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Implications of the Fifth Circuit Court Decision in *Texas v. United States*

Losses of Coverage, Federal Health Spending, and Provider Revenue

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The US Court of Appeals for the Fifth Circuit issued a ruling in *Texas v. United States*, a case that challenges the constitutionality of the Affordable Care Act (ACA) given the elimination of the law's individual mandate penalties. This ruling means that the case continues to pose a considerable risk that the entire ACA will be overturned. In the decision, the Court remanded the case to the District Court for further analysis on whether any parts of the ACA are severable from the individual mandate and thus may stay in effect. Ultimately, the case is likely to be reviewed by the Supreme Court.

If the Supreme Court finds that the entire ACA is unconstitutional without the penalties in place (the argument made by the plaintiffs), then the law would be overturned, and insurance coverage rates, federal spending on health care, and health care provider revenue would decline. Previous Urban Institute analyses found that elimination of the ACA would cause nearly 20 million people to lose insurance coverage, a dramatic decline that would coincide with a substantial loss of federal health spending. The surge in the number of uninsured would increase current law uninsurance by 65.4 percent (Blumberg et al. 2019). The total number of uninsured in the US would rise to more than 50 million, or 18.3 percent of the nonelderly population. Coverage losses of this magnitude would affect every state and all types of individuals and families; in this brief we identify the states and people who would face the largest losses and include new estimates by city.

A court ruling overturning the ACA would substantially decrease federal spending on health care and would have significant implications for state budgets. We estimate federal spending would have shrunk by about $134.7 billion in 2019 if the ACA had been eliminated at the start of this year. As we show in this brief, these declines under ACA repeal would vary widely by state (Holahan, Blumberg, and Buettgens 2019). States would have to decide whether to use state funding—and if so, how much—to

make up for the loss of federal funds, for supporting both the costs of coverage and the increased demand for uncompensated care due to a much larger uninsured population.

The declines in coverage and federal spending resulting from ACA repeal would also directly affect health care providers, because coverage losses lead to lower spending on health care services. We estimate that total health care spending by the nonelderly population under ACA repeal would fall by $94.6 billion (5 percent) in 2019 dollars. However, the greater number of uninsured people would seek more free or reduced-price care from providers. We estimate that the cost of uncompensated care sought by uninsured people would nearly double, climbing by about $50 billion in 2019. This squeeze could cause financial distress for some providers and increase unmet medical need.

Overview of the Effects of ACA Repeal on Hospitals and Insurance Markets

Because hospitals are the last-resort providers for many uninsured people, their finances are particularly affected by changes in the number of uninsured. Recent studies have found strong evidence that hospital finances improved in states that expanded Medicaid eligibility under the ACA relative to states that did not (Blavin 2016, 2017; Lindrooth et al. 2018; Rhodes et al. 2019). Those studies also found that spending on uncompensated care fell and Medicaid revenues rose, resulting in improved margins for hospitals in Medicaid expansion states compared with hospitals in states that did not expand Medicaid. Rural and small hospitals were among those that benefitted the most. Thus, rolling back the ACA would reverse financial gains for hospitals in expansion states and could jeopardize the financial stability of rural hospitals in those states.

The nongroup market would also be thoroughly disrupted by an overturn of the ACA. With the elimination of premium tax subsidies, people would drop coverage and the market would shrink. Market regulations enacted under the ACA would be repealed. Those regulations prohibit insurers from denying coverage to people with preexisting conditions and require that premiums be set according to modified community rating rules, limiting variation by age. The ACA also mandated that plans cover essential health benefits and limit out-of-pocket costs by conforming to one of four actuarial value tiers that measure plans' generosity of coverage. Without those protections, people with preexisting health conditions seeking to purchase coverage in the nongroup market could be denied coverage, charged higher premiums than other people their age, or offered a plan that excludes care for those conditions. About 63 percent of adults ages 45 to 64 had at least 1 of 10 serious chronic conditions, and 32 percent reported having 2 or more serious chronic conditions in 2012, according to a recent study based on a large federally sponsored household survey (Ward, Schiller, and Goodman 2014). The high prevalence of chronic health conditions suggests many older adults would face denial of coverage, higher premiums, or exclusion from the nongroup market if the ACA were overturned. Many people denied coverage in the nongroup market would face high out-of-pocket costs, contribute to rising levels of uncompensated care and bad debt, and/or be unable to access necessary care.

Under ACA repeal, insurance plans in the nongroup and small group markets would no longer be required to cover essential health benefits. Before the ACA and in most states, many nongroup plans excluded or strictly limited benefits such as maternity care, prescription drugs, and mental health and substance use treatment, though exclusions varied by state. Under ACA repeal, average premiums would likely be lower for people not denied coverage, but plans would generally cover fewer services and impose higher cost-sharing obligations on enrollees (i.e., deductibles, coinsurance, copayments, and out-of-pocket maximums). People needing significant amounts of health care would face higher out-of-pocket costs and financial burdens. People needing benefits excluded from insurance policies would have to pay the full costs or forgo that care. These significant costs could increase bankruptcy rates and demand for uncompensated care.

