The Future of Health Care Reform: Obamacare and Beyond

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Department of Health Policy & Management
University of North Carolina-Chapel Hill
Estimated Impact of ACA on Americans’ Insurance Coverage in 2019 (in millions)

Source: CMS, April 2010
If you like your health care plan, you can keep your health care plan.

—President Obama

NOT SO MUCH.

North Carolina Blue Cross Blue Shield spokesman Lew Borman said some of their customers’ policies had to be canceled because they didn’t meet the new federal standards.

Source: The Charlotte Observer, 10/9/13

@Heritage
October 2013:
Obamacare Goes Online, Sort Of

We have a lot of visitors on the site right now. Please stay on this page.
We’re working to make the experience better, and we don’t want you to lose your place in line. We’ll send you to the login page as soon as we can. Thanks for your patience!

In a hurry? You might be able to apply faster at our Marketplace call center. Call 1-800-318-2596 to talk with one of our trained representatives about applying over the phone.
Trends in the Cumulative Number of Individuals Who Have Selected a Marketplace Plan, 10-1-13 to 3-31-14

(Including Additional SEP Activity through 4-19-14)

Over 8 million people have selected a Marketplace plan since October 1st, including 5.4 million who have selected a plan through the FFM

Notes: Represents cumulative monthly sums of data on the number of unique individuals who have been determined eligible to enroll in a plan through the SBMs and FFM, and have selected a plan (with or without the first premium payment having been received by the issuer). SEP activity includes plan selections by those who qualified for an SEP because they were “in line” on 3-31-14, as well as those who experienced a qualifying life event or a complex situation related to applying for coverage in the Marketplace.

Source: Centers for Medicare & Medicaid Services, as of 4-29-2014.
2015 Enrollment Data

• 10.2 million persons had active coverage as of 3/31/15 (7.5 million in federal marketplace)

• 8.7 million persons receiving premium tax credits

• 29% of enrollees switched plans through healthcare.gov

• State Exchange enrollment up 9% & Federal Exchange up 58% compared to 2013-14

Sources: ASPE, 2015; CMS, 2015; KFF, 2015; Avalere, 2015; Levitt, 2015
### Table 2.

**Effects of the Affordable Care Act on Health Insurance Coverage**

**Millions of Nonelderly People, by Calendar Year**

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<thead>
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<tbody>
<tr>
<td><strong>Insurance Coverage Without the ACA</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
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<tr>
<td>Medicaid and CHIP</td>
<td>38</td>
<td>38</td>
<td>38</td>
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<td>Employment-based coverage</td>
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<td>Nongroup and other coverage&lt;sup&gt;b&lt;/sup&gt;</td>
<td>26</td>
<td>26</td>
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<tr>
<td>Uninsured&lt;sup&gt;c&lt;/sup&gt;</td>
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<td>52</td>
<td>51</td>
<td>51</td>
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<td>51</td>
<td>51</td>
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<tr>
<td><strong>Total</strong></td>
<td>270</td>
<td>271</td>
<td>272</td>
<td>274</td>
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<td>277</td>
<td>278</td>
<td>280</td>
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**Change in Insurance Coverage Under the ACA**

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<td>Insurance exchanges</td>
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<td>Employment-based coverage&lt;sup&gt;d&lt;/sup&gt;</td>
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<td>-7</td>
<td>-8</td>
<td>-8</td>
<td>-8</td>
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<td>-7</td>
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<td>-4</td>
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<td>-5</td>
<td>-5</td>
<td>-4</td>
<td>-4</td>
<td>-4</td>
</tr>
<tr>
<td>Uninsured&lt;sup&gt;c&lt;/sup&gt;</td>
<td>-17</td>
<td>-23</td>
<td>-24</td>
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<td>-25</td>
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<td>-25</td>
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</table>
## Individual Mandate Penalty

<table>
<thead>
<tr>
<th>Year</th>
<th>Penalty Amount</th>
</tr>
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<tbody>
<tr>
<td>2014</td>
<td>$95 or 1% of income</td>
</tr>
<tr>
<td>2015</td>
<td>$325 or 1.5% of income</td>
</tr>
<tr>
<td>2016</td>
<td>$695 or 2.5% of income</td>
</tr>
</tbody>
</table>

*Penalty for children is half that of penalty for adults listed above, and there are caps on how much a family must pay in a year ($285 in 2014, $2085 in 2016)*

**After 2016 penalty amount adjusted annually by cost of living**

***Penalty prorated for number of months without insurance***

Source: Kaiser Family Foundation
# ACA Premiums for Silver Plans 2015 in Chapel Hill, NC*

<table>
<thead>
<tr>
<th>Age</th>
<th>Income</th>
<th>Premium</th>
<th>Deductible</th>
<th>Out pocket max</th>
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<tbody>
<tr>
<td>25</td>
<td>$20,000</td>
<td>$77</td>
<td>$0</td>
<td>$2250</td>
</tr>
<tr>
<td>30</td>
<td>$30,000</td>
<td>$200</td>
<td>$3750</td>
<td>$6250</td>
</tr>
<tr>
<td>40</td>
<td>$40,000</td>
<td>$259</td>
<td>$5000</td>
<td>$6350</td>
</tr>
</tbody>
</table>

*Premiums are monthly amount and the amount reflects available tax credits/subsidies.
Silver and Bronze Premium Changes from 2014 to 2015

Percent change in second-lowest silver and lowest-cost bronze plans, by county in 50 states and the District of Columbia

