Partial Repeal of the ACA through Reconciliation

Coverage Implications for Parents and Children

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In Brief

Congress is currently considering partial repeal of the Affordable Care Act (ACA) through the budget reconciliation process without a replacement.[1] If partial repeal is modeled on the reconciliation bill vetoed in January 2016, only some ACA provisions would be struck down, including the Medicaid expansion, the premium tax credits and cost-sharing assistance provided through the Marketplaces, and the individual mandate. Other provisions, such as the insurance market reforms, would remain (Blumberg, Buettgens, and Holahan 2016).

A recent Urban Institute analysis found that partial repeal of the ACA through budget reconciliation would cause the number of uninsured to rise by 29.8 million in 2019; nearly 4 million of the newly uninsured would be children ages 17 and younger (Blumberg, Buettgens, and Holahan 2016).[2] This brief builds on that analysis by providing more detailed information about the effects on coverage for children and parents. A large body of research has shown that uninsurance leads to reduced use of health care, lower financial well-being, and increased stress for families (Howell and Kenney 2012; McMorrow et al. 2016) and that coverage expansions targeting the prenatal period and childhood have lasting effects on educational outcomes, earnings, and health in adulthood (Brown, Kowalski, and Lurie 2015; Goodman-Bacon 2016; Lipton et al. 2016; Miller and Wherry 2016). Therefore, it is important to consider the particular nature and magnitude of the coverage impacts of potential policy changes for children and parents. Numerous studies have found that parents' access to health insurance affects not only their coverage and care, but also their children's coverage and well-being (Aizer and Grogger 2003; Davidoff et al. 2003; Dubay and Kenney 2003; Gifford, Weech-Maldonado, and Short 2005; Guendelman and Pearl 2004; Ku and Broaddus 2000).

In this brief, we compare health care coverage for children and parents under the ACA and under a reconciliation bill similar to the one vetoed in January 2016, following the analysis of Blumberg, Buettgens, and Holahan (2016).[3] We also address two issues specific to children's coverage: maintenance of eligibility (MOE) and federal funding for the Children's Health Insurance Program (CHIP).

The ACA's maintenance of eligibility provision for children's coverage expires in 2019, after which states can cut Medicaid and CHIP eligibility levels to 138 percent of the federal poverty level (FPL). The repeal bill moved up the expiration of this provision to 2017 and eliminated another ACA provision that made Medicaid coverage for children mandatory up to 138 percent of FPL.[4] Without the MOE provision, states could drop children's eligibility levels for Medicaid and CHIP to 138 percent of FPL for children younger than 6 and to 100 percent of FPL for children ages 6 to 18. The current median eligibility level for children is 255 percent of FPL; only Idaho and North Dakota have eligibility thresholds below 200 percent of FPL.[5] We estimate the potential impact on children's coverage of MOE repeal combined with partial repeal of the ACA through budget reconciliation.

Federal funding for CHIP was reauthorized through fiscal year 2017. Unless additional funding is authorized, states can eliminate separate CHIP coverage even if the MOE is not repealed. Therefore, we estimate children's coverage if states maintain their Medicaid eligibility levels for children (including Medicaid CHIP coverage) but all separate CHIP programs are eliminated, on top of the effects of partial ACA repeal through budget reconciliation. Our analysis assumes no other changes in Medicaid funding structure; the projected coverage losses would likely be greater under block grant or per capita cap proposals that would reduce federal funding for the program in fiscal year 2016.

Key Findings for Children's Coverage under Partial ACA Repeal

We explore the implications for children's health care coverage under three scenarios.

- Partial repeal of the ACA through budget reconciliation
  - » In 2019, the number of uninsured children ages 18 and younger would be 4.4 million greater (133 percent higher) under partial repeal than it would be under the ACA.[6] The share of children without coverage would be 9.6 percent, more than double that under the ACA (4.1 percent) and higher than the uninsured rate in 2013 (7.0 percent), before the main provisions of the ACA took effect (Kenney et al. 2016a).
  - » Of the 4.4 million children who would lose coverage under partial ACA repeal, 88 percent would be in families with working parents, and 54 percent would be non-Hispanic white. Nine hundred thousand of these children would be under the age of 5, 1.4 million would have family incomes below 200 percent of FPL, and 1.5 million would have family incomes above 400 percent of FPL.

- Partial repeal of the ACA and elimination of the MOE provision
  - » If, in addition to partial ACA repeal through reconciliation, *all states drop their Medicaid/CHIP eligibility levels to federal minimum standards, as permitted with the elimination*

of MOE, 8.9 million more children would be at risk of losing coverage. If all states drop their eligibility levels to federal minimum standards, the total number of uninsured children would rise to 16.5 million—five times what it would be under the ACA. One in five children in the United States would lack coverage under those conditions.
    - » If states lower eligibility after MOE is eliminated, uninsurance would be higher for each group examined, with particularly large impacts on children who are black or Hispanic or who have lower family incomes or less-educated parents.

- Partial repeal of the ACA and elimination of separate state CHIP programs
    - » Repeal of the MOE provision would not require states to reduce eligibility for children, but budgetary pressures (for example, failure to reauthorize federal funding for CHIP) may cause many to do so. If, *in addition to partial ACA repeal through reconciliation, states discontinue their separate CHIP programs*, 3.7 million more children would be uninsured in 2019. This estimate assumes that states continue their CHIP-funded Medicaid programs, which they would do at increased cost if federal CHIP funding is not renewed.