A ruling that the ACA is unconstitutional would also affect the employer-sponsored insurance market. ACA provisions prohibit annual and dollar lifetime benefit maximums, require zero cost sharing for certain preventive care services, and require employers to cover young adults up to age 26 on their parents' policies, in addition to other changes. Without the ACA, none of those provisions would hold, and employers would be free to discontinue such protections. States are very limited in their ability to replace the federal provisions of the ACA with similar state regulations, because of restrictions under the Employee Retirement Income Security Act that exempt self-insured employers from state regulations (Fernandez 2010).

This brief focuses on the coverage provisions of the ACA that primarily affected people below age 65. However, the regulatory changes at the state and federal levels, changes to the Medicare program—and any adjustments made to the health care delivery system in response—make it difficult to grasp how ACA repeal would unfold. For example, an ultimate finding by the Supreme Court that the ACA is unconstitutional would put Medicare payment rules in disarray, in addition to increasing prescription drug costs for many elderly adults by reopening the Part D "doughnut hole." It is beyond the scope of this brief to consider the potential impacts in those areas, but that does not minimize their importance.

Estimated Effects of Full Repeal on Insurance Coverage

A judicial decision overturning the ACA would hit hardest those states where insurance coverage increased most under the law, including many states that expanded Medicaid eligibility. In those states, the number of uninsured people would almost double, climbing by an average of 91.8 percent (table 1). In Arkansas, Kentucky, Louisiana, Maine, Montana, New Hampshire, Pennsylvania, and West Virginia, the number of uninsured people would climb by more than 133 percent (figure 1). Conversely, the number of uninsured people would rise by an average of 38.2 percent in states that did not expand Medicaid eligibility. In Florida, an additional 1.5 million uninsured people would drive up the state's uninsurance rate by 67.0 percent, the highest percent increase among nonexpansion states.

TABLE 1

**The Uninsured under Current Law and Full ACA Repeal by State, Nonelderly Population, 2019**

| | CURRENT LAW | | FULL ACA REPEAL | | Diff. from Current Law | |
	1,000s of people	%	1,000s of people	%	1,000s of people	%
Expansion states	**15,452**	**8.8**	**29,632**	**16.8**	**14,180**	**91.8**
Alaska	75	10.5	143	20.1	68	91.4
Arizona	768	12.8	1,064	17.7	297	38.6
Arkansas	206	8.1	505	19.9	299	145.1
California	3,421	10.0	7,210	21.0	3,789	110.7
Colorado	396	8.4	796	17.0	400	101.2
Connecticut	171	5.8	394	13.2	223	130.0
Delaware	66	8.4	94	12.0	28	41.8
District of Columbia	35	6.1	69	12.1	34	97.2
Hawaii	132	10.4	143	11.2	11	8.1
Illinois	1,297	11.6	1,902	17.0	605	46.6
Indiana	600	10.6	1,097	19.3	497	82.7
Iowa	149	5.7	336	12.9	187	125.7
Kentucky	252	6.8	630	17.1	379	150.5
Louisiana	335	8.7	830	21.5	494	147.4
Maine	51	4.9	134	13.0	83	164.8
Maryland	374	7.1	719	13.6	345	92.2
Massachusetts	137	2.5	239	4.3	102	74.0
Michigan	627	7.7	1,347	16.6	720	114.8
Minnesota	331	7.0	596	12.6	265	80.0
Montana	63	7.5	175	20.9	112	176.8
Nevada	376	13.8	658	24.1	282	75.1
New Hampshire	66	6.0	155	14.3	89	136.0
New Jersey	732	9.7	1,327	17.6	595	81.3
New Mexico	207	11.3	434	23.7	226	109.0
New York	1,488	8.9	2,095	12.6	607	40.8
North Dakota	56	9.6	81	14.0	25	45.6
Ohio	704	7.4	1,445	15.2	741	105.3
Oregon	304	9.1	676	20.3	372	122.2
Pennsylvania	644	6.2	1,502	14.4	858	133.2
Rhode Island	57	6.6	124	14.3	67	116.3
Vermont	32	6.5	45	9.1	13	39.9
Virginia	670	8.9	1,312	17.4	642	95.7
Washington	538	8.8	1,102	18.1	565	105.0
West Virginia	92	6.4	254	17.6	162	175.6
Nonexpansion states	**14,924**	**15.3**	**20,621**	**21.1**	**5,697**	**38.2**
Alabama	504	12.3	647	15.8	143	28.4
Florida	2,327	14.4	3,887	24.1	1,560	67.0
Georgia	1,594	16.9	2,055	21.8	461	28.9
Idaho	202	13.8	281	19.3	79	39.4
Kansas	342	13.7	404	16.1	62	18.0
Mississippi	404	16.2	504	20.2	100	24.9
Missouri	639	12.5	808	15.8	169	26.4
Nebraska	182	11.4	234	14.7	52	28.7
North Carolina	1,168	13.3	1,672	19.1	503	43.1
Oklahoma	617	18.2	763	22.5	146	23.7
South Carolina	536	13.3	778	19.3	242	45.0
South Dakota	101	14.0	114	15.7	12	11.9
Tennessee	738	13.2	905	16.3	168	22.7
Texas	4,678	19.2	6,411	26.3	1,733	37.0
Utah	383	13.6	484	17.2	102	26.5
Wisconsin	436	9.0	589	12.2	153	35.2
Wyoming	74	14.8	85	17.1	12	16.0
Total	**30,377**	**11.1**	**50,253**	**18.3**	**19,877**	**65.4**

