

Insurance Costs and Financial Protections

The Affordable Care Act limited consumers' out-of-pocket spending, capped how much more insurance companies could charge older Americans, and resulted in fewer medical bankruptcies. Now, eight years after the Affordable Care Act improved our health care, President Trump and his Republican allies in Congress are taking steps to turn the clock back and put the insurance companies back in charge.

Key Affordable Care Act Improvements ...

Out-of-pocket spending: The ACA limited consumers' out-of-pocket spending on essential health benefits. A recent study found that the Affordable Care Act was followed by an almost 12 percent decrease in out-of-pocket spending in the first two years after it took effect.¹

- The number of consumers whose plans have a limit on out-of-pocket spending fell from 18 percent in 2010 to 2 percent in 2016.²

Charging older people more: In order to contain costs for older Americans, under the Affordable Care Act, insurers are barred from charging older customers more than three times what they charge younger customers.

Premiums: Since the Affordable Care Act, premiums for insurance provided by employers has remained relatively stable — growing less than five percent each year between 2010 and 2016.³

Medical Bankruptcies: Experts believe that key financial protections in the ACA, such as coverage for pre-existing conditions and an end to lifetime limits, contributed to a sharp decrease in personal bankruptcy filings. Between 2010 and 2016, filings were cut in half — from over 1.5 million in 2010 to just over 770,000 in 2016.⁴

- A 2014 study performed by a bankruptcy attorney found that medical debt is the single largest factor in personal bankruptcy. By improving consumer protections, the ACA has protected consumers against medical bankruptcy.

... and how Republicans would drag us back.

Out-of-pocket spending: Republican efforts to repeal and sabotage health care are walking back the ACA's historic coverage gains. A recent study by the Urban Institute projects that 6.4 million fewer Americans will have health insurance in 2019 because Republicans repealed the individual mandate and expanded access to short-term health plans.⁵

Charging older people more: The Trump Administration's budget calls for Congress to pass Graham-Cassidy, legislation that would let insurers charge older people up to five times as much as younger people.

- AARP analysis predicts that the Republican Senate Graham-Cassidy repeal bill could increase premiums and out-of-pocket costs by as much as \$16,174 a year for a 60-year-old earning \$25,000 a year.⁶

Premiums: President Trump and Congressional Republicans are doing nothing to stop premiums from rising. Instead, they are pursuing policy that will only make premiums go up. A recent report by the Urban Institute projects that combined, the repeal of the individual mandate and the expansion of short-term health plans will increase premiums by an average of 18.3 percent in 2019.⁷

Medical Bankruptcies: If Republicans continue to chip away at key consumer protections by allowing insurers to discriminate against those with pre-existing conditions and deny coverage for "essential health benefits," such as maternity care and emergency care, more and more consumers will be hit with massive medical bills.

¹ JAMA, March 2018

² Brookings Institute, 3/24/17

³ New York Times, 9/19/17

⁴ Consumer Reports, 5/2/17

⁵ The Urban Institute, March 2018

⁶ AARP, 9/26/17

⁷ The Urban Institute, March 2018