In every state, the number of uninsured children in 2019 would be higher under partial repeal than it would be under the ACA, higher still with the elimination of separate CHIP coverage, and yet higher with the reduction of Medicaid and CHIP eligibility for children to federal minimum standards (permitted in the absence of the MOE provision).

Key Findings for Parents' Coverage under Partial ACA Repeal

- In 2019, the number of uninsured parents would be 7.6 million greater (113 percent higher) under partial repeal than it would be under the ACA. The uninsured rate among parents would reach 22.8 percent, compared with 10.7 percent if the ACA had been maintained and 17.9 percent in 2013, before the main coverage provisions of the ACA were implemented (Kenney et al. 2016b).

- Of parents losing coverage under partial repeal, 85.7 percent would be in families with at least one person working full- or part-time, 61 percent would have family incomes below 200 percent of FPL, and 54 percent would be non-Hispanic white.

- Under the ACA, 10.7 percent of parents would be uninsured in 2019, 31 states would have parent uninsured rates under 10 percent, and just one (Texas) would have a parent uninsured rate above 20 percent (20.7 percent). Under partial repeal, 22.8 percent of parents would be uninsured in 2019, just three states would have parent uninsured rates below 10 percent, 31 states would have parent uninsured rates above 20 percent, and four states (Montana, Nevada, New Mexico, and Texas) would have parent uninsured rates above 30 percent.

Results

Coverage Implications for Children

Under partial repeal of the ACA through reconciliation, 9.6 percent of children would be uninsured in 2019, compared with 4.1 percent under the ACA—an increase of 4.4 million uninsured children ages 18 and younger (table 1, figure 1). Under partial repeal and lowering of Medicaid/CHIP eligibility levels to 138 percent of FPL for children younger than 6 and to 100 percent of FPL for children ages 6 to 18 (as would be permitted without the MOE provision), the share of children without coverage would be 20.7 percent. Thus, the share of children without coverage would be almost one in 10 with partial ACA repeal through budget reconciliation (compared with one in 25 in 2019 under the ACA), and one in five with lower state Medicaid/CHIP eligibility thresholds as well. It is not clear how many states would change their eligibility levels if the MOE provision is eliminated. If all states maintained current Medicaid eligibility levels for children (including CHIP-funded Medicaid programs) but eliminated their separate CHIP programs, 3.7 million more children would be uninsured, in addition to those who would lose coverage under partial ACA repeal.

In 2019, 3 million fewer children would be covered by Medicaid/CHIP, and private nongroup coverage would practically disappear for children under partial ACA repeal through reconciliation (table 1). The number of children with private nongroup coverage would decline from 2.6 million to 67,000—a 97 percent reduction due to the near collapse of the nongroup market that would result from keeping ACA market reforms but repealing financial assistance and the individual coverage requirement. Medicaid/CHIP coverage for children would fall by another 9.5 million if all states dropped their Medicaid/CHIP eligibility levels for children to federal minimum levels (table 1).

TABLE 1

Distribution of Children's Health Insurance Coverage under Four Scenarios, 2019

	ACA		Reconciliation Bill			Reconciliation Bill and No Separate State CHIP Programs			Reconciliation Bill and No MOE		
Coverage type	Children (thousands)	Share of US total	Children (thousands)	Share of US total	Difference (thousands)	Children (thousands)	Share of US total	Difference (thousands)	Children (thousands)	Share of US total	Difference (thousands)
Medicaid/CHIP	36,203	45.2%	33,050	41.3%	-3,153	29,127	36.4%	-7,076	23,556	29.4%	-12,647
Medicare	92	0.1%	92	0.1%	0	92	0.1%	0	92	0.1%	0
ESI	36,932	46.1%	38,175	47.7%	1,243	38,413	48.0%	1,481	38,706	48.3%	1,774
Other public	1,022	1.3%	1,022	1.3%	0	1,022	1.3%	0	1,022	1.3%	0
Nongroup	2,580	3.2%	67	0.1%	-2,513	96	0.1%	-2,484	124	0.2%	-2,456
Uninsured	3,274	4.1%	7,698	9.6%	4,424	11,354	14.2%	8,080	16,603	20.7%	13,329
Total	**80,103**	**100.0%**	**80,103**	**100.0%**		**80,103**	**100.0%**		**80,103**	**100.0%**	

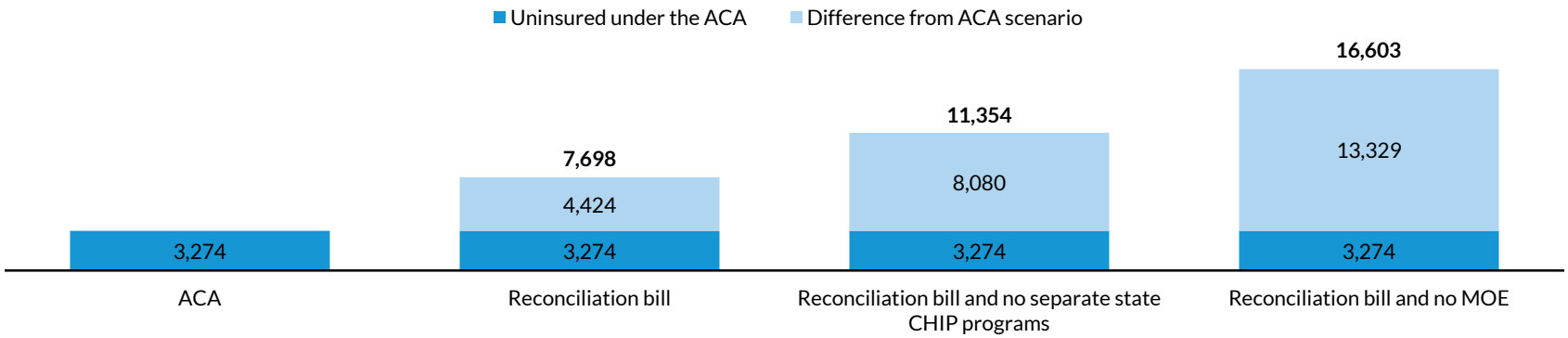
Source: Urban Institute analysis using HIPSM 2016.