Source: Urban Institute Health Insurance Policy Simulation Model.

Notes: ACA = Affordable Care Act. Diff. = difference. States are listed alphabetically by Medicaid expansion status.

Percent Increase in the Uninsured under Full ACA Repeal by State, Nonelderly Population, 2019
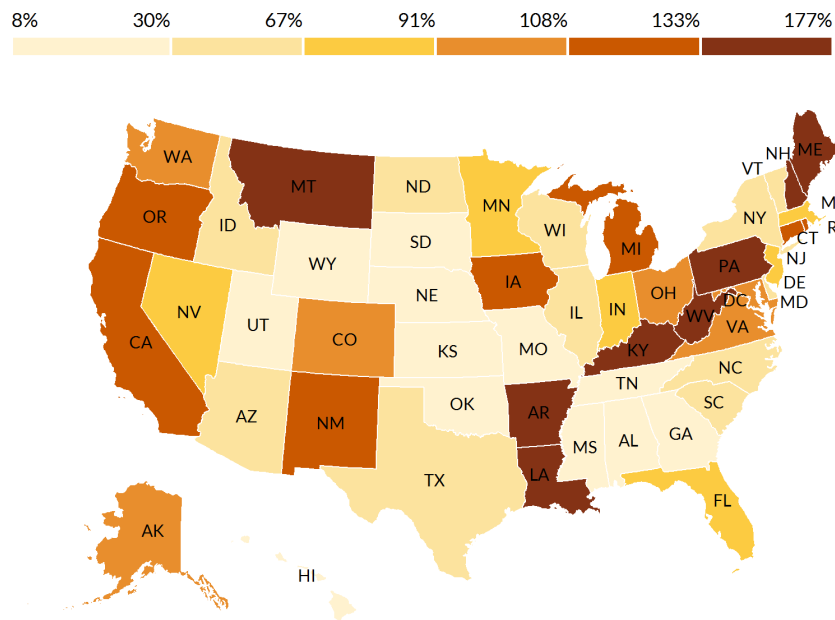
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Source: Urban Institute Health Insurance Policy Simulation Model.
Note: ACA = Affordable Care Act.

We present new estimates that highlight the effects of eliminating the ACA on the 50 most populous census-designated places, hereafter called cities. These 50 cities, listed in descending order by size, are in 29 states and account for about 15 percent of the US population. Eight of the most populous 50 cities in the US are in California, seven are in Texas, and three are in Arizona. Colorado, Florida, North Carolina, Ohio, and Tennessee each contribute two cities to the list. Our city analysis shows much more dramatic jumps in uninsurance in some cities than in others.

Fifteen of the largest 50 cities would see their numbers of uninsured people double or more than double if the ACA were rolled back (table 2). A sudden change of that magnitude would be challenging for any local jurisdiction to manage and would likely involve substantial increases in uncompensated care and use of emergency rooms and safety net providers. The uninsured populations in Baltimore, Cleveland, Louisville, Philadelphia, Sacramento, and San Francisco would swell by about 130 to more than 170 percent. The uninsured populations in Albuquerque, Denver, Detroit, Portland, Seattle, Washington, DC, and several California cities, including Fresno, Long Beach, Oakland, San Diego, and San Jose, would roughly double, expanding by about 100 to 120 percent. In the two largest cities in the US, New York and Los Angeles, the number of uninsured would grow by 300,000 (37.0 percent) and 556,000 (90.9 percent), respectively, if the ACA were eliminated.

