

How Repeal of the ACA will Hurt Older Americans

With a new Congress and administration taking control, Medicare, Medicaid and the Affordable Care Act (ACA) are under threat, and with them, the [safety and security](#) of all of us as we and our loved ones enter our senior years. If repeal efforts are successful, millions of adults over age 50 will be harmed.

Medicare

Medicare provides coverage to nearly [57 million beneficiaries](#) ages 65 and over and younger people with permanent disabilities. In addition, over [10 million people are eligible for both Medicare and Medicaid](#) (“dual eligibles”), including many low-income seniors, people with disabilities and people in nursing homes. This population stands to lose many of the positive changes like free preventive services, reduced drug costs and improved care coordination that occurred as a result of the ACA [if the law is repealed](#).

- **Savings on Prescription Drugs:** Since the passage of the ACA, more than [11.8 million people with Medicare have saved](#) over \$26.8 billion on prescription drugs as the gap in prescription drug coverage known as the “donut hole” closes. Thanks to the ACA, beneficiaries who fall into the “donut hole” now automatically receive a discount on prescription drugs, with the donut hole slated to be eliminated completely by 2020. People with Medicare Part D who are in the donut hole in 2017 will receive discounts and savings of 60 percent on the cost of brand name drugs and 49 percent on the cost of generic drugs. Thanks to these discounts, beneficiaries who reached the donut hole saved an average of \$2,272.
- **Preventive Services and Annual Wellness Visit:** Medicare beneficiaries are eligible to receive many [preventive services](#) with no out-of-pocket costs, as well as a free annual wellness visit. Nearly 40 million seniors used at least [one preventive service](#) in 2016 and more than 10.3 million beneficiaries took advantage of the annual wellness visit. These preventive services include flu shots and tobacco cessation counseling, as well as no-cost screenings for cancer, diabetes and other chronic diseases.
- **Medicare Delivery System and Payment Reforms:** The ACA established the [Center for Medicare and Medicaid Innovation](#) to [test new ways](#) of delivering care intended to improve quality while reducing the rate of growth in Medicare spending. This includes the [Financial Alignment Demonstrations](#), [Accountable Care Organizations](#) and [State Innovation Models](#) – programs that work to create better coordinated care, especially important for older adults with multiple chronic conditions.

While we do not yet know whether these specific improvements to Medicare will be targeted for repeal, based on what we have seen in previous repeal attempts, we are concerned that [repeal will create fiscal consequences](#) that could harm Medicare. [Potential tax cuts](#) in earlier repeal proposals would more rapidly deplete the Medicare Trust Fund and reduce funding available for a replacement plan, putting Medicare at risk for additional cuts.

Medicaid and Medicaid Expansion

The Medicaid program serves as an important safety net for [73 million Americans](#). It is the primary payer for [institutional \(e.g. nursing home care\) and community-based long-term services and supports](#) (LTSS) for seniors and people with disabilities. [Threats](#) to the Medicaid program, such as congressional proposals to eliminate the guarantee of services and funding through the Medicaid program, can undermine access to care for this fragile population. As a result, the real costs associated with such proposals will likely be borne by family members caring for individuals with LTSS needs. They tend to be the primary caregivers of this population and will have to either pick up the service shortfall – [at great cost to themselves](#) – or see their needs go unmet.

Under the ACA, states had the option to expand the Medicaid program to include coverage for low-income adults. While not every state has chosen to participate in this expansion, the states that did saw a large number of adults become eligible for coverage, including many adults [between 50-64 years of age](#). However, with ACA repeal the care for this segment of older adults (over [4.5 million people](#)) could vanish.

Marketplace Coverage

Because of the ACA, older adults without employer-sponsored or public health insurance [gained access](#) to subsidized individual insurance coverage in the federal and state marketplaces. From [November 2015 to February 2016](#), over 2.6 million adults between ages 45-54 and 3.2 million adults between ages 55-64 enrolled in the marketplaces created by the ACA.

Additionally, new insurance rules made it easier for older adults to purchase individual coverage. The protections provided by the ACA are particularly important for older adults who may have been forced out of the job market due to the economic downturn, illness or age discrimination. For example, the ACA guaranteed that insurance companies must issue (and renew) insurance coverage to anyone who requests it. Before the law, [29 percent](#) of individuals aged 60-64 who requested insurance coverage were rejected outright, more than twice the overall rejection rate. The ACA also limits how much more insurers can charge older adults to a maximum of three times the rate of a younger person. If the ACA is repealed, older adults under the age 65 would likely become uninsured due to [premium increases](#) that would result from dismantling these age rating limits. Finally, the ACA did away with annual and lifetime limits on the amount of health care benefits an enrollee could receive in a year.

Older Americans have also relied on the premium tax credits and cost sharing subsidies provided by the ACA to help defray the cost of health insurance. For example, [in California](#), 30 percent of those who received subsidies to help them afford a marketplace plan were between the ages 50-64.

Why It Matters

In 2013, [half of all people on Medicare](#) had incomes of less than \$23,500. According to the National Council on Aging (NCOA), [over 25 million adults](#) ages 60 and older are not financially secure and this is even before accounting for the fact that [roughly half will likely experience significant LTSS needs and expenses](#), in addition to their Medicare-covered services. Rolling back the important gains that the ACA has made for this population will cause chaos and thrust

millions of older adults back into poverty and worsen their health. We all deserve a healthy and secure future. Let's keep the many protections of the ACA to help older adults have the future they deserve.