



Affordable Care Act: Minnesota has much at stake

A decade ago, the Affordable Care Act – also known as the ACA or “Obamacare” – became the law of the land. It was the most comprehensive change to health care policy in a generation, and resulted in more people with health care coverage as well as improvements to make health care more accessible. Coverage for people with existing health conditions, a marketplace and tax credits to improve access and lower costs for those buying coverage on the individual insurance market, improved benefits for employer-provided health plans, and an expansion of Medicaid coverage (largely funded by the federal government) are some of the most important pieces of the ACA.

Unfortunately, despite the ACA’s success in expanding coverage, many provisions of the Affordable Care Act were attacked almost immediately, both in the courts and through legislation. Many of these challenges failed, though one key element – the requirement that individuals purchase health insurance, also known as the individual mandate – was repealed by Congress.

In the fall of 2020 and through the winter and spring of 2021, despite being in the midst of the COVID-19 pandemic, the ACA will face its most serious challenge yet in the form of a lawsuit: *California et al vs Texas et al*. This court case challenges the constitutionality of the entire Affordable Care Act, and could result in complete nullification.¹ Let’s examine how Minnesotans have benefitted from the Affordable Care Act and what’s at stake if it goes away.

Health care coverage for more than 400,000 Minnesotans is at risk

The Affordable Care Act helps ensure coverage for more than 400,000 Minnesotans.² That includes 300,000 Minnesotans who get their insurance through the state’s affordable health insurance options (Medicaid, known as Medical Assistance in Minnesota, and MinnesotaCare). It also includes about 110,000 Minnesotans who buy private insurance through MNsure, the state’s insurance marketplace where plans are vetted for compliance with ACA standards like comprehensive coverage. Of those who buy insurance through MNsure, about 60 percent get tax credits to lower the cost of their monthly premiums. Those tax credits are significant: in 2017, individual Minnesotans were projected to receive about \$350 million in premium subsidies. But whether they get their coverage through Medicaid, MinnesotaCare, or MNsure, these Minnesotans would face uncertainty and potentially higher costs or loss of their health care coverage if the Affordable Care Act is repealed.

The Affordable Care Act improves health outcomes

The ACA allowed states to expand Medicaid eligibility to include more low-income adults. The expansion covered many people who had previously been left out of affordable health care programs, like parents, adults without children, and adults with chronic mental illnesses who have low incomes. In states that expanded Medicaid eligibility – like Minnesota – people experienced significant benefits.³ People now included in Medicaid were able to receive more health check-ups, preventative care, regular care for chronic health conditions, treatment for opioid use disorders, and mental health care. This led to better health outcomes, including fewer premature deaths, more early-stage diagnoses, and better management of diseases like cancer and diabetes. Additionally, Medicaid plays a hugely important role in caring for our youngest and most vulnerable: 43 percent of all births in Minnesota are covered by Medicaid.⁴

Prior to the ACA, many people with health conditions like asthma, diabetes, cancer, or heart disease, struggled to get health insurance – either it was prohibitively expensive or not available at all, due to insurers’ ability to deny coverage. Under the ACA, health insurers can no longer deny coverage to people with pre-existing conditions, cannot charge higher premiums to people with pre-existing conditions, and must offer comprehensive set of benefits. This helps people stay healthy and manage long-term conditions, giving them a higher quality of life and ability to thrive.

The Affordable Care Act saves money for states and health care providers

The ACA is a partnership between states and the federal government, with significant funding flowing to states. Minnesota receives about \$2 billion per year in federal funding for Medicaid expansion coverage and MinnesotaCare.⁵ For context, \$2 billion is the equivalent of about 8 percent of the state’s general fund budget for the current fiscal year – a significant chunk of change.⁶

The ACA also helps hospitals recoup their costs since more people have insurance to pay the bills. Uncompensated care – health care that hospitals provide but do not receive payment for – has decreased by about 17 percent in Minnesota since the ACA was implemented.⁷ That consequently keeps costs down for everyone.

The Affordable Care Act helps address racial disparities

While Minnesota boasts high marks for the number of us who have health insurance and access to care, this masks shameful racial disparities. The Affordable Care Act helped reduce some of these persistent disparities in health insurance coverage and access to health care; expanding Medicaid was particularly influential in narrowing the gap in health care coverage. However, inequities persist: while only 4.9 percent of Minnesotans lack health insurance as of 2019, 9.4 percent of Black Minnesotans and 16.6 percent of Latino Minnesotans go without health insurance.⁸ If the ACA is struck down and the Medicaid expansion is eliminated, the loss of coverage would fall disproportionately on people of color. This would be especially harmful during the COVID-19 pandemic, where the worst health outcomes are affecting people of color more than their white neighbors. Eliminating the ACA would worsen disparities in access to health care and health outcomes for BIPOC (Black, Indigenous, and People of Color) families and community members.

The Affordable Care Act has benefits well beyond health care

While the ACA primarily means more of us have affordable health care, its benefits extend to many aspects of life.⁹ For example, in states that have expanded Medicaid – like Minnesota – research demonstrates improvements in financial security, demonstrated by less debt sent to collection agencies and 20 percent fewer housing evictions. Additionally, people report that affordable health care makes it easier to look for work and go to work. This may be due to appropriate treatment of chronic health conditions (like diabetes) that are more easily managed proactively, rather than reactively when there is an emergency. Kids who get coverage through Medicaid see a host of positive outcomes, including better health when they grow up, higher rates of high school and university graduation, and higher wages leading to more contributions to our public goods in the form of progressively structured taxes as adults.¹⁰

Access to health care is even more important during a pandemic

Ensuring that people can get the health care they need when they need it is always important and produces deep and diverse positive outcomes. But health care is even more critical during a pandemic that has killed hundreds of thousands of Americans. Since February 2020 (just before the pandemic hit our state), the number of Minnesotans enrolled in Medicaid managed care has increased by over 19 percent. That’s more than 160,000 Minnesota friends and neighbors who were able to get affordable health care.¹¹ Across the United States, approximately 5 million essential or front-line workers use Medicaid to get the health care they

need.¹² Now is not the time to take away a critical source of health care. Now is the time to make sure that all of us can get the health care we need.

By Betsy Hammer

¹ Kaiser Family Foundation, [Explaining California v. Texas: A Guide to the Case Challenging the ACA](#), September 2020.

² Minnesota Department of Human Services, [Health law repeal would have significant, negative impacts for Minnesota's health, budget and economy](#), January 2017.

³ Center on Budget and Policy Priorities, [Chart Book: The Far-Reaching Benefits of the Affordable Care Act's Medicaid Expansion](#), October 2020.

⁴ Kaiser Family Foundation, [Births Financed by Medicaid](#), October 2019.

⁵ Minnesota Department of Human Services.

⁶ Minnesota Budget Project analysis based on [Minnesota Management and Budget November 2020 forecast data](#).

⁷ Minnesota Department of Human Services.

⁸ U.S. Census Bureau, [American Community Survey](#), 2019.

⁹ Center on Budget and Policy Priorities, [Chart Book: The Far-Reaching Benefits of the Affordable Care Act's Medicaid Expansion](#).

¹⁰ Center on Budget and Policy Priorities, [Expanding Medicaid for Parents Improves Coverage and Health for Both Parents and Children](#), October 2020.

¹¹ Minnesota Budget Project analysis of [Minnesota Department of Human Services Medicaid enrollment data](#).

¹² Center on Budget and Policy Priorities, [5 Million Essential and Front-line Workers Get Health Coverage Through Medicaid](#), August 2020.