The Uninsured under Current Law and Full ACA Repeal in the 50 Largest Cities, Nonelderly Population, 2019

| | CURRENT LAW | | FULL ACA REPEAL | | | |
| | | | | | Diff. from Current Law | |
	1,000s of people	%	1,000s of people	%	1,000s of people	%
New York, NY	812	10.9	1,112	14.9	300	37.0
Los Angeles, CA	612	14.5	1,168	27.6	556	90.9
Chicago, IL	457	15.8	687	23.8	230	50.2
Houston, TX	969	20.6	1,278	27.2	309	31.9
Philadelphia, PA	120	8.4	299	20.9	179	149.3
Phoenix, AZ	297	15.4	383	19.8	86	29.1
San Antonio, TX	321	17.4	437	23.7	116	36.3
San Diego, CA	207	10.5	411	20.8	203	98.1
Dallas, TX	599	21.8	793	28.8	194	32.4
San Jose, CA	102	6.7	227	14.9	124	121.4
Jacksonville, FL	92	11.8	154	19.7	61	66.6
Indianapolis, IN	127	14.6	213	24.4	85	67.2
San Francisco, CA	48	6.5	112	15.2	64	132.9
Austin, TX	226	15.7	295	20.5	69	30.8
Columbus, OH	117	8.7	206	15.4	89	76.7
Fort Worth, TX	249	17.2	346	23.9	97	39.0
Charlotte, NC	137	14.4	185	19.6	49	35.7
Detroit, MI	91	12.8	196	27.5	105	115.1
El Paso, TX	212	26.0	286	35.1	74	35.0
Memphis, TN	129	14.9	153	17.7	24	18.7
Baltimore, MD	32	5.8	88	15.7	56	172.7
Boston, MA	34	4.8	41	5.8	7	21.0
Seattle, WA	72	8.8	145	17.6	73	101.2
Washington, DC	35	6.1	69	12.1	34	97.2
Nashville-Davidson, TN	102	16.8	120	19.7	18	17.4
Denver, CO	63	10.0	127	20.2	65	102.6
Louisville/Jefferson, KY	45	6.9	107	16.4	62	138.6
Milwaukee, WI	100	12.5	129	16.2	30	29.6
Portland, OR	102	9.0	211	18.7	109	107.8
Las Vegas, NV	158	16.1	268	27.4	110	69.9
Oklahoma City, OK	210	18.1	247	21.2	37	17.4
Albuquerque, NM	70	10.6	140	21.2	70	100.4
Tucson, AZ	101	11.4	144	16.2	43	42.3
Fresno, CA	78	10.2	170	22.3	93	119.3
Sacramento, CA	79	7.8	193	18.9	114	143.3
Long Beach, CA	46	10.2	102	22.4	55	120.2
Kansas City, MO	120	13.7	145	16.6	25	21.0
Mesa, AZ	62	11.0	88	15.5	26	41.7
Virginia Beach, VA	43	10.4	75	17.9	32	73.3
Atlanta, GA	120	16.5	152	20.9	32	26.4
Colorado Springs, CO	59	9.9	114	19.0	55	92.6
Omaha, NE	61	12.7	77	15.9	16	25.8
Raleigh, NC	130	12.1	176	16.4	46	35.3
Miami, FL	180	23.3	259	33.6	79	44.2
Cleveland, OH	34	9.7	80	22.5	45	132.3
Tulsa, OK	126	17.3	153	21.0	27	21.1
Oakland, CA	49	9.2	106	19.8	57	114.9
Minneapolis, MN	42	10.5	73	18.3	31	73.3
Wichita, KS	77	14.3	91	16.9	14	18.1
Arlington, TX	88	19.5	118	26.2	30	34.4

Source: Urban Institute Health Insurance Policy Simulation Model.

Without the ACA, the share of the population uninsured would jump in all income, race, ethnic, and age categories (Holahan, Blumberg, and Buettgens 2019). The largest increases would occur among people whose family incomes are below 138 percent of the federal poverty level (FPL): under ACA repeal, their national uninsurance rate would grow from 18 percent under current law to 31 percent (figure 2). In states that expanded Medicaid, the uninsurance rate for this income group would more than double, jumping from 13 to 30 percent (data not shown). Likewise, the national share of uninsured people in families whose incomes fall between 138 and 200 percent of FPL would climb from 15 to 26 percent. Such low-income people have very few alternatives for obtaining health insurance without the ACA. Uninsurance rates among higher-income people would increase as well, but by smaller magnitudes.

