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The Affordable Care Act: Health Coverage for 50- to 64- Year Olds

As a result of the Affordable Care Act (ACA), nearly 1.4 million pre-Medicare adults (age 50 to 64) who were previously uninsured gained health insurance coverage with the assistance of a premium tax credit,¹ and between December 2013 and March 2015, the uninsured rate for Americans age 50 to 64 dropped by nearly half.² The Republican proposal threatens to roll back these coverage gains.

Health Coverage for Americans Age 50 to 64

Approximately 60 million Americans are between the ages of 50 and 64.⁵ Before the ACA, the number of uninsured adults age 50 to 64 rose substantially – growing from 3.7 million in 2000 to 8.9 million in 2010. Insurance companies rejected more than one in five applications from individuals age 50 to 64.⁶ Uninsured individuals in this age range “receive fewer basic clinical services, are more likely to experience health declines, and die at younger ages.” Studies indicate that earlier coverage may improve health outcomes, reduce health care use, and decrease overall Medicare expenditures.⁷

In large part due to the implementation of the ACA, the rate of uninsured adults age 50 to 64 dropped 47.4 percent, from 11.6 percent to 6.1 percent between December 2013 and March 2015. The largest reduction in the uninsured rate occurred in states that expanded Medicaid. The uninsured rate for older Americans age 50 to 64 living in states that expanded Medicaid was approximately 4.6 percent, compared with 8.7 percent in non-expansion states.⁸

Specific demographic groups benefited significantly as a result of the ACA:

- **Women:** The uninsured rate for women age 50 to 64 dropped from 12.1 percent to 5.5 percent.
- **Hispanics:** The uninsured rate for Hispanics in this age group decreased by more than half, from 24.9 percent to 11.2 percent.⁹

ACA Benefits for Americans Age 50 to 64

The ACA improved coverage for older citizens.

- **No Ban on Coverage Due to a Pre-Existing Condition:** Insurance companies cannot deny coverage based on a prior illness or injury. Repealing these protections could result in 40 percent of Americans age 50 to 64 losing coverage.¹⁰
- **No-Cost Preventive Care:** Insurance companies must offer preventive care.
- **Limits on Premium Costs Based on Age:** Insurance companies are prohibited from charging older Americans significantly more than younger adults.

Republican Proposal to Repeal the ACA Will Harm Americans Age 50 to 64

The Republican proposal to repeal the ACA will make health insurance more expensive for older citizens and reduce the total amount of tax credits available to help pay for the cost of coverage.

- **Increases Costs:** The Republican plan would allow insurance companies to charge older citizens 5 times more than young adults for coverage.
- **Reduces Resources to Help Pay for Coverage:** Under the Republican proposal, a 60 year old earning \$40,000 annually would receive a tax credit of no more than \$4,000 to purchase private health insurance. The ACA would have provided that same individual \$6,750¹¹ and the amount is adjustable each year to keep pace with the cost of insurance.¹²

¹ Jane Sung, Lynda Flowers, Olivia Dean, and Matthew Buettgens, *Who's Gained Affordable Care Act Coverage with Financial Help?* (AARP Public Policy Institute, and The Urban Institute January 2017), <http://www.aarp.org/content/dam/aarp/ppi/2017-01/FINAL%20ACA%20TAX%20CREDIT%20FACT%20SHEET%20FOR%20POSTING.pdf>

² Laura Skopec, Timothy A. Waidmann, Jane Sung, and Olivia Dean, *Monitoring the Impact of Health Reform on Americans Ages 50–64: Uninsured Rate Dropped by Nearly Half between December 2013 and March 2015* (The Urban Institute, and the AARP Public Policy Institute, October 2015), <http://www.aarp.org/content/dam/aarp/ppi/2015/uninsured-rate-dropped-by-nearly-half-between-december-2013-march-2015.pdf>

³ Linda J. Blumberg, Matthew Buettgens, and John Holahan, *Implications of Partial Repeal of the ACA through Reconciliation* (The Urban Institute, December 2016), http://www.urban.org/sites/default/files/publication/86236/2001013-the-implications-of-partial-repeal-of-the-aca-through-reconciliation_1.pdf

⁴ The Urban Institute, *Partial Repeal of the ACA through Reconciliation: Coverage Implications for Pennsylvania Residents* (The Urban Institute, February 2017) http://www.urban.org/sites/default/files/publication/87161/partial_repeal_coverage_implications_pennsylvania_finalized_5.pdf

⁵ U.S. Department of Health and Human Services, *U.S. Population by Age: July 1, 2010*, (U.S. Department of Health and Human Services, July 2010), https://aqa.acl.gov/Aging_Statistics/Census_Population/census2010/Index.aspx

⁶ Gerry Smolka, Megan Multack, and Carlos Figueiredo, *Health Costs and Coverage for 50-to 64-Year-Olds* (AARP Public Policy Institute, February 2012), http://www.aarp.org/content/dam/aarp/research/public_policy_institute/health/Health-Insurance-Coverage-for-50-64-year-olds-fact-sheet-AARP-ppi-health.pdf

⁷ J. Michael McWilliams, Ellen Meara, Alan M. Zaslavsky, and John Z. Ayanian, *Use of Health Services by Previously Uninsured Medicare Beneficiaries* (The New England Journal of Medicine July 12 2007), <http://www.nejm.org/doi/full/10.1056/NEJMsa067712#t=articleBackground>

⁸ Laura Skopec, Timothy A. Waidmann, Jane Sung, and Olivia Dean, *Monitoring the Impact of Health Reform on Americans Ages 50–64: Uninsured Rate Dropped by Nearly Half between December 2013 and March 2015* (The Urban Institute, and the AARP Public Policy Institute, October 2015), <http://www.aarp.org/content/dam/aarp/ppi/2015/uninsured-rate-dropped-by-nearly-half-between-december-2013-march-2015.pdf>

⁹ Ibid.

¹⁰ Claire Noel-Miller, and Jane Sung, *In Health Reform, Stakes are High for Older Americans with Preexisting Health Conditions*, (AARP Public Policy Institute, March 2017), <http://www.aarp.org/content/dam/aarp/ppi/2017-01/ACA-Protects-Millions-of-Older-Adults-with-Preexisting-Health-Conditions-PPI-AARP.pdf>

¹¹ Cynthia Cox, Gary Claxton, and Larry Levitt, *How Affordable Care Act Repeal and Replace Plans Might Shift Health Insurance Tax Credits*, (Kaiser Family Foundation, March 1, 2017), <http://kff.org/health-reform/issue-brief/how-affordable-care-act-repeal-and-replace-plans-might-shift-health-insurance-tax-credits/>

¹² Internal Revenue Service, *Questions and Answers on the Premium Tax Credit*, (Internal Revenue Service, February 8, 2017) <https://www.irs.gov/affordable-care-act/individuals-and-families/questions-and-answers-on-the-premium-tax-credit>