

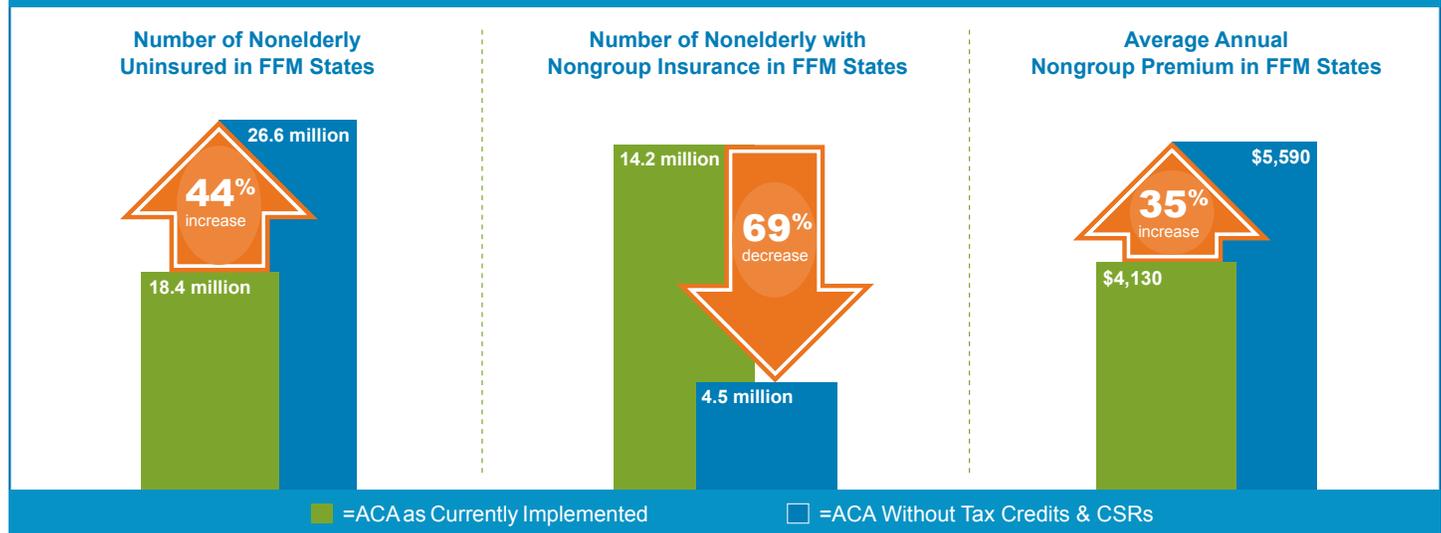
The Implications of King v. Burwell: Highlights from Three Analyses of the Consequences of Eliminating ACA Tax Credits in 34 States

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Timely Analysis of Immediate Health Policy Issues

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Tax credits & cost-sharing reductions are essential for **MAINTAINING ENROLLMENT** and **LOWER PREMIUMS** in nongroup insurance.



Source: HIPSM 2014. ACA simulated in 2016

Note: CSR stands for cost-sharing reduction. FFM stands for Federally Facilitated Marketplace and refers to the 34 states included in this analysis.

The Implications of a Supreme Court Finding for the Plaintiff in King vs. Burwell: 8.2 Million More Uninsured and 35% Higher Premiums

If the Supreme Court Finds for the Plaintiffs in King v. Burwell:

- 9.3 million people would lose tax credits and some would also lose cost-sharing reductions, a value of \$28.8 billion in 2016, \$340 billion over 10 years. Two-thirds of those losing tax credits would become uninsured as a result.
- An additional 4.9 million people who would otherwise buy insurance in the nongroup market entirely with their own money would also face large premium increases, and about ¼ of them (1.2 million) would become uninsured as well.
- All together, an additional 8.2 million people would be uninsured in 2016.
- Of those losing nongroup insurance and becoming uninsured, ¼ are low or middle income, but are not poor; over 60 percent are white, non-Hispanic; over 60 percent live in the south; and more than ¾ of the adults are workers.

- The typical single adult with income below 200 percent of the federal poverty level (\$23,540) using his tax credit spends 4.1 percent of income on health insurance. Under a King victory, keeping that same insurance would cost that individual roughly 30 percent of his income.

Characteristics of Those Affected by a Supreme Court Finding for the Plaintiff in King v. Burwell

- Spending on behalf of those becoming uninsured would fall by at least 35 percent, and declines could be greater if governments and providers do not continue to contribute uncompensated care at historic rates.
- Hospitals are particularly likely to be affected adversely, given already planned for reductions in disproportionate share hospital funding.

Health Care Spending by Those Becoming Uninsured if the Supreme Court Finds for the Plaintiff in King v. Burwell Would Fall by at Least 35 Percent

The views expressed are those of the authors and should not be attributed to the Robert Wood Johnson Foundation or the Urban Institute, its trustees, or its funders.

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