Notes: ACA = Affordable Care Act; CHIP = Children's Health Insurance Program; ESI = employer-sponsored insurance; MOE = maintenance of eligibility. Children are ages 18 and younger, following Medicaid/CHIP guidelines. Medicaid/CHIP eligibility under "Reconciliation Bill and No MOE" scenario is at federal minima for all states: 138 percent of the federal poverty level for children younger than 6 and 100 percent of the federal poverty level for children ages 6 to 18. If the MOE provision is eliminated, states would decide whether to reduce eligibility levels for children.

FIGURE 1

Number of Uninsured Children under Four Scenarios, 2019

Thousands of children



Source: Urban Institute analysis using HIPSM 2016.

Notes: ACA = Affordable Care Act; ESI = employer-sponsored insurance; MOE = maintenance of eligibility. Children are ages 18 and younger, following Medicaid/CHIP guidelines. Medicaid/CHIP eligibility under "Reconciliation Bill and No MOE" scenario is at federal minima for all states: 138 percent of the federal poverty level for children younger than 6 and 100 percent of the federal poverty level for children ages 6 to 18. If the MOE provision is eliminated, states would decide whether to reduce eligibility levels for children.

Of the 4.4 million children projected to lose coverage under partial ACA repeal, 88 percent would be in families with working parents, and 54 percent would be non-Hispanic white (table 2). Nine hundred thousand of these children would be under the age of 5, 1.4 million would have incomes below 200 percent of FPL, and 1.5 million would have incomes above 400 percent of FPL. With MOE discontinuation in addition to partial repeal, uninsurance would be higher for each group examined, with particularly large impacts on children who are black or Hispanic or who have lower family incomes or lower family educational attainment. If, in addition to partial ACA repeal, all states maintained current Medicaid eligibility levels for children (including Medicaid CHIP eligibility) but eliminated their separate CHIP programs, 57 percent of the newly uninsured children would have family incomes between 150 and 200 percent of FPL, and 46 percent would be non-Hispanic white.

TABLE 2

Children Losing Coverage under Three Scenarios, by Demographic Characteristics, 2019

	Losses under Reconciliation Bill		Additional Losses under No Separate State CHIP Programs		Additional Losses under No MOE	
	Children (thousands)	Percentage	Children (thousands)	Percentage	Children (thousands)	Percentage
Age group (years)						
0–4	902	20.30%	953	26.05%	1,960	22.00%
5–18	3,534	79.70%	2,706	73.95%	6,952	78.00%
Total	***4,436***	***100.00%***	***3,659***	***100.00%***	***8,912***	***100.00%***
Family income						
< 100% of FPL	548	12.30%	14	0.37%	0	0.00%
100–150% of FPL	446	10.10%	282	7.71%	3,826	42.90%
150–200% of FPL	448	10.10%	2,101	57.41%	3,259	36.60%
200–300% of FPL	836	18.80%	1,123	30.68%	1,675	18.80%
300–400% of FPL	657	14.80%	138	3.78%	150	1.70%
> 400% of FPL	1,501	33.80%	2	0.04%	2	0.00%
Total	***4,436***	***100.00%***	***3,659***	***100.00%***	***8,912***	***100.00%***
Race and ethnicity						
White, non-Hispanic	2,403	54.20%	1,694	46.30%	3,495	39.20%
Black, non-Hispanic	354	8.00%	570	15.59%	1,370	15.40%
Hispanic	1,145	25.80%	1,077	29.44%	3,140	35.20%
Asian	283	6.40%	134	3.66%	399	4.50%
American Indian/Alaska Native	118	2.70%	64	1.74%	208	2.30%
Other, non-Hispanic	133	3.00%	120	3.27%	299	3.40%
Total	***4,436***	***100.00%***	***3,659***	***100.00%***	***8,912***	***100.00%***
Family employment status						
At least one full-time worker	3,608	81.30%	2,862	78.23%	6,946	77.90%
Part-time only	307	6.90%	269	7.35%	741	8.30%
No worker	289	6.50%	347	9.49%	788	8.80%
No parent at home	232	5.20%	180	4.93%	437	4.90%
Total	***4,436***	***100.00%***	***3,659***	***100.00%***	***8,912***	***100.00%***

