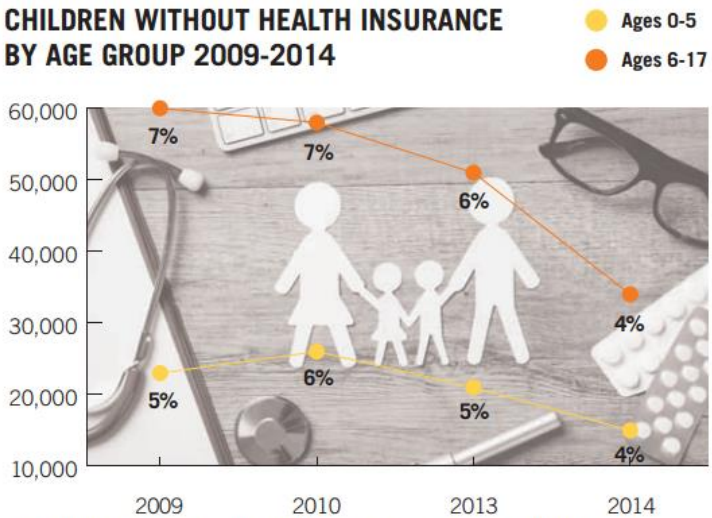
Five Ways the Affordable Care Act Ensures Health Coverage, Care and Cost Savings in Minnesota

Since the Affordable Care Act (ACA) was enacted in 2010 millions more Americans have gained access to affordable health coverage, and the rate of growth in health care spending has slowed. The ACA affected the entire health care system, improving coverage options that were already available in the group and individual markets, as well as public programs like Medicaid and Medicare. The ACA required new consumer protections and for the first time ensured a basic set of health care benefits regardless of the source of coverage. It also created a new online marketplace to purchase insurance and helped make health coverage more affordable by offering financial assistance to help purchase health insurance and capping out-of-pocket spending. For most people, the ACA reduced what they pay for health care. Repealing the ACA without a full and immediate replacement that maintains or expands the coverage, cost reductions and care access provided by the law would greatly affect all Minnesotans, particularly Minnesota children. Congress must ensure any reform enacted does no harm to children and only improves children's access to health coverage and care.

As we urge Congress to reject legislation that would repeal the ACA, it is important to remember the five critical ways the ACA has improved the lives of Minnesota children and families:

1. Decreased uninsured rates for Minnesotans to historically low levels.

Overall, 250,000 Minnesotans have gained health coverage since the ACA was enacted. The state has reached uninsured rate of 4.3% -- an all-time low.[i]



Population Reference Bureau, analysis of data from the U.S. Census Bureau, American Community Survey.

[ii]

Since the passage of the Affordable Care Act in 2010, the number of uninsured Minnesota children has decreased by more than 50 percent. Gains in health coverage were seen for children of all ages, races and ethnicities. Up to 209,000 Minnesota children could lose coverage if ACA were fully repealed without a replacement.

2. Increased federal funding, improved cost-effectiveness and decreased uncompensated care.

- The ACA pumped $2 billion in additional federal funding into the Minnesota economy through the enhanced match for Medical Assistance and MinnesotaCare and through tax credits.
- The cost of covering non-disabled and non-senior populations on Minnesota Health Care Programs has decreased by 15 percent[iii].
- Uncompensated care costs in Minnesota hospitals have declined each year since the implementation of ACA and are at the lowest rate since 2008[iv].
- Charity care and bad debt also declined in hospitals across Minnesota[v].

3. Improved employer-sponsored health coverage.

- Ended annual and lifetime limits on coverage. Before the ACA was enacted, more than two million Minnesotans with employer or individual market coverage had a lifetime limit on their insurance policies[vi]. Children with critical health care needs could hit this cap in their first years of life.
- Allows young adults to remain on their parents' health insurance up to age 26. Since the ACA was enacted, 99,000 young Minnesotans up to age 26 have gained insurance, 38,000 because they were allowed to remain on their parents' health insurance.[vii]
- Guarantees free preventive care. Health plans must cover preventive services like flu shots, cancer screenings, contraception and mammograms at no extra cost. This provision benefits 2,761,583 people in Minnesota[viii].
- Slowed premium growth. The average premium for Minnesota families with employer coverage grew 4 percent per year from 2010 to 2015, compared with 7.2 percent over the previous decade[ix]. Assuming Minnesota premiums grew in line with the national average in 2016, family premiums in Minnesota are $3,600 lower than if growth had matched pre ACA rates[x].
- Provides better value through the 80/20 rule. Because of ACA, health insurance companies must spend at least 80 cents of each premium dollar on health care or care improvements, rather than administrative costs. If they fail to do this, insurance companies must give consumers a refund. Minnesotans with employer coverage have received $1,040,625 in insurance refunds since 2012[xi].
- Defined minimum essential coverage for a large portion of the employer sponsored market and improved coverage for many conditions like mental health and maternity that were not always covered.
- Limited declines in employer coverage. Before the ACA, employer-sponsored insurance, had been declining since about 2001. Since the ACA the number of employers who provide coverage has remained constant. In fact, the number of employers offering health insurance had a slight uptick in 2016[xii].

