The Future of the Affordable Care Act and Medicare

The Affordable Care Act (ObamaCare)

Medicaid Expansion

• The ACA expanded Medicaid to citizens and some documented immigrants with incomes up to 138% of the Federal Poverty Level. The Supreme Court’s 2012 decision made this expansion optional. (Prior to the ACA, Medicaid covered only certain categories of low-income people, in many states at incomes much lower than 138% of FPL1).

• As of 2017, 31 states, including Washington State, have expanded Medicaid.

• The Federal Match for the expansion population started out at 100% and, under the ACA, would ultimately reduce to 90%. (Washington State’s regular (that is, pre-expansion categories) Medicaid match rate is 50%.)

• Nationwide, about 11 million people are covered by expanded Medicaid; 74 million people are covered by Medicaid, overall.

• In Washington State, 618,000 people are covered by expanded Medicaid; nearly 2 million Washingtonians are covered by Medicaid, overall.

Individual Insurance

• Nationwide, in 2016, about 13 million people bought insurance through the ACA’s marketplaces, of whom about 11 million received premium subsidies.

• In Washington State, in 2016, about 175,000 people bought insurance through our state’s marketplace (WAHealthPlanFinder.org), of whom 115,000 received premium subsidies.

• Millions of others have bought unsubsidized plans outside the marketplaces (under the ACA, most of those plans are subject to the same coverage rules as marketplace plans).

• In 2016, significantly fewer insurance companies sold marketplace plans than did in 2014 or 2015; in many areas, only one company offered plans.

• For 2017, the average premium of a “benchmark” plan increased about 25% nationally, but the average premium increase in Washington State for that plan was 8%. (There is quite a range: up 145% in Phoenix; down 4% in Indianapolis.)

• For 2017, the yearly premium for that plan ranged from the lowest of $2,748 (Louisville) to $2,856 (Seattle), to $4,932 (national average) to the highest of $10,848 (Anchorage).

Uninsured Rate

• Nationwide, the uninsured percentage dropped from 16% in 2010 to 8.6% in 2016

• In Washington, the uninsured percentage dropped from 14% in 2013 to 5.8% in 2016

1 Federal Poverty Level in the Continental United States, 2017

- Individual: $12,060 (100% FPL)  $16,642 (138%)  $48,240 (400%)
- Family of 4:  $24,600 (100% FPL)  $33,948 (138%)  $98,400 (400%)
Concerns about Medicare’s Future

Trust Fund Solvency

"If something cannot go on forever, it will stop..." - Herbert Stein

OASI, DI, and HI Trust Fund Ratios, Projections Assuming Enactment of ACA
Medicare Cost Reductions

Projected Year of Medicare Trust Fund Insolvency
In Absence of ACA
(Per Social Security Trustees Report, 2009)

Projected Year of Medicare Trust Fund Insolvency
with ACA

Source: A SUMMARY OF THE 2016 ANNUAL REPORTS Social Security and Medicare Boards of Trustees

Reform Options

Medicare vouchers