	Losses under Reconciliation Bill		Additional Losses under No Separate State CHIP Programs		Additional Losses under No MOE	
	Children (thousands)	Percentage	Children (thousands)	Percentage	Children (thousands)	Percentage
Parent educational attainment						
Less than high school	356	8.00%	333	9.10%	1,108	12.40%
High school	1,022	23.00%	1,282	35.05%	3,199	35.90%
Some college	1,046	23.60%	1,148	31.39%	2,727	30.60%
College	1,780	40.10%	715	19.54%	1,440	16.20%
No parent at home	232	5.20%	180	4.93%	437	4.90%
Total	***4,436***	***100.00%***	***3,659***	***100.00%***	***8,912***	***100.00%***

Source: Urban Institute analysis using HIPSM 2016.
Notes: CHIP = Children's Health Insurance Program; FPL = federal poverty level; MOE = maintenance of eligibility. Children are ages 18 and younger, following Medicaid/CHIP guidelines. Medicaid/CHIP eligibility under the "No MOE" scenario is at federal minima for all states: 138 percent of FPL for children younger than 6 and 100 percent of FPL for children ages 6 to 18. If the MOE provision is eliminated, states would decide whether to reduce eligibility levels for children.

In every state, the number of uninsured children in 2019 would be higher under partial repeal than under the ACA, and higher still with the reduction of Medicaid and CHIP eligibility to the federal minimum eligibility levels permitted without the MOE (table 3). Under the ACA, 39 states are projected to have uninsured rates for children below 5 percent; under partial repeal, only three states are projected to have uninsured rates for children below 5 percent. If partial ACA repeal is accompanied by elimination of separate state CHIP programs, two states would have child uninsured rates under 5 percent (Hawaii and Washington, DC) and three states (Florida, Montana, and Nevada) would have child uninsured rates above 20 percent. Under partial repeal and lowering of Medicaid/CHIP eligibility thresholds to federal minima, no state is projected to have a child uninsured rate below 5 percent, and 25 states are projected to have child uninsured rates above 20 percent.

TABLE 3

Uninsured Children under Four Scenarios by State, 2019

State	ACA		Reconciliation Bill			Reconciliation Bill and No Separate State CHIP Programs			Reconciliation Bill and No MOE		
	Children (thousands)	Uninsured rate	Children (thousands)	Uninsured rate	Difference (thousands)	Children (thousands)	Uninsured rate	Difference (thousands)	Children (thousands)	Uninsured rate	Difference (thousands)
Alabama	35	3.0%	71	6.0%	36	164	14.0%	129	221	18.9%	186
Alaska	14	6.5%	34	15.4%	20	34	15.4%	20	48	21.5%	34
Arizona	158	8.2%	287	14.9%	129	361	18.7%	203	437	22.7%	279
Arkansas	25	3.3%	59	7.8%	34	59	7.8%	34	152	20.0%	127
California	291	2.8%	1,054	10.1%	763	1,054	10.1%	763	2,346	22.5%	2055
Colorado	46	3.3%	165	11.9%	119	262	19.0%	216	317	23.0%	271
Connecticut	16	2.0%	52	6.5%	36	92	11.4%	76	153	19.1%	137
Delaware	6	2.7%	14	6.2%	8	29	13.4%	23	39	17.6%	33
District of Columbia	1	1.2%	6	4.9%	5	6	4.9%	5	22	18.0%	21
Florida	228	5.2%	596	13.7%	368	891	20.5%	663	1,072	24.6%	844
Georgia	170	6.1%	320	11.4%	150	510	18.2%	340	627	22.3%	457
Hawaii	7	1.7%	17	4.4%	10	17	4.4%	10	62	15.7%	55
Idaho	21	4.4%	59	12.3%	38	84	17.6%	63	103	21.8%	82
Illinois	79	2.4%	195	5.9%	116	526	16.0%	447	669	20.4%	590
Indiana	96	5.7%	168	9.9%	72	241	14.3%	145	338	20.0%	242
Iowa	23	3.0%	48	6.2%	25	108	14.0%	85	158	20.5%	135
Kansas	38	4.8%	76	9.7%	38	129	16.4%	91	161	20.4%	123
Kentucky	19	1.8%	82	7.8%	63	113	10.8%	94	172	16.4%	153
Louisiana	37	3.2%	90	7.9%	53	113	9.8%	76	246	21.5%	209
Maine	6	2.2%	17	6.8%	11	28	11.1%	22	47	18.5%	41
Maryland	30	2.1%	94	6.6%	64	94	6.6%	64	286	20.1%	256
Massachusetts	7	0.5%	58	4.1%	51	158	11.1%	151	214	15.0%	207
Michigan	62	2.6%	154	6.6%	92	237	10.1%	175	370	15.8%	308
Minnesota	58	4.1%	135	9.6%	77	135	9.6%	77	266	18.9%	208
Mississippi	35	4.7%	66	8.9%	31	111	14.9%	76	147	19.7%	112
Missouri	65	4.4%	135	9.1%	70	224	15.2%	159	285	19.3%	220
Montana	15	6.1%	33	13.3%	18	56	22.8%	41	66	27.0%	51
Nebraska	19	3.8%	49	9.9%	30	49	9.9%	30	92	18.4%	73
Nevada	73	9.0%	140	17.3%	67	168	20.8%	95	194	23.9%	121
New Hampshire	5	1.9%	19	6.7%	14	19	6.7%	14	54	19.4%	49
New Jersey	69	3.3%	167	8.0%	98	353	16.8%	284	417	19.8%	348
New Mexico	23	4.0%	56	9.7%	33	56	9.7%	33	148	25.7%	125