4. Improved and expanded coverage through Medical Assistance (Medicaid)

- Expanded coverage to approximately 36,000 adult Minnesotans through Medicaid, Medical Assistance (MA) in Minnesota, expansion[xiii]. This coverage has improved access to care, financial security, and health, resulting in an estimated 4,000 more Minnesotans getting all needed care, 5,100 fewer Minnesotans struggling to pay medical bills, and 40 avoided deaths each year[xiv].
- Expanded coverage for people with mental illness or substance abuse. An estimated 3,000 fewer Minnesotans are experiencing symptoms of depression because of improved access[xv].
- Eliminated barriers and streamlined enrollment. The ACA did away with asset limits and time-consuming reviews of verifications; protected consumers from enrollment limits and "lockout" periods if they failed to pay premiums or lost employer-sponsored coverage, and gave hospitals an expanded role in determining eligibility and granting temporary Medical Assistance to patients likely to qualify. In addition, the ACA established navigators to help people enroll in public program coverage.
- Prohibits states from imposing eligibility and enrollment standards for Medicaid (MA in Minnesota) and CHIP that are more restrictive than those in place at the time the ACA was enacted in 2010. These requirements applied until 2014 for adults and apply until 2019 for children in Medicaid and CHIP, with some limited exceptions. This maintenance of effort (MOE) provision for children has helped preserve access to affordable coverage and contributed to the record high number of insured children, despite the recent recession when demand for public health coverage rose and state revenues fell.
- Transitioned children from MinnesotaCare eligibility to Medical Assistance eligibility, providing premium-free coverage and access to a comprehensive, expanded benefit set.

5. Expanded access to and affordability of health coverage on the individual market.

- Prohibited discrimination based on pre-existing conditions. Insurance companies are no longer able to deny insurance to those with pre-existing health conditions nor are they able to underwrite premiums based on usage or gender. Age and smoking are the only conditions that can be considered in pricing.
- Defined minimal essential health coverage for non-group policies offered inside and outside of Minnesota's Exchange. Insurers must provide policies that meet the essential benefit levels, which describe the types of services that must be included in all insurance policies, such as coverage for maternity, mental health and substance abuse.
- Made tax credits available to help people afford coverage. For Minnesotans, this means 47,266 moderate and middle income people receive tax credits averaging $203 per

month[xvi]. Because tax credits are calculated on income, the credits protect Minnesotans from major increases in premium costs that may occur.

- Provided greater transparency and choice. Pre-ACA, it was virtually impossible for consumers to effectively compare insurance plan prices and shop for the best value. Under the ACA Minnesota has received $8 million in federal funding to provide a more transparent marketplace where consumers can easily compare plans. This is accomplished primarily through the MnSure site[xvii].

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ENDNOTES

[i] Health Insurance Coverage in Minnesota: Results from the 2015 Minnesota Health Access Survey. Minnesota Department of Health, February 29, 2016.
[ii] Partial Repeal of the ACA Through Reconciliation: Coverage Implications for Minnesota Residents. The Urban Institute, January 27, 2017. Note this figure includes the number of children who would lose coverage through the partial repeal of the ACA through the reconciliation process and a rollback of federal Maintenance of Effort (MOE) standards to the federal standards of eligibility at 138% of the Federal Poverty Guidelines for children under age 6 and 100% of the Federal Poverty Guidelines for children 6-18.
[iii] "New Report Details Impact of the Affordable Care Act in Minnesota." U.S Department of Health & Human Services, December 13, 2016.
[iv] Uncompensated Care at Minnesota Hospitals. Minnesota Department of Health, October 2016. Retrieved from: http://www.health.state.mn.us/divs/hpsc/hep/publications/legislative/HospitalUncompensatedCare15ig.pdf
[v] Uncompensated Care at Minnesota Hospitals. Minnesota Department of Health, October 2016. Retrieved from: http://www.health.state.mn.us/divs/hpsc/hep/publications/legislative/HospitalUncompensatedCare15ig.pdf
[vi] "New Report Details Impact of the Affordable Care Act in Minnesota." U.S Department of Health & Human Services, December 13, 2016.
[vii] Ibid.
[viii] Ibid.
[ix] Ibid.
[x] Ibid.
[xi] Ibid.
[xii] Health Insurance Coverage in Minnesota: Results from the 2015 Minnesota Health Access Survey. Minnesota Department of Health, February 29, 2016.
[xiii] "New Report Details Impact of the Affordable Care Act in Minnesota." U.S Department of Health & Human Services, December 13, 2016.
[xiv] Ibid.
[xv] Ibid.
[xvi] Ibid.
[xvii] Ibid.