

# Talking Points

## Election 2016 and the Affordable Care Act

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### **Regardless of election outcomes and other state, national and world events, Michigan hospitals remain committed to caring for our patients, families and communities.**

- The ultimate mission of Michigan community hospitals is to provide high-quality healthcare to *all* patients who walk through their doors, regardless of ability to pay.
- Hospitals and health systems worked for universal health benefits for many years. Even with the Affordable Care Act (ACA), more work remained to achieve better care coordination and improved population health. The work of preserving coverage gains and improving the health care system will continue.
- Michigan hospitals have seen first-hand the benefit that coverage expansion has had on our patients and their families.
  - The Healthy Michigan Plan currently covers 615,462 Michigan residents (updated statistics available [online](#) along with a [Healthy Michigan Plan County Enrollment Breakdown](#))
  - Nearly 346,000 Michigan residents enrolled for healthcare coverage through Michigan's federally facilitated healthcare exchange in 2016. Of these enrollees, nearly 84 percent received financial assistance in the form of subsidies (<https://www.healthinsurance.org/michigan/>)
  - Hospitals on average have seen significant drops in the number of patients coming through their doors lacking insurance. Overall, the net drop hovers around 50 percent, but that number can vary from hospital to hospital.

### **Right now, the future of the Affordable Care Act (Obamacare), including the future of the Healthy Michigan Plan, is uncertain.**

- Republican control in Washington means a different political calculation for the ACA, including Medicaid expansion. Already, the conversation among elected officials has turned from 100 percent repeal of the ACA, to maintaining some popular provisions of the law, along with repeal of the individual mandate for coverage. The effect on Medicaid expansion is unclear.
- If the ACA were repealed entirely, these benefits would also be lost:

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- Closing the Medicare Part D/prescription drug coverage “doughnut hole” for Medicare beneficiaries. The coverage gap of more than \$2,000 per beneficiary would return.
- Coverage for adult children up to age 26 on a parent’s employer plan.
- Coverage for people with pre-existing conditions without regard to those conditions.
- A ban on insurers rescinding coverage after a person makes a healthcare claim.
- In Michigan, passage of the Healthy Michigan Plan (Michigan’s Medicaid expansion) was a bipartisan effort. Michigan hospitals were proud to join with Gov. Rick Snyder and both Republican and Democrats in the state legislature in winning approval for the Healthy Michigan Plan.
- Hospitals, health systems, and the Michigan Health & Hospital Association are already working with other stakeholders in Michigan and Washington to preserve the funding necessary to sustain the coverage gains made under the ACA.

### **The MHA and Michigan hospitals will continue to work with our state and federal elected officials to ensure the needs of our hospitals, patients and communities are met.**

- In short, coverage expansions had had a net positive impact on Michigan hospitals.
  - Overall, hospitals have noted a 50 percent reduction in the number of people coming through our doors without insurance, and we consider that a win for our patients and our members.
  - However, the impact from hospital to hospital varies, and it is not evenly distributed. Some hospitals have seen a positive impact on their bottom lines, but others have seen little to no impact.
- It’s important to remember that the ACA did not occur in a vacuum since it was enacted in 2010; hospitals have faced sequestration and other federal program cuts. Additionally, Michigan hospitals alone faced \$7 billion in reduced Medicare payments and scheduled Medicaid disproportionate share hospital payments, to pay for expanded coverage under the ACA, \$525 million of which was paid before a single person was able to obtain coverage through the Healthy Michigan Plan.
- If coverage is substantially repealed, the Medicare and Medicaid reductions to hospitals must also be repealed.
- Given that more than 900,000 Michigan residents alone rely on the ACA for health insurance coverage, we know that the loss of these programs, and the care provisions that go along with them, would be devastating to Michigan residents, our hospitals and the state’s economy.
- The Healthy Michigan Plan has proven to be a remarkable success in providing access to high-quality health insurance to hard-working Michigan residents. It is a program worth preserving and worth fighting for.

## Background

In March 2010, both the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act (hereafter referred to as “the law”) were signed into law by President Barack Obama, marking a historic day in progress toward healthcare coverage for all Americans. **In June 2012, after challenges to constitutionality of the law’s individual insurance mandate, Medicaid expansion and more, the U.S. Supreme Court voted 5-4 to uphold the law as constitutional.**

The law intended to provide health coverage to more than 30 million Americans at a cost of \$965 billion over 10 years. Most coverage expansion did not truly begin until 2014, and the goal of 30 million newly covered lives was not reached. Approximately 21 million people became covered under the ACA. Achieving universal healthcare coverage has been a goal of the MHA and the American Hospital Association for more than a decade, and passage of the law was viewed as a step in the right direction toward increased coverage and access for all.

## Additional Information

Members with questions about federal healthcare reform should contact Laura Appel ([lappel@mha.org](mailto:lappel@mha.org)) or Ruthanne Sudderth ([rsudderth@mha.org](mailto:rsudderth@mha.org)) at (517) 703-8601 at the MHA.