State	ACA		Reconciliation Bill			Reconciliation Bill and No Separate State CHIP Programs			Reconciliation Bill and No MOE		
	Children (thousands)	Uninsured rate	Children (thousands)	Uninsured rate	Difference (thousands)	Children (thousands)	Uninsured rate	Difference (thousands)	Children (thousands)	Uninsured rate	Difference (thousands)
New York	130	2.9%	260	5.7%	130	682	15.1%	552	905	20.0%	775
North Carolina	82	3.2%	246	9.7%	164	358	14.1%	276	519	20.4%	437
North Dakota	9	5.3%	23	13.6%	14	25	14.8%	16	27	16.2%	18
Ohio	87	3.2%	204	7.5%	117	204	7.5%	117	416	15.3%	329
Oklahoma	73	6.8%	135	12.6%	62	135	12.6%	62	255	23.9%	182
Oregon	20	2.1%	82	8.6%	62	175	18.3%	155	206	21.6%	186
Pennsylvania	95	3.4%	202	7.2%	107	452	16.0%	357	546	19.4%	451
Rhode Island	5	2.0%	17	7.5%	12	17	7.5%	12	38	16.6%	33
South Carolina	70	6.1%	120	10.5%	50	120	10.5%	50	233	20.5%	163
South Dakota	8	3.4%	25	11.1%	17	28	12.5%	20	44	19.2%	36
Tennessee	47	3.0%	132	8.3%	85	243	15.3%	196	300	18.9%	253
Texas	626	8.0%	1,135	14.4%	509	1,529	19.5%	903	1,888	24.0%	1,262
Utah	68	6.6%	141	13.8%	73	179	17.5%	111	204	19.9%	136
Vermont	2	1.5%	6	5.3%	4	6	5.3%	4	34	27.8%	32
Virginia	76	3.7%	178	8.7%	102	254	12.3%	178	316	15.4%	240
Washington	38	2.1%	145	8.2%	107	212	11.9%	174	398	22.4%	360
West Virginia	8	2.1%	21	5.5%	13	54	14.3%	46	64	17.1%	56
Wisconsin	49	3.6%	96	6.9%	47	178	12.8%	129	256	18.5%	207
Wyoming	7	4.7%	17	11.4%	10	21	14.6%	14	26	18.1%	19
Total	**3,274**	**4.1%**	**7,698**	**9.6%**	**4,424**	**11,354**	**14.1%**	**8,080**	**16,603**	**20.7%**	**13,329**

Source: Urban Institute analysis using HIPSM 2016.

Notes: ACA = Affordable Care Act; CHIP = Children's Health Insurance Program; FPL = federal poverty level; MOE = maintenance of eligibility. Children are ages 18 and younger, following Medicaid/CHIP guidelines. Medicaid/CHIP eligibility under the "Reconciliation Bill and No MOE" scenario is at federal minimum levels for all states: 138 percent of FPL for children younger than 6 and 100 percent of FPL for children ages 6 to 18. If the MOE provision is eliminated, states would decide whether to reduce eligibility levels for children.

Coverage Implications for Parents

The number of uninsured parents would be 7.6 million greater (113 percent higher) in 2019 under partial repeal than it would be under the ACA. The uninsured *rate* among parents would reach 22.8 percent (table 4). We project that 6.7 million parents would be uninsured in 2019 under the ACA, compared with 14.3 million under the anticipated reconciliation bill. Medicaid/CHIP coverage among parents would decrease by 3.7 million, and private nongroup coverage would be almost nonexistent for parents under partial ACA repeal through reconciliation (table 4).

TABLE 4

Distribution of Parents' Health Insurance Coverage under the ACA and an Anticipated Reconciliation Bill, 2019

	ACA		Reconciliation Bill		
Coverage type	Parents (thousands)	Share of US total	Parents (thousands)	Share of US total	Difference (thousands)
Medicaid/CHIP	12,414	19.8%	8,745	13.9%	-3,669
Medicare	426	0.7%	426	0.7%	0
ESI	37,734	60.2%	37,990	60.6%	256
Other public	993	1.6%	993	1.6%	0
Nongroup	4,449	7.1%	268	0.4%	-4,181
Uninsured	6,681	10.7%	14,276	22.8%	7,595
Total	**62,697**	**100.0%**	**62,697**	**100.0%**	

Source: Urban Institute analysis using HIPSM 2016.
Notes: ACA = Affordable Care Act; ESI = employer-sponsored insurance. Parents are adults ages 19 to 64 with dependent children.

Of parents losing coverage under partial repeal, 86 percent would be working full- or part-time, 61 percent would have incomes below 200 percent of FPL, and 54 percent would be non-Hispanic white (table 5). Fifty-three percent of these parents would not have any college education, and 36 percent would be younger than 35.

Under the ACA, 10.7 percent of parents would be uninsured in 2019; 31 states would have parent uninsured rates under 10 percent, and just one state (Texas) would have a parent uninsured rate above 20 percent (20.7 percent; table 6, page 11). Under partial repeal, the national uninsured rate for parents would be over twice as high as under the ACA (22.8 percent versus 10.7 percent), just three states would have parent uninsured rates below 10 percent, and 31 states would have parent uninsured rates above 20 percent. Four states (Montana, Nevada, New Mexico, and Texas) would have parent uninsured rates above 30 percent.

