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Affordable Care Act (ACA): Impact on Oregon

People who have health coverage are healthier, on average, than people who lack health coverage. When more people have access to health care, communities are healthier too. More people are able to work and go to school, and contribute in other ways to their local economy. Employers benefit from lower insurance costs, less absenteeism and a healthier workforce. Fewer people turn to social services.

Oregon struggled with a high un-insurance rate before Congress passed the Affordable Care Act. In 2010, nearly 1 in 5 Oregonians lacked health coverage. Then, Oregon dramatically expanded health coverage after the ACA took effect. Today, 95 percent of Oregonians have health coverage. The ACA and its implementation have not been flawless, but the law has brought important benefits to Oregon. The ACA and Oregon's related Medicaid reforms:

- Reduced health care costs for state taxpayers
- Improved the quality of care Oregonians receive
- Created thousands of new jobs across Oregon

Congressional leaders want to repeal the ACA and overhaul Medicaid. Congress has not settled on a plan, but changes would have a major impact on our state. Here are six ways ACA repeal and Medicaid changes could affect people in Oregon.

1. Fewer Oregonians could have health coverage if the ACA is repealed:

The ACA created a marketplace for people to buy quality health insurance and get subsidies to make coverage more affordable. Oregon was able to expand Medicaid to cover working people and families with low incomes. As a result:

Oregon's uninsured rate plummeted under the ACA:

- **Health coverage:** More than 95 percent of Oregonians – and 98 percent of children – have health care coverage.
- **Uninsured rate:** Since Oregonians began enrolling for coverage under the ACA and Medicaid expansion took effect, Oregon's uninsured rate dropped from 17 percent to 5 percent.

More Oregonians gained private health coverage and received help paying for it through the ACA:

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- **Marketplace boosts coverage:** More than 131,000 Oregonians gained health insurance through the Marketplace.
- **Subsidies make coverage more affordable:** More than 95,500 Oregonians have qualified for tax credits that help moderate-income individuals and families pay for premiums. On average, Oregonians who bought health coverage through the Marketplace and received subsidies had their premiums reduced by \$253 per month.

Oregon expanded health coverage for children and working families through the ACA:

- **Coverage for low-income working families:** Under the ACA, Oregon extended Oregon Health Plan (OHP) coverage to more than 375,000 children and low-income working adults who lacked health insurance.
- **Rates of coverage greatest in rural Oregon:** Today, OHP covers more than 1 in 4 Oregonians, including nearly as many as 4 in 10 residents in some rural parts of the state.

The Congressional Budget Office (CBO) estimates 18 million people nationwide would lose health coverage if the ACA is repealed without a replacement.

- **In Oregon, the uninsured rate could triple** if the ACA's health insurance subsidies and Medicaid expansion are repealed.

2. Fewer Oregonians could have access to appropriate care if the ACA is repealed and Medicaid coverage is rolled back:

By expanding coverage under the ACA and Medicaid, Oregon launched reforms in health care delivery across the state. These reforms gave hundreds of thousands of Oregonians more access to primary and preventive care:

- **Better care:** Hospital readmissions among OHP members have been cut by one-third in the past five years.
- **Fewer ER visits:** Fewer OHP members are forced to rely on emergency rooms for medical care – unneeded emergency room visits dropped 20 percentage points since Oregon since 2011.

3. Health care costs would rise in Oregon if the ACA is repealed:

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Gains in health coverage under the ACA have helped extend the reach of Oregon's innovative health reforms and save money for taxpayers.

- **Lower costs under Medicaid expansion:** Since 2013, Oregon has held Medicaid cost increases to 3.4 percent a year, lower than the national average. Oregon's reforms have saved state and federal taxpayers \$1.3 billion.
- **ACA reduces uncompensated care:** The ACA's coverage expansion has saved Oregon hospitals millions in uncompensated care costs, dropping from \$845 million in 2013 to \$315 million in 2015.

If hundreds of thousands of Oregonians lose affordable private insurance or OHP coverage, more people would rely on emergency rooms for basic medical treatment. Hospitals would again be saddled with the burden of uncompensated care. Employers would face higher premiums and taxpayers would bear greater costs.

4. Oregon's economy and state budget will feel the impact if the ACA is repealed:

- **Jobs grow following ACA:** Oregon added 23,300 new health care jobs from 2013 to 2016. The nonprofit Economic Policy Institute estimates Oregon would lose more jobs -- a total of 42,000 -- if the ACA is repealed.
- **Medicaid expansion spurs better job growth:** On average, Oregon's rate of job growth has outpaced rates of job gains in states that did not expand Medicaid coverage, according to the office of Oregon's state economist.
- **Impact on state budget:** Oregon's budget received \$6.4 billion in federal funding for Medicaid expansion from 2014 to 2016.

5. Oregonians could lose important health benefits if the ACA is repealed:

- **ACA protects Oregonians with pre-existing conditions:** The ACA protects more than 1.6 million Oregonians who have existing medical conditions from being denied coverage or charged higher premiums by insurers.
- **The ACA prohibits discrimination:** Today, insurers cannot discriminate based on a person's race, color, national origin, sex, gender identity, age, or disability.



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- **ACA mandates contraceptive coverage:** : Subject to limited exceptions for religious employers, commercial insurers must cover birth control and reproductive health services, including office visits, without charging a co-payment or co-insurance.

6. Oregon would lose federal funding for vital public health services if the ACA is repealed:

- **ACA funds core public health programs:** In 2016, Oregon received \$9.3 million in federal funds through the ACA for immunization, teen suicide prevention, and other core public health services. ACA repeal puts these programs at risk.