace prior to the ACA's passage – including pregnancy.¹²



Amidst the uncertainty surrounding the long-term health effects of COVID-19, health insurers may elect to designate it a preexisting condition in the absence of the ACA's protections. Young adults, who made the largest gains in insurance coverage of any age group under the ACA – and who now have the highest incidence of COVID-19 infection nationwide – could thereby find themselves at increased risk of being denied health coverage if the ACA is overturned.¹³ New York's recent codification of preexisting condition coverage for state-regulated insurance plans is an important step, but does not extend to many New Yorkers' insurance plans, including self-funded plans.

III. ACA repeal will disproportionately impact communities of color.

The loss of the ACA's various coverage pathways will disproportionately impact communities of color, thereby widening existing disparities in health coverage, access to care and health outcomes.¹⁴ This widening of disparities would occur amidst the backdrops of both a pandemic

⁹ "Repealing the Affordable Care Act Would Cost Jobs in Every State," Economic Policy Institute, January 21, 2017, <https://www.epi.org/publication/repealing-the-affordable-care-act-would-cost-jobs-in-every-state/>.

¹⁰ "The Potential Effects of a Supreme Court Decision to Overturn the Affordable Care Act: Updated Estimates," Urban Institute, October 2020, https://www.urban.org/sites/default/files/publication/103072/the-potential-effects-of-a-supreme-court-decision-to-overturn-the-affordable-care-act-updated-estimates_0.pdf.

¹¹ "Essential Plan Surplus Hits \$3B," Empire Center, May 5, 2020, <https://www.empirecenter.org/publications/essential-plan-surplus-hits-3b/>.

¹² "State Health Care Snapshots: New York," Kaiser Family Foundation, accessed November 7, 2020, <https://www.kff.org/statedata/election-state-fact-sheets/new-york/>.

¹³ "Millions of Young Adults with COVID Infections Could Be Denied Health Coverage if the Affordable Care Act is Overturned," The Commonwealth Fund, October 26, 2020, <https://www.commonwealthfund.org/blog/2020/millions-young-adults-covid-infections-could-be-denied-health-coverage-if-affordable-care-act-#:~:text=If%20the%20ACA%20is%20struck,more%20young%20people%20become%20infected.>

¹⁴ "Loss of the Affordable Care Act Would Widen Racial Disparities in Health Coverage," Kaiser Family Foundation, October 1, 2020, <https://www.kff.org/policy-watch/loss-of-the-affordable-care-act-would-widen-racial-disparities-in-health-coverage/>.

and economic downturn that have already devastatingly and disproportionately affected New Yorkers of color.

- **If the ACA is repealed, Hispanic and Black New Yorkers, who are already uninsured at higher rates than whites, will see their uninsurance rates increase by approximately 57 percent and 105 percent, respectively.** ¹⁵

This statistic is even more troubling given New York's pervasive racial health disparities, including those in maternal mortality – black women in our State are more than three times more likely to die of pregnancy-related causes than white women ¹⁶ and currently lack guaranteed health coverage extending beyond 60 days postpartum. For New Yorkers of color, a repeal of the Affordable Care Act may thereby prove particularly harmful.

¹⁵ "Overturning the ACA Would Increase Uninsurance among People of All Ages, Races and Ethnicities," Urban Institute, October 20, 2020, <https://www.urban.org/urban-wire/overturning-aca-would-increase-uninsurance-among-people-all-ages-races-and-ethnicities>.

¹⁶ "Recommendations to the Governor to Reduce Maternal Mortality and Racial Disparities," New York State Taskforce on Maternal Mortality and Disparate Racial Outcomes, March 2019, https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/maternal_mortality_Mar12.pdf