TABLE 5

Parents Losing Coverage under an Anticipated Reconciliation Bill, by Demographic Characteristics, 2019

	Coverage Losses under Reconciliation Bill	
	Parents (thousands)	Percentage
Age group (years)		
19–24	392	5.2%
25–34	2,301	30.3%
35–44	2,854	37.6%
45–54	1,705	22.4%
55–64	347	4.6%
Total	***7,599***	***100.0%***
Family income		
< 100% of FPL	1,895	24.9%
100–150% of FPL	1,975	26.0%
150–200% of FPL	740	9.7%
200–300% of FPL	905	11.9%
300–400% of FPL	581	7.6%
> 400% of FPL	1,503	19.8%
Total	***7,599***	***100.0%***
Race and ethnicity		
White, non-Hispanic	4,075	53.6%
Black, non-Hispanic	830	10.9%
Hispanic	1,959	25.8%
Asian	492	6.5%
American Indian/Alaska Native	153	2.0%
Other, non-Hispanic	91	1.2%
Total	***7,599***	***100.0%***
Family employment status		
At least one full-time worker	5,614	73.9%
Part-time only	895	11.8%
No worker	1,090	14.3%
Total	***7,599***	***100.0%***
Parent educational attainment		
Less than high school	1,161	15.3%
High school	2,845	37.4%
Some college	1,936	25.5%
College	1,657	21.8%
Total	***7,599***	***100.0%***

Source: Urban Institute analysis using HIPSM 2016.

Notes: ACA = Affordable Care Act; FPL = federal poverty level. Parents are adults ages 19 to 64 with dependent children.

TABLE 6

Number of Uninsured Parents under the ACA and an Anticipated Reconciliation Bill by State, 2019

	ACA		Reconciliation Bill		
State	Parents (thousands)	Uninsured rate	Parents (thousands)	Uninsured rate	Difference (thousands)
Alabama	125	13.1%	242	25.4%	117
Alaska	23	14.3%	40	24.7%	17
Arizona	177	13.4%	328	24.8%	151
Arkansas	52	8.6%	173	28.9%	121
California	823	10.7%	1,921	25.0%	1,098
Colorado	110	9.9%	257	23.1%	147
Connecticut	34	5.0%	88	12.9%	54
Delaware	12	7.0%	26	15.2%	14
District of Columbia	3	2.9%	8	8.2%	5
Florida	451	13.3%	1,008	29.8%	557
Georgia	329	15.0%	637	29.0%	308
Hawaii	21	7.9%	38	14.4%	17
Idaho	46	12.4%	105	28.2%	59
Illinois	206	8.0%	439	17.1%	233
Indiana	163	12.1%	292	21.7%	129
Iowa	37	5.7%	105	16.3%	68
Kansas	82	13.0%	150	23.9%	68
Kentucky	49	5.7%	191	22.1%	142
Louisiana	78	8.9%	236	27.1%	158
Maine	7	3.4%	26	11.7%	19
Maryland	88	7.2%	202	16.5%	114
Massachusetts	18	1.5%	89	7.2%	71
Michigan	102	5.6%	298	16.6%	196
Minnesota	61	5.4%	149	13.3%	88
Mississippi	67	11.7%	144	25.4%	77
Missouri	115	9.7%	258	21.7%	143
Montana	17	8.8%	59	31.0%	42
Nebraska	42	10.6%	87	22.0%	45
Nevada	97	15.8%	186	30.3%	89
New Hampshire	10	3.9%	43	17.3%	33
New Jersey	145	8.1%	334	18.8%	189
New Mexico	50	12.3%	122	30.2%	72
New York	307	8.5%	554	15.4%	247
North Carolina	260	13.1%	560	28.2%	300
North Dakota	10	6.6%	28	19.0%	18
Ohio	110	5.1%	313	14.5%	203
Oklahoma	137	17.1%	236	29.5%	99
Oregon	55	7.2%	179	23.7%	124
Pennsylvania	178	7.7%	388	16.8%	210
Rhode Island	11	5.7%	26	14.3%	15
South Carolina	132	14.5%	225	24.7%	93
South Dakota	14	8.4%	35	20.4%	21
Tennessee	115	9.1%	277	21.8%	162
Texas	1,219	20.7%	2,051	34.9%	832
Utah	82	11.0%	171	22.8%	89
Vermont	3	3.1%	10	9.1%	7
Virginia	188	10.6%	377	21.3%	189
Washington	126	8.8%	339	23.7%	213
West Virginia	15	4.6%	65	20.2%	50
Wisconsin	69	6.2%	132	11.8%	63
Wyoming	14	11.5%	27	22.0%	13
Total	**6,681**	**10.7%**	**14,276**	**22.8%**	**7,595**

Source: Urban Institute analysis using HIPSM 2016.

Notes: ACA = Affordable Care Act. Parents are adults ages 19 to 64 with dependent children.

Discussion

The proposed partial repeal of the ACA through budget reconciliation would have serious consequences for children and families, causing 12 million children and parents to lose their insurance in 2019. The increase in uninsurance among children would reverse the decades of progress that began with the expansion of Medicaid in the 1980s and continued with the creation of the Children's Health Insurance Program in 1997, the reauthorization of CHIP in 2009, and the implementation of the major coverage provisions of the Affordable Care Act in 2014 (Gates et al. 2016; Howell and Kenney 2012; Karpman et al. 2016; Kenney et al. 2016a). Partial ACA repeal in the context of budget reconciliation would raise the uninsured rate for children above its 2010 level and back to its 2003 level (Gates et al. 2016). With these coverage losses, we anticipate that more children would go without needed care and that families would experience greater financial burdens and stress in trying to meet their children's health care needs (Banthin and Selden 2003; Davidoff et al. 2003; Howell and Kenney 2012; Kenney et al. 2016a). Given the growing body of research showing that Medicaid and CHIP coverage in childhood leads to better health and economic outcomes and lower public outlays in adulthood (Brown, Kowalski, and Lurie 2015; Goodman-Bacon 2016; Lipton et al. 2016; Miller and Wherry 2016), limiting children's eligibility would have adverse consequences for decades to come.

