

Voter Guide 2014: Affordable Care Act

National Priorities Project examines issues related to the federal budget in time for the 2014 election.

What is the Affordable Care Act?

- The Affordable Care Act (ACA) – or “Obamacare” – is the health reform law that passed in 2010, which made it possible for millions of uninsured Americans to get health care coverage.
- The law requires that states set up health insurance marketplaces, to increase competition and provide more options for consumers; provides subsidies for people who can’t afford insurance on their own; prohibits insurers from refusing to cover people with pre-existing health problems; and controversially, requires that all individuals have insurance or pay a penalty – a key feature, because otherwise, healthy people might opt out, and insurance could get too expensive for everyone if only sick people use it.
- More than 8 million people have signed up for health insurance through the ACA website between October 2013 and March 2014.¹

Health Care Spending Trends

- Health care is the fastest-growing type of federal spending, having risen from 7 percent of all federal spending in 1976 to more than a quarter in fiscal 2015.² Controlling health care costs is a major challenge facing our country, and it is a central goal of the ACA.
- The Congressional Budget Office estimated in 2012 that the ACA would reduce budget deficits by \$109 billion between 2013 and 2022.³
- Recent studies suggest that the ACA is succeeding in slowing the growth of health care costs. For example, 2014 projections on the Medicare’s hospital insurance trust fund show current funds might last an additional 13 years beyond estimates projected before the ACA was passed into law.⁴

What Americans Say

"I have not had health insurance since 2004 (and have decimated my personal savings to pay for my medical expenses). I have no other health care options, because my governor doesn't want anything to do with the ACA."

-Meredith (Kingwood, TX)

Affordable Care Act and Expanding Medicaid in the States

One provision of the Affordable Care Act expanded Medicaid to people whose income is just above the poverty level, (specifically, up to 133 percent of the Federal Poverty Level, which is \$19,790 for a family of 3 in 2014).⁵ One hundred percent of costs would be covered by the federal government

through 2016 and 90 percent of costs would be covered through 2022, with the rest being covered by states. However, the provision faced significant political opposition, and eventually the Supreme Court ruled that each individual state could choose whether or not to expand Medicaid. As of June 2014, 27 states have expanded Medicaid under the ACA.⁶ In the 23 states that have not accepted federal money to expand Medicaid, 3.6 million eligible people are uninsured, and 2.7 million of those are uninsured children.⁷

Public Opinion

- Fifty-six percent of Americans favor keeping the Affordable Care Act in place with “small modifications,” while 10 percent would like to leave the law as it is.⁸
- Other polling shows that Americans support several provisions under the ACA. For example, 74 percent of Americans said they have a favorable view of Medicaid expansion under the ACA⁹, and 75 percent of Americans support the provision that allows children up to age 26 to remain on their parents’ policy.¹⁰

What to Ask Your Congressional Candidates

- How do you propose containing the ongoing rise in health care costs?
- Would you keep the Affordable Care Act as it is, change it, or repeal it? If you would change or replace it, what changes would you make?

For More on Health Care Spending: bit.ly/NPPhealthcare

¹ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, [Health Insurance Marketplace: Summary Enrollment Report For The Initial Annual Open Enrollment Period](#).

² Office of Management and Budget, 2015 President’s Budget.

³ Congressional Budget Office, [July 2012](#).

⁴ Centers for Medicare and Medicaid Services, [2014 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds](#).

⁵ Department of Health and Human Services, [2014 Federal Poverty Guidelines](#).

⁶ Centers for Medicare and Medicaid Services, [Medicaid and CHIP Eligibility Levels](#).

⁷ Kaiser Family Foundation, [Number of Uninsured Eligible for Medicaid Under the ACA](#).

⁸ Bloomberg [poll](#), conducted June 6-9, 2014.

⁹ Kaiser Family Foundation [poll](#), conducted March 11-17, 2014.

¹⁰ Bloomberg [poll](#), conducted June 6-9, 2014.