FIGURE 2

Uninsurance Rates under Current Law and Full ACA Repeal by Family Income Relative to Poverty, Nonelderly Population, 2019
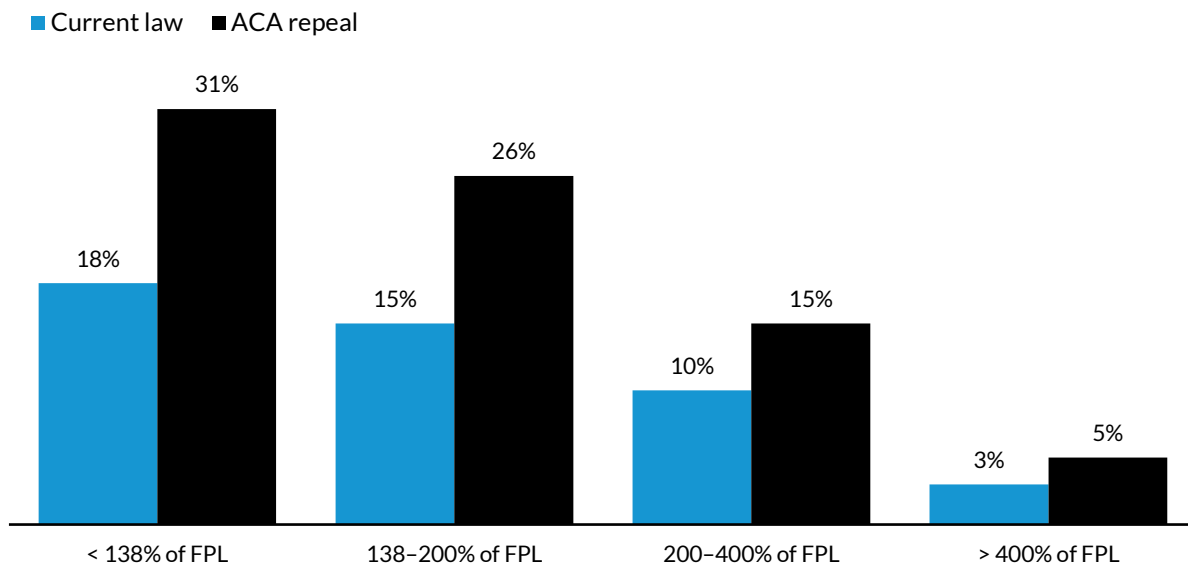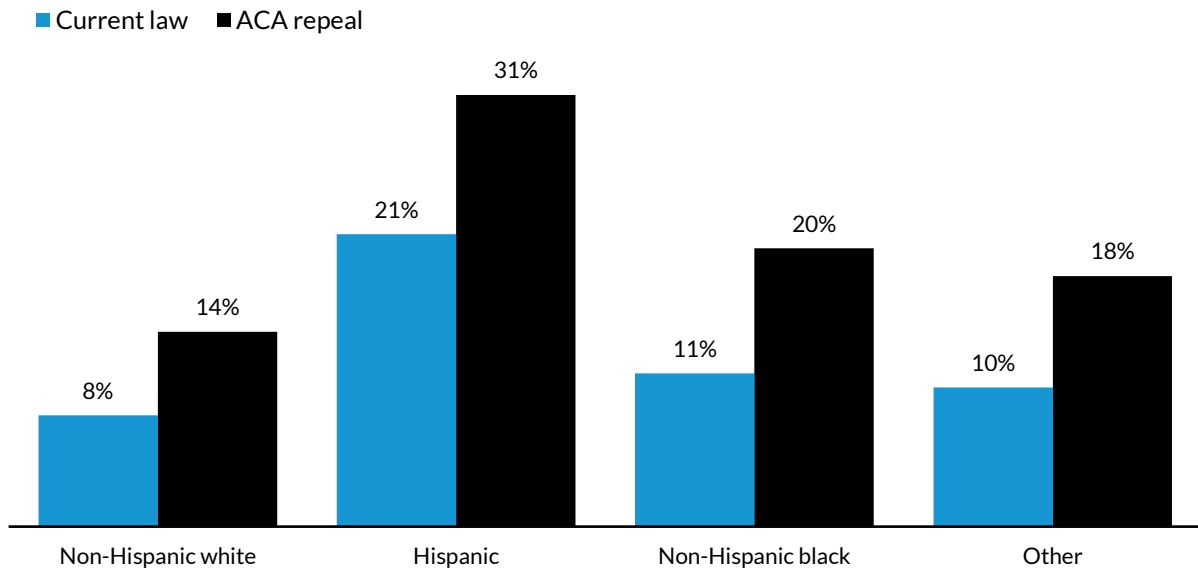

Source: Urban Institute Health Insurance Policy Simulation Model.
Notes: ACA = Affordable Care Act. FPL = federal poverty level.

The number of uninsured people would rise within each racial and ethnic group if the ACA were repealed (figure 3). The share of uninsured Hispanic individuals and families would grow from 21 to 31 percent, nearly one-third of that population. Uninsurance among black people would increase from 11 to 20 percent, one-fifth of that population.

