

Put on the Brakes, Congress!

The Damage in Texas if Congress Repeals the Affordable Care Act without an Immediate Replacement

By [Anne Dunkelberg](#), [Stacey Pogue](#) and [Melissa McChesney](#)

In discussions about what a full Affordable Care Act (ACA) repeal would mean for Americans, the focus is usually on two main topics: (1) whether insurance companies would be able to start denying coverage to people with a pre-existing condition again, and (2) whether young adults may stay covered on their parents' insurance until they reach age 26. While those are important, there are many additional popular and critical benefits from the ACA that are at stake if Congress fully repeals the law.

In the first U.S. Senate debate and vote to set Congress on a repeal pathway, [numerous Senators cautioned](#)—including a number of Republican officials—that an ACA repeal without replacement is not an option. Agreeing on a replacement plan, they argued, will likely take time. Without naming every benefit of the ACA to Texans, the list below helps explain why a full repeal would create human, budgetary, and political catastrophe for the country. This list reminds us why so many public officials are now urging caution and signaling for a slower process to change the ACA.

- 1) **No subsidies. Insurance coverage would be at risk for over [900,000](#) Texans who get sliding-scale discounts** on health insurance premiums and out-of-pocket costs (like co-payments and deductibles) in the Health Insurance Marketplace.ⁱ Coverage is only affordable for these families because it is subsidized when the price exceeds an upper-limit percentage of their income, and that subsidy cuts their premiums by [an average of 75 percent](#) in Texas. Very few are expected to be able to afford the coverage if Congress repeals the subsidies.
- 2) **Collapse of the Marketplace. Coverage for [another 900,000 insured](#) Texans would be in jeopardy. Insurance experts predict collapse of the individual (direct-purchase) Health Insurance Marketplace is likely with either a full repeal or “repeal and delay.”** This would affect an estimated [1.8 million](#) insured Texans who buy directly from an insurer or through the Health Insurance Marketplace today. The American Academy of Actuaries has [warned Congress](#) that repealing major provisions of the ACA (even a repeal with a delay), or eliminating the funding to reimburse insurers for out-of-pocket cost-sharing reduction (CSR) subsidies, could result in significant market disruption, leading to millions of Americans losing their health insurance. Economists from the conservative American Enterprise Institute have raised [the same concerns](#).
- 3) **Denials for pre-existing conditions. No more guarantee you can buy coverage without being denied or charged more for a pre-existing condition.** Under the ACA, an insurer cannot turn you down, but equally importantly also cannot charge you more because of a health condition. In Texas, [pre-ACA rules that governed rates charged to small businesses](#) allowed some employers to be charged rates as much as 25 times the lowest rate, and individual purchasers could be either denied coverage, “offered” astronomical premiums, or offered a policy that excluded coverage for your

known health needs. **A very large share of Texans have these health conditions.** Many are protected because they have employer health coverage, Medicaid,* or Medicare today, but if they lose this coverage, they must get insurance through the individual marketplace where denials and skimpy benefits were the norm before the ACA. One recent study estimates that at least [4.5 million](#) Texans under 65 (about 27 percent of the total) have conditions that would have resulted in a denial of coverage before the ACA. Another study looked more broadly at people who would have faced barriers to coverage in the individual market and estimates over [10 million](#) Texans could be either denied coverage, charged more, or sold coverage that does not cover their condition if pre-ACA rules applied.

- 4) **Skimpy coverage. Your health plan may not include what you really need: prescriptions, mental health, maternity, therapies for an injury or a disability, check-ups/immunizations/cancer screens, or emergency care** will no longer be required parts of health insurance if ACA is repealed. ACA defined a list of [Essential Health Benefits](#) that must be covered even in catastrophic and high-deductible plans. This protection ensures comprehensive coverage for at least [2.5 million Texans](#) who have coverage through the individual market or a small employer—markets where benefits had historically been the skimpiest.
- 5) **Yearly or lifetime caps. If you have a serious injury or illness, you could hit a yearly or lifetime dollar cap, and have no more insurance coverage.** Before the ACA, Texans with serious conditions like hemophilia, Crohn’s disease, cancers, or who needed organ transplant had coverage that stopped paying their bills at some point, leaving them scrambling for care, compromising their health and often causing financial ruin. About [7.5 million](#) insured Texans had a lifetime limit on their insurance policy before the ACA.
- 6) **No free preventive care. Getting check-ups and [recommended preventive care](#) like mammograms, vaccines and colonoscopies may be financially out of reach.** The ACA required all subsequent health plans—even the high-deductible plans—to provide these services with no out-of-pocket cost. Without that incentive to stay on top of prevention, many fewer Texans will get those services. This protection applies to the [10.3 million](#) Texans enrolled in private insurance and the [3.6 million](#) seniors enrolled in Medicare.
- 7) **No annual limits on out-of-pocket cost.** The ACA [sets a limit](#) for all insurance plans on the amount a plan can charge each year in out-of-pocket costs like co-pays, deductible, and co-insurance. Before the ACA, even individuals with the protection of employer-based coverage weren’t protected from crippling out-of-pocket costs from major health events like an accident or hospitalization.
- 8) **Kids, foster kids and others would suffer. ACA repeal would eliminate Texas Medicaid’s [Community First Choice](#) benefit, former foster care youths’ [Medicaid coverage up to age to 26](#), and the new [92 percent federal CHIP match rate](#).** Even in states like Texas without Medicaid Expansion for adults, there would be negative human and fiscal consequences if Congress repealed ACA’s Medicaid provisions.
- 9) **The donut hole would return. The Medicare prescription drug benefit “[donut hole](#)” would return** for seniors and Texans with disabilities! The ACA began phasing out the big gap in Medicare drug coverage from 2010 to 2020. Texans with Medicare have saved [\\$1.4 billion](#) from these provisions

since the ACA passed. In 2015 alone, [347,000](#) Texans with Medicare saved \$1,057 on drug costs on average.

- 10) **Mental health coverage. Coverage of mental health needs or substance use disorder treatments could be dramatically reduced.** Equal treatment for mental health and substance use disorder conditions—known as “mental health parity protections”—would be dramatically reduced if Congress fully repeals the ACA. The ACA extended mental health parity to cover more insured Texans, and repeal would mean millions of Texans would lose equal access to mental health benefits in insurance.

- 11) **Women could be unable to buy insurance that covers maternity, and could once again be charged more than men.** Before the ACA ended gender discrimination in health coverage pricing, women in Texas were charged as much as [56 percent more than men](#) for the same coverage (which excluded maternity benefits). And, before the ACA, women literally could not purchase coverage on the individual market that covered pregnancy—and not just after a women got pregnant. Insurers in Texas simply did not sell policies that included maternity care.

¹Over 1.8 million Texans were insured in the individual (direct-purchase) market in 2015 (latest year Census data); over 900,000 received marketplace subsidies. The remainder purchased coverage without subsidy, either inside or outside the Marketplace.

<http://kff.org/other/state-indicator/total-population/?dataView=1¤tTimeframe=0>;
<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-06-30.html>
<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-06-30.html>

For more information or to request an interview, please contact Oliver Bernstein at bernstein@cphp.org or 512.823.2875.

About CPPP

The Center for Public Policy Priorities is an independent public policy organization that uses research, analysis and advocacy to promote solutions that enable Texans of all backgrounds to reach their full potential. Learn more at CPPP.org.

Twitter: [@CPPP_TX](https://twitter.com/CPPP_TX)

Facebook: [Facebook.com/bettertexas](https://www.facebook.com/bettertexas)