

Why Do We Need the Affordable Care Act?

Making progress on critical health system problems facing the United States



Among the many reasons the Affordable Care Act is critically needed:

Twenty million people have gained health insurance coverage through the law.

- In 2013, the year before the ACA took effect, 16.6 percent of the population under age 65 was uninsured, according to the [Kaiser Family Foundation](#). In the first quarter of 2016, only 10 percent of the population under age 65 was uninsured. And this number is getting smaller each year. The [Department of Health and Human Services predicts](#) over 1 million previously uninsured people will enroll in coverage during the current open enrollment period. If the ACA were repealed and not replaced, the [Urban Institute predicts](#) the uninsured rate would increase to a level even higher than before the ACA.
- Although the ACA has helped **20 million** people get coverage, about **29 million people** still lack health insurance. The uninsured are less likely to receive preventive care and less likely to seek care as quickly when they are sick. This results in higher costs when they do seek treatment. In addition, nearly 40 percent of the health care costs of the uninsured are passed on to consumers who do have coverage, in the form of higher premiums. [According to Families USA](#), this costs each family with health coverage more than \$1,000 a year. Continued implementation of the ACA can increase the number of people covered by health insurance and help reduce costs in the health system.

The ACA helps cut high U.S. health care costs.

- In addition to increasing insurance coverage, the Affordable Care Act makes investments in programs designed to reduce the cost and improve the quality of health care. For example, an evaluation of the [Partnership for Patients](#), an initiative dedicated to reducing hospital-acquired conditions, estimates the program helped save 125,000 lives and \$28.2 billion in health care costs from 2011 to 2015.
- The ACA helps reduce costs, and its reforms should be continued to reduce costs in the future. Health care spending represented 17.5 percent of our gross domestic product in 2014, and is [expected](#) to reach 20.1 percent by 2025. [Medicare](#) alone accounted for 14 percent of our federal budget in 2014, and this share is expected to grow as the baby boom generation continues to retire. If the ACA is repealed, these costs will increase even more.
- Rising health care costs both contribute to our federal deficit and reduce our ability to spend in other important areas including education, housing and economic development. The high costs of health care directly impact businesses and consumers: the family shares of employer-based coverage increased [more than 75 percent](#) from 2006 to 2016.

The ACA helps reduce spending, but health care costs are still high, and our health outcomes are poor.

- The U.S. spends far more on medical care than any other industrialized nation, but is ranked **26 out of 43** in terms of life expectancy. The [then Institute of Medicine](#) reported in 2012 that “the current generation of children and young adults in the United States could become the first generation to experience shorter life spans and fewer healthy years of life than those of their parents.” [Recent data](#) show the overall U.S. death rate has increased leading to a drop in overall life expectancy for the first time since 1993, particularly among people younger than 65.

The ACA is shifting the emphasis of our system from treatment towards prevention.

- Also striking is the fact that only **3 percent** of our health care spending is focused on prevention and public health, when chronic conditions—the most common, costly and preventable of all health problems—account for **86 percent** of our health care costs.
- The ACA supports public health prevention efforts. **It created the Prevention and Public Health Fund**, which has paid for public health efforts across the country. The ACA requires insurance policies to cover **essential health benefits** that can help prevent serious, costly conditions. In order to support prevention efforts in schools, the ACA also included a **grant program for school-based health centers** to improve access for underserved youth.

Without the ACA, current health disparities will worsen.

- Health inequities related to income and access to coverage exist across demographic lines, but population-based disparities are impossible to deny. For example, as reported by Families USA, African Americans of all ages are more than **twice as likely to die** from diabetes than whites and Hispanic high school students are **80 percent more likely** to have attempted suicide than non-Hispanic white high school students.
- Repealing the ACA would hurt everyone, though racial and ethnic minorities would be particularly harmed. For example, the Urban Institute **estimates** the uninsured rate among African Americans would increase from 11 percent to 20 percent in 2019 if the ACA is repealed and not replaced. The uninsured rate for American Indian/Alaskan Natives would increase from 14 percent to 26 percent.
- **According to the Urban Institute**, if the ACA is repealed and not replaced, 82 percent of those losing insurance would be in working families, 80 percent of adults losing insurance would lack a college degree, 56 percent would be non-Hispanic white, and 38 percent would be between ages 18 and 34.

The Affordable Care Act has increased the number of people covered by insurance and helped reduce health care costs. Its continued implementation is needed to make further progress. By making health coverage more affordable and accessible and thus increasing the number of Americans with coverage, by funding community-based public health and prevention programs, and by supporting research and tracking on key health measures, the ACA is beginning to reduce disparities in health insurance coverage, increase access to preventive care, improve health outcomes and reduce the rate of growth in the nation's health spending. The law does all of this while also preventing discrimination of people with pre-existing conditions and prohibiting insurers from charging women more for their care. Learn more (and find this document, with source links) at <http://www.apha.org/health-reform>.



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