FIGURE 3

Uninsurance Rates under Current Law and Full ACA Repeal by Race and Ethnicity, Nonelderly Population, 2019
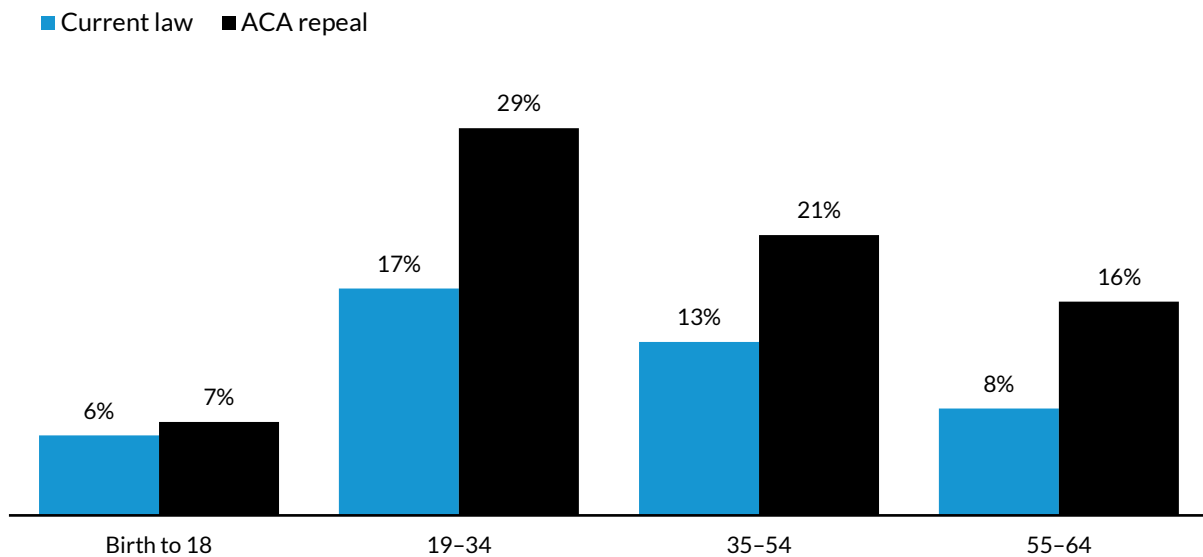
■ Current law   ■ ACA repeal

Source: Urban Institute Health Insurance Policy Simulation Model.
Note: ACA = Affordable Care Act.

In the wake of a final judicial decision overturning the ACA, the share of uninsured nonelderly adults would also increase within each age group (figure 4). Uninsurance would climb from 17 to 29 percent of all young adults ages 19 to 34. Among adults ages 35 to 54, uninsurance would rise from 13 to 21 percent. The percentage of uninsured older adults, ages 55 to 64, would double in the wake of an ACA rollback, increasing from 8 to 16 percent. Children, from birth to age 18, would be less affected by elimination of the ACA, because broad Medicaid and Children's Health Insurance Program eligibility rules for children were established before the ACA and would remain in place despite ACA repeal.

FIGURE 4

Uninsurance Rates under Current Law and Full ACA Repeal by Age Group, Nonelderly Population, 2019

■ Current law   ■ ACA repeal

Source: Urban Institute Health Insurance Policy Simulation Model.
Note: ACA = Affordable Care Act.

The Estimated Effects of Full Repeal on Federal Health Care Spending

Federal spending on Medicaid and premium tax subsidies in the Marketplaces would drop by billions of dollars if the ACA were upended (table 3). We estimate federal spending would have shrunk by about $134.7 billion in 2019 if the ACA had been eliminated at the start of this year. Those reductions vary widely by state and are driven by Medicaid expansion decisions and state populations. The biggest losses in federal health care spending would accrue to states that expanded Medicaid under the ACA. California would forgo $22.4 billion (45.8 percent) and New York $10.1 billion (36.4 percent) in 2019 under an ACA rollback. Kentucky, Michigan, Ohio, Pennsylvania, Virginia, and Washington would each sustain losses in federal spending ranging from about $4.2 to $5.2 billion (31 to 54 percent). Nonexpansion states would experience smaller losses than expansion states. In 2019 dollars, federal spending would fall by $9.3, $6.5, and $4.6 billion (21 to 41 percent) in Florida, Texas, and North Carolina, respectively, if the ACA had been eliminated by judicial ruling at the start of 2019.