If, in addition to partial ACA repeal, all states rolled back their Medicaid/CHIP eligibility thresholds to 138 percent of FPL for children younger than 6 and to 100 percent for children ages 6 to 18 (permitted with MOE discontinuation), an additional 9 million children would lose health insurance coverage. As a result, the uninsured rate among children would rise to 20.7 percent—higher than the uninsured rate in 1997 (14.7 percent), before CHIP was implemented.

If the MOE provision is eliminated, states could decide whether to reduce Medicaid/CHIP eligibility levels for children. It is unlikely that all states would lower standards to federal minimum levels, but even under more moderate eligibility reductions, additional coverage losses would be substantial. For example, if states eliminated their separate CHIP programs, keeping their CHIP-funded Medicaid programs despite lower federal reimbursement, the uninsured rate for children would rise to 14.2 percent. Children's coverage could drop even further if Medicaid were converted into a block grant or per capita cap program, or if unemployment or medical cost inflation is high.

The increase in uninsurance among parents would push their coverage rates below pre-ACA levels. Many families would be hit by the double whammy of uninsurance for children and parents. The coverage losses would affect families across the economic spectrum and would be particularly onerous for low-income families who are already struggling to meet their children's basic needs.

Our findings focus on the impact of partial ACA repeal on children and parent's coverage in 2019. However, as Blumberg, Buettgens, and Holahan (2016) show, coverage losses could begin in 2017 because of the destabilizing effect of proposed changes on the nongroup market. These changes would also jeopardize coverage for children and parents in 2017 and 2018.

Children's coverage is at particular risk because of the uncertainty surrounding future federal funding for CHIP. As part of the Medicare Access & CHIP Reauthorization Act of 2015, federal funding for CHIP was extended through September 2017 (Burak 2015). Earlier research finds that discontinuation of CHIP funding would cause over a million children to lose coverage, even if the ACA continued unchanged (MACPAC 2015). The coverage losses would be even greater if CHIP were discontinued in the context of partial ACA repeal because no Marketplace financial assistance would be available for children losing CHIP eligibility and the nongroup market would no longer be functioning.

Blumberg, Buettgens, and Holahan (2016) also project reductions in federal health care spending directed to states. These reductions could put financial pressure on states, leading them to cut back on other services currently targeted at children and families, such as early childhood programs (Edelstein et al. 2016). For children and parents across the United States, the consequences of partial repeal and MOE removal would likely go far beyond coverage losses.

Data and Methods

Our estimates are based on the Urban Institute's Health Insurance Policy Simulation Model (HIPSM) as described in Blumberg, Buettgens, and Holahan (2016) and Buettgens and colleagues (2016). The model has been used in a broad array of analyses of the ACA at the federal and state levels. The Supreme Court cited HIPSM analysis in the *King v. Burwell* case. The model has accurately forecast the stability of employer-based health insurance under the ACA, and its estimates of the effect of the ACA on overall coverage and federal government costs compare favorably in accuracy to that of other microsimulation models, including those of the Congressional Budget Office (Glied, Arora, and Solís-Román 2015). Current HIPSM results reflect actual Medicaid/CHIP and Marketplace enrollment data.

Our primary source of data for the demographic and economic characteristics of Americans is the American Community Survey. Its large sample size enables state-level analysis. This analysis focuses on people ages 18 and younger (called children here) and nonelderly adults living with dependents ages 18 and younger (called parents here). We define children this way to align with prevailing Medicaid and CHIP eligibility rules; this differs from the definition of children as ages 17 and younger used in the previous related analysis by Blumberg, Buettgens, and Holahan (2016). We examine the following coverage categories: Medicaid/CHIP, Medicare, employer-sponsored insurance, other public coverage, nongroup coverage (including Marketplace enrollees), and uninsured. Children who would lose coverage in each scenario are characterized by age, race/ethnicity, family income, family work status, and parent educational attainment. Parents who would lose coverage under the reconciliation bill are characterized by age, race/ethnicity, employment status, educational attainment, and family income.

We use the latest available enrollment data from the Marketplaces and Medicaid/CHIP to impute new coverage. As a result, our estimates of enrollees in each state match actual enrollment. After calibrating HIPSM to reproduce 2016 Medicaid and Marketplace enrollment, we estimate that 10.3 percent of the nonelderly are uninsured in that year. This estimate almost exactly matches the National Health Interview Survey's January–June 2016 estimate of 10.4 percent of the nonelderly uninsured at the time of interview (Zammitti, Cohen, and Martinez 2016, 13). HIPSM coverage estimates represent an annual average number of people in each coverage status.