Max

- Southeast Alaska: 34%
- Western Minnesota counties: 43%
- Average Across All U.S. Counties: 2%

Min

- Summit County, Colorado: -45%
- Summit County, Colorado: -40%

Note: In areas in which the two lowest-cost silver plans have the same premium, the next lowest-cost silver plan is used as the "benchmark" silver plan.
Blue Cross Blue Shield seeks 26 percent premium hike

Jun 1, 2015, 2:17pm EDT  Updated Jun 1, 2015, 3:30pm EDT
Owen Covington
Triad Business Journal

Some steep increases in health premiums expected in Illinois in 2016

Blue Cross and Blue Shield of Illinois, Coventry Health Care and Assurant Health have proposed the largest rate increases in the state for 2016, the third year plans will be sold through the online marketplace established under the Affordable Care Act.

(Don Ryan, AP)

By Wes Venteicher and Ameet Sachdev

Chicago Tribune
Brosurance

Keg stands are crazy.
Not having health insurance is crazier.
Don’t tap into your beer money
to cover those medical bills.
We got it covered.

Now you can too.

#GotInsurance
doyougotinsurance.com

Rob, Zach, & Sam
Bros for Life
Current Status of State Medicaid Expansion Decisions

Notes: Under discussion indicates executive activity supporting adoption of the Medicaid expansion. *AR, IA, IN, MI, and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect on January 1, 2015, but the newly-elected governor may opt for a state plan amendment. Coverage under the IN waiver is set to begin February 1, 2015. NH has submitted a waiver to continue their expansion via premium assistance. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

Medicaid under the ACA

Enrollment Growth Compared to Baseline Period (July-Sept 2013)

<table>
<thead>
<tr>
<th>Month</th>
<th>Millions of Enrollees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-14</td>
<td>3.2</td>
</tr>
<tr>
<td>Mar-14</td>
<td>5.0</td>
</tr>
<tr>
<td>Apr-14</td>
<td>6.0</td>
</tr>
<tr>
<td>May-14</td>
<td>6.9</td>
</tr>
<tr>
<td>Jun-14</td>
<td>7.8</td>
</tr>
<tr>
<td>Jul-14</td>
<td>8.2</td>
</tr>
<tr>
<td>Aug-14</td>
<td>9.1</td>
</tr>
<tr>
<td>Sep-14</td>
<td>9.6</td>
</tr>
<tr>
<td>Oct-14</td>
<td>10.0</td>
</tr>
<tr>
<td>Nov-14</td>
<td>10.5</td>
</tr>
<tr>
<td>Dec-14</td>
<td>11.1</td>
</tr>
<tr>
<td>Jan-15</td>
<td>11.2</td>
</tr>
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</table>

SOURCE: CMCS Monthly Enrollment Reports. All data are based on updated enrollment reports except for January, which are preliminary data. Monthly data are not directly comparable because the number of states reporting data has changed over time and several states have changed their methodology to better match CMS’s data specifications. Data only include individuals with comprehensive benefits.
Figure 1. Trends in Uninsurance for Adults Ages 18 to 64 from Quarter 1 2013 to Quarter 1 2015

Source: Health Reform Monitoring Survey, quarter 1 2013 through quarter 1 2015.
Notes: Estimates are regression adjusted. Medicaid expansion status is as of March 2015.
*/** Estimate differs significantly from quarter 3 2013 at the .05/.01 levels, using two-tailed tests. Statistical significance is only reported for estimates after quarter 3 2013.
U.S. Health Care Spending, 2013

- $2.9 trillion
- $9,255 per capita
- 17.4% of GDP

Average Annual Worker Premium Contributions and Total Premiums for Covered Workers, Single and Family Coverage, by Firm Size, 2014

* Estimates are statistically different between All Small Firms and All Large Firms (p<.05).

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $2,000 or More for Single Coverage, By Firm Size, 2006-2014

* 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.

Percentage of Firms Offering Health Benefits, 2003–2014

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

Effect of 2010 Health Reform Law on Medicare Spending, 2010-2019

Average Annual Growth Rate:
Before Health Reform = 6.8%
After Health Reform = 5.5%

NOTE: Estimates do not take into account additional spending to offset the physician payment reductions that are required under current law according to the Sustainable Growth Rate formula.
Medicare Slowdown

In 2009, the CBO estimated that Medicare spending would be $706 billion in 2014.

Medicare’s actual spending in 2014 was $580 billion.

Source: Chapin White et al, 2014
FIGURE 1: Annual Percent Change in Health Spending and GDP, 2000–11


NOTE: Estimates of growth in spending and GDP are in nominal terms.
RE-PEEL.

OBAMACARE

THIS'LL BE TRICKY!
King vs. Burwell
What Was the Statutory Intent?

Are premium tax credits available only in an “Exchange established by the State under [section] 1311”
State Health Insurance Marketplace Decisions, 2014

* In Utah, the federal government will run the marketplace for individuals while the state will run the small business, or SHOP, marketplace.

King side-effects
No good options?

- Establish State Based Exchange
- Designate State Based Exchange
- Defer to Washington
- Do Nothing

Riley et al: 2015; Jones and Bagley 2015
2017

• Reinsurance and risk corridors scheduled to expire

• States can expand insurance marketplaces to larger employers

• State innovation waivers

• Cadillac tax approaching (2018)

• And a new tenet in 1600 Pennsylvania Ave.....
Who Governs the ACA in 2017?
The Future of Health Care Reform