TABLE 3

Federal Spending on Marketplace Subsidies and Medicaid/CHIP Acute Care under Current Law and Full ACA Repeal by State, Nonelderly Population, 2019

| | CURRENT LAW | FULL ACA REPEAL | | |
| | | Difference from Current Law | | |
	Millions of $	Millions of $	Millions of $	%
Expansion states	**259,209**	**159,049**	**-100,160**	**-38.64**
Alaska	1,212	672	-540	-44.5
Arizona	10,810	8,691	-2,119	-19.6
Arkansas	5,179	3,401	-1,778	-34.3
California	48,893	26,491	-22,403	-45.8
Colorado	5,940	3,128	-2,812	-47.3
Connecticut	4,661	2,810	-1,851	-39.7
Delaware	1,413	1,111	-302	-21.4
District of Columbia	1,411	1,130	-281	-19.9
Hawaii	1,139	833	-305	-26.8
Illinois	9,133	6,136	-2,997	-32.8
Indiana	8,307	5,261	-3,046	-36.7
Iowa	3,798	2,401	-1,398	-36.8
Kentucky	8,650	4,504	-4,146	-47.9
Louisiana	7,637	4,030	-3,606	-47.2
Maine	1,942	1,446	-495	-25.5
Maryland	6,927	3,988	-2,939	-42.4
Massachusetts	7,617	5,900	-1,718	-22.5
Michigan	13,707	8,516	-5,191	-37.9
Minnesota	6,404	4,563	-1,841	-28.7
Montana	2,218	1,126	-1,092	-49.2
Nevada	3,076	1,906	-1,170	-38.1
New Hampshire	951	586	-366	-38.4
New Jersey	6,687	3,989	-2,698	-40.3
New Mexico	5,254	3,089	-2,165	-41.2
New York	27,920	17,770	-10,149	-36.4
North Dakota	488	309	-180	-36.8
Ohio	14,243	9,829	-4,414	-31.0
Oregon	5,838	3,286	-2,552	-43.7
Pennsylvania	15,795	10,743	-5,052	-32.0
Rhode Island	1,303	794	-509	-39.1
Vermont	1,146	976	-169	-14.8
Virginia	8,631	3,953	-4,679	-54.2
Washington	7,949	3,799	-4,150	-52.2
West Virginia	2,929	1,884	-1,045	-35.7
Nonexpansion states	**130,531**	**95,973**	**-34,559**	**-26.48**
Alabama	5,009	3,853	-1,155	-23.1
Florida	22,825	13,483	-9,342	-40.9
Georgia	10,149	7,830	-2,318	-22.8
Idaho	1,869	1,274	-594	-31.8
Kansas	2,091	1,546	-545	-26.1
Mississippi	4,673	3,956	-717	-15.3
Missouri	8,001	6,841	-1,161	-14.5
Nebraska	1,691	917	-774	-45.8
North Carolina	15,097	10,527	-4,570	-30.3
Oklahoma	4,746	3,510	-1,236	-26.0
South Carolina	5,388	3,734	-1,653	-30.7
South Dakota	826	626	-200	-24.2
Tennessee	8,196	6,609	-1,586	-19.4
Texas	31,271	24,815	-6,456	-20.6
Utah	3,179	2,188	-991	-31.2
Wisconsin	4,970	3,953	-1,017	-20.5
Wyoming	553	310	-243	-43.9
Total	**389,740**	**255,022**	**-134,718**	**-34.6**

Source: Urban Institute Health Insurance Policy Simulation Model.

Notes: CHIP = Children's Health Insurance Program. ACA = Affordable Care Act.

The Estimated Effects of Full Repeal on Total Health Care Spending and Demand for Uncompensated Care

Providers would face serious financial consequences if the ACA were overturned by judicial decision. As patients lose insurance coverage and federal spending falls, total health care spending and provider revenues also decline. Without insurance, people use less health care. Simultaneously, many seek uncompensated care from providers, by requesting free or reduced-price care or failing to pay medical bills in full. These twin effects reduce provider revenues and place new financial pressures on those providing services to the uninsured.

Accounting for all private insurance claims paid, Medicaid spending on health care services, and household out-of-pocket spending by insured and uninsured people, we estimate that total health care spending for the nonelderly population would have fallen from $1.9 to $1.8 trillion, a drop of $94.6 billion (or 5 percent) had the ACA been overturned at the start of 2019 (table 4). This decline would be distributed across hospitals ($38.0 billion decline), physician practices ($11.5 billion decline), other services ($24.3 billion decline), and drug manufacturers ($20.8 billion decline).

From 2019 to 2028, the drop in total health care spending by the nonelderly population would total $1.3 trillion (about 6 percent), declining from $23.3 to $22.0 trillion (table 4), if the ACA had been repealed at the start of this period. Revenues would fall by $510 billion for hospitals, $180 billion for physician practices, $360 billion for other services, and $290 billion for drug manufacturers.

Simultaneously, the amount of uncompensated care sought by the nonelderly population would nearly double from about $61.3 billion to $111.4 billion, if the ACA had been overturned at the start of 2019. This $50.1 billion increase would be distributed across hospitals ($14.8 billion increase), physician practices ($5.9 billion increase), other services ($19.3 billion increase), and drug manufacturers ($10.2 billion increase). Our estimates of uncompensated care reflect the amount of such care sought (not always fully met) by uninsured people and others with inadequate coverage (see the methods section for more information).