Our estimates of coverage under the ACA after 2016 do not assume notably higher take-up of Medicaid or Marketplace coverage than in 2016. We recognize that participation rates could increase

over time. Nonetheless, we base our estimate of ACA effects on what has already happened. The methods used here are generally consistent with those described in our earlier analysis of full repeal of the ACA (Buettgens et al. 2016), but this analysis leaves the ACA components with no budgetary implications (i.e., the insurance market reforms in the nongroup insurance market and the small group insurance market) in place. As explained in Blumberg, Buettgens, and Holahan (2016), this difference has substantial ramifications for the viability of the private nongroup insurance market and leads to larger coverage effects than our earlier simulations. Our estimates of the potential coverage implications of partial ACA repeal through budget reconciliation relative to continuation of the ACA likely understate the magnitude of the effects because they assume that (1) no additional states would have expanded Medicaid under the ACA, (2) coverage would not increase because of higher individual mandate penalties that would be assessed for 2016 and beyond, (3) no additional outreach and enrollment efforts would take place, and (4) states that had expanded Medicaid eligibility before 2014 would be able to maintain those waivers with ACA repeal (Blumberg, Buettgens, and Holahan 2016).

The 2019 coverage projections in Blumberg, Buettgens, and Holahan (2016) assume that states would maintain their current Medicaid and CHIP eligibility levels for children under the ACA and under partial repeal. In the current analysis, we assess the potential impacts of the discontinuation of federal CHIP funding in the context of partial ACA repeal. We model the impacts of the discontinuation of federal CHIP funding by modeling coverage for children under partial repeal combined with elimination of all separate CHIP programs. This policy change would affect children in states with separate programs.[a]

Finally, we model coverage with Medicaid/CHIP eligibility thresholds of 138 percent of FPL for children younger than 6 and 100 percent of FPL for children ages 6 to 18 in each state. If the MOE provision is discontinued, some states could choose to maintain eligibility, and others could choose to eliminate Medicaid and CHIP coverage for children younger than 6 with family incomes above 138 percent of FPL and for children ages 6 to 18 with family incomes above 100 percent of FPL. In this analysis, we do not predict which states would choose which option. Rather, we estimate the effects of all states eliminating Medicaid and CHIP coverage for children above federal minimum standards if the MOE is discontinued. In our ACA and partial repeal scenarios, we assume that states will maintain their Medicaid and CHIP eligibility levels for children. As a sensitivity analysis, we also modeled the impacts of states reverting to Medicaid eligibility levels they used in 1995, before the enactment of CHIP. At that time, the majority of states had higher-than-required eligibility levels for infants, 9 states had higher-than-required levels for children ages 2 to 6, and 10 states had higher-than-required levels for children ages 6 and older (NGA 1995). Projections based on 1995 eligibility thresholds were close to those based on all states reducing eligibility to federal minimum standards (data not shown).[b]

In earlier studies, we simulated the impact of discontinuing MOE and CHIP within the context of the ACA (Buettgens et al. 2015; Dubay, Buettgens, and Kenney 2015; MACPAC 2015). Both these actions would have a much greater impact in the absence of the ACA for several reasons. First, the 2016 ACA repeal bill eliminated the ACA's "stairstep" provision, making Medicaid eligibility for children ages 6 to 18 mandatory up to 138 percent of FPL. Without this provision, older children with family incomes between 100 and 138 percent of FPL could lose their eligibility. Second, Marketplace financial assistance and tax credits for lower-income families would no longer be available to those losing Medicaid or CHIP coverage. Third, partial repeal of the ACA would unravel the entire nongroup market, reducing coverage options still further.

[a] "CHIP Program Name and Type," Kaiser Family Foundation, http://kff.org/other/state-indicator/chip-program-name-and-type/.

[b] If eligibility reverts to 1995 levels in 2019, the uninsured rate would be 19.6 percent among children, compared with 20.6 percent in the MOE discontinuation scenario. Medicaid covers only 30.5 percent of children under 1995 eligibility thresholds, compared with 29.5 percent in the MOE discontinuation scenario.

Notes

1. Steven T. Dennis and Billy House, "GOP Eyes Lightning Strike on Obamacare to Kick Off Trump Era," *Bloomberg*, November 29, 2016, https://www.bloomberg.com/politics/articles/2016-11-29/gop-eyes-lightning-strike-on-obamacare-to-kick-off-trump-era; and Lisa Mascaro, "Repeal and Replace Obamacare? It Won't Happen on Trump's First Day," *Los Angeles Times*, November 29, 2016, http://www.latimes.com/nation/politics/trailguide/la-na-trailguide-updates-1480442605-htmlstory.html.
2. This estimate assumes that CHIP would be maintained under partial repeal. If CHIP is discontinued, the coverage loss would be even larger.
3. In this brief, we focus on children ages 18 and younger because Medicaid and CHIP include 18-year-olds in their definition of children and we are assessing the implications of the MOE provision for children. Parents are defined as nonelderly adults living with a dependent biological, step-, or adoptive child age 18 or younger.
4. An Act to Provide for Reconciliation Pursuant to Section 2002 of the Concurrent Resolution on the Budget for Fiscal Year 2016, H.R. 3762, 114th Cong., sec. 207 (2016).
5. "Medicaid and CHIP Eligibility Levels," Centers for Medicare & Medicaid Services, last updated April 1, 2016, https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html.
6. Blumberg, Buettgens, and Holahan (2016) found that the number of uninsured children ages *17 and younger* would be 4 million greater under partial repeal than it would be under the ACA. In this new analysis, we define children as people ages *18 and younger* to align with Medicaid/CHIP eligibility rules.

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