Slashing Obamacare would hurt Iowans

By Peter Fisher

Repealing the Affordable Care Act (ACA) without an adequate replacement, as Congress appears poised to do, jeopardizes the health care coverage and well-being of the most vulnerable Iowans. It would shower tax cuts on the wealthiest, while throwing the insurance market into disarray.

In Scott County, 10,200 more people had health insurance in 2015 than in 2013, the year before the ACA went into effect. The percent who were uninsured was cut by more than half, from 9 percent to 4.2 percent. Those gains are in jeopardy.

As the Quad-City Times suggested in an editorial on Sunday, “Don’t unwind Obamacare without a replacement,” a “known legitimate replacement” is essential if ACA is repealed.

Otherwise, consider:

- About 230,000 fewer Iowans will have health coverage in 2019, including 25,000 children.
- Thousands of adults working in low-wage jobs would lose coverage with the end of the Medicaid expansion provided by the ACA.
- ACA tax credits that reduce the cost of insurance for eligible Iowans by 71 percent would disappear, resulting in about 42,000 individuals in Iowa becoming uninsured, unable to find affordable coverage.

Repeal of the Medicare taxes financing the ACA would lavish tax cuts on the highest-income households. Those taxes do not affect the middle class or below, falling only on individuals with incomes above $200,000 or couples above $250,000. Repeal gives the 400 richest households in the country a $2.8 billion windfall in 2017 — about $7 million a year for each.

The insurance market would be thrown into immediate disarray, raising premiums and reducing insurance options.

With no individual mandate to purchase insurance, many healthy individuals would drop coverage. That would leave insurance companies with the sickest and most expensive customers; many would leave the state's individual insurance market or raise rates. While participation in the exchanges is higher this year than last (contrary to predictions of a death spiral), repeal would in fact reverse that trend immediately, and threaten the survival of the exchanges.

Repeal would also endanger some of the ACA’s most important consumer protections. We could see rising deductibles, the return of limits on how much insurers will pay in benefits, and failure to cover such things as maternity care, mental health, or prescription drugs.

Many of the uninsured would turn to hospitals and other health providers for uncompensated care, leaving those who are insured to pay the bill through their own premiums, or for health-care providers to swallow the cost. It is estimated that yearly uncompensated care in Iowa would more than triple, from $345 million to $1.2 billion.

Iowa’s economy would suffer as $626 million in federal funds would be withdrawn from the state, reducing employment and spending in local businesses. National estimates indicate that repeal would cost 2.6 million jobs, about a third of those in the health care sector, the rest in other sectors such as construction, retail, finance, and services.

Immediate repeal, with replacement unspecified and left to an uncertain future, is simply reckless. Iowans deserve better.

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