If the ACA had been repealed at the start of that 10-year period, the amount of uncompensated care sought by the nonelderly population would climb by about $580 billion (181 percent), from $700 billion to $1,280 billion. That increase in uncompensated care sought would be distributed across hospitals ($170 billion increase), physicians ($70 billion increase), other services ($220 billion increase), and drug manufacturers ($120 billion increase).

TABLE 4

Health Care Spending under Current Law and Full ACA Repeal, Nonelderly Population, 2019 and 2019–28

Billions of dollars

2019				
Total health care spending	**Hospitals**	**Physician practices**	**Other services**	**Prescription drug manufacturers**
Current-law ACA	1,862.1	673.8	299.4	476.2	412.7
Full ACA repeal	1,767.5	635.8	287.9	451.9	391.9
Difference	-94.6	-38.0	-11.5	-24.3	-20.8
2019–28				
Total health care spending	**Hospitals**	**Physician practices**	**Other services**	**Prescription drug manufacturers**
Current-law ACA	23,320	8,460	3,760	5,960	5,130
Full ACA repeal	21,980	7,950	3,580	5,600	4,840
Difference	-1,340	-510	-180	-360	-290

Source: Urban Institute Health Insurance Policy Simulation Model.

Notes: ACA = Affordable Care Act. Health care spending includes private insurance claims, spending by Medicaid, and household out-of-pocket health spending. Other services include spending on nonphysician providers, dental, home health care, and medical equipment.

TABLE 5

Uncompensated Care Sought under Current Law and Full ACA Repeal, Nonelderly Population, 2019 and 2019–28

Billions of dollars

2019				
Total uncompensated care	**Hospitals**	**Physician practices**	**Other services**	**Prescription drug manufacturers**
Current-law ACA	61.3	18.0	7.8	23.3	12.1
Full ACA repeal	111.4	32.8	13.7	42.6	22.3
Difference	50.1	14.8	5.9	19.3	10.2
2019–28				
Total uncompensated care	**Hospitals**	**Physician practices**	**Other services**	**Prescription drug manufacturers**
Current-law ACA	700	210	90	270	140
Full ACA repeal	1,280	380	160	490	260
Difference	580	170	70	220	120

Source: Urban Institute Health Insurance Policy Simulation Model.

Notes: ACA = Affordable Care Act. Health care spending includes private insurance claims, spending by Medicaid, and household out-of-pocket health spending. Other services include spending on nonphysician providers, dental, home health care, and medical equipment.

Key Methodological Assumptions

We generated our estimates using the Urban Institute's Health Insurance Policy Simulation Model, and the methods follow those used in previous publications (Blumberg et al. 2019; Holahan, Blumberg, and Buettgens 2019). Our estimates assume that pre-ACA Medicaid coverage expansion waivers would be reinstated following ACA repeal in the seven states that had these waivers (Arizona, Delaware, Hawaii, Massachusetts, New York, Vermont, and Wisconsin). Whether the federal government would approve waivers to restore pre-ACA coverage levels in these states is unclear. Without reinstating these waivers, repeal could lead to 1.3 million more uninsured people, in addition to the 20 million people who would become uninsured if the waivers were renewed (Blumberg et al. 2019).

A special feature of the Health Insurance Policy Simulation Model is its ability to estimate changes in total health care spending and changes in the value of uncompensated care sought by uninsured people from providers. Estimates of health care spending include insurance claims paid by private insurance, Medicaid spending on health care services, and household out-of-pocket spending by insured and uninsured people. Spending by other government programs, such as Medicare, Indian Health Services, and military insurance, is excluded from these calculations. Estimates of uncompensated care sought are based on historical medical expenditure data and illustrate the potential increase in demand for free care that providers would face if the ACA were eliminated. We note that the free care sought by the uninsured is not necessarily provided in full; some of the care sought will further increase unmet need.

Estimates presented here are for 2019 and reflect the changes that would have occurred had the ACA been repealed at the start of the calendar year. Spending estimates are in 2019 dollars.

Conclusion

If the Supreme Court ultimately finds for the plaintiffs in *Texas v. US*, the full ACA would effectively be repealed. This would have vast consequences that would be felt throughout the US health care system, which we cannot measure here. In this analysis, we show that the resulting declines in health coverage and federal spending on health care would affect every state and locality, though the size of the impact would vary. Reductions in health coverage and federal spending combined with a growing demand for uncompensated health care would have important financial consequences for state and local governments and health care providers. Additionally, reversing the insurance coverage gains achieved under the ACA would reduce access to health care for those losing coverage.

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