What's at stake:

The Affordable Care Act in Washington state: A county-by-county analysis

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Executive summary

For many of the 1 million Washingtonians with no health insurance, the federal Affordable Care Act (ACA) is at this point their only hope for getting meaningful coverage. Millions more stand to benefit from important consumer protections built into the law.

The ACA was signed into law in late March 2010. It was promptly challenged in court by critics, including the attorney general for Washington state. They are seeking repeal of the entire act.

The U.S. Supreme Court is expected to rule on the constitutionality of the law in June 2012.

This brief illustrates the impact, at both the state and county level if, as the Affordable Care Act's critics are requesting, the entire law is invalidated by the U.S. Supreme Court.

Such a ruling would:

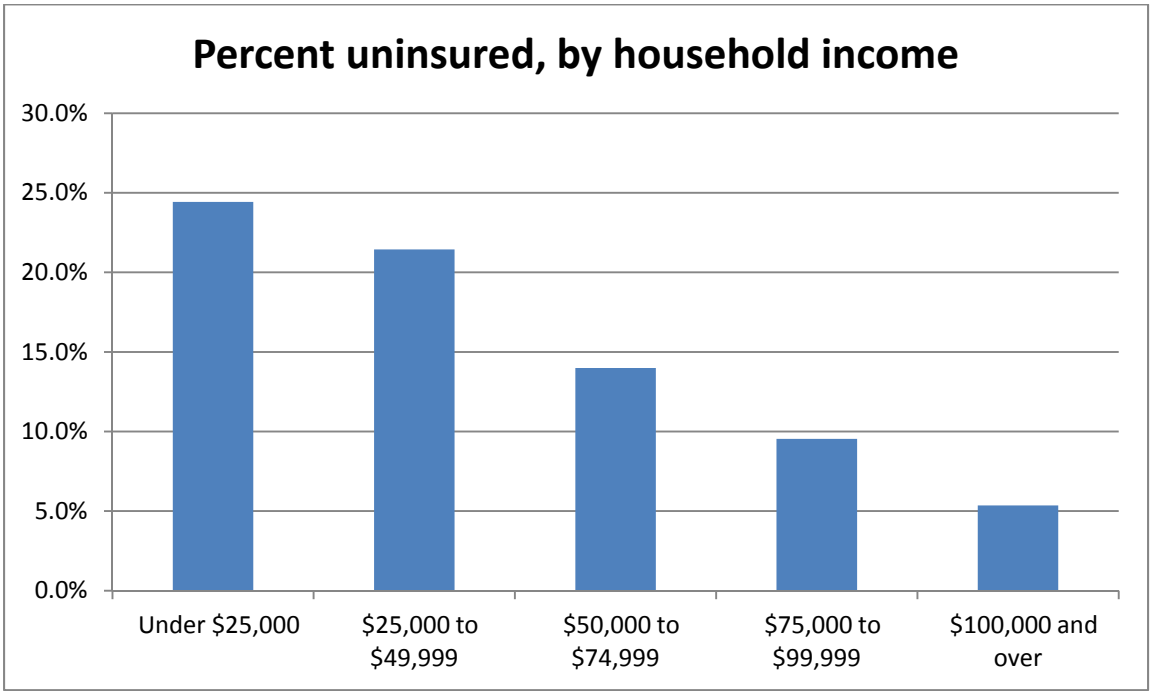
- Cancel an expansion of Medicaid in 2014 that would provide coverage to 328,000 currently uninsured Washingtonians.
- Eliminate subsidies, also beginning in 2014, that would help another 477,400 uninsured Washingtonians pay for health insurance.
- Do away with the phased-in elimination of the prescription-drug "donut hole" coverage gap for more than 1 million Washingtonians on Medicare.
- Remove legal requirements that health insurers offer several reforms, such as no lifetime limit on medical benefits and free preventive care for senior citizens.
- Do away with other reforms, including tax breaks for small businesses and federal review of unreasonable increases in health insurance premiums.

These effects and others are described in more detail below.

Due to the uncertainties involved, we did not attempt to analyze the effects if the court throws out only certain *parts* of the law.

Background

As shown below, the lower your income, the less likely you are to have health insurance.



Source: U.S. Census Bureau's American Community Survey, 2010

The Affordable Care Act addresses this reality by expanding Medicaid eligibility to single adults earning up to about $14,850 a year.

It also includes federal subsidies to help low- and middle-income Americans pay for private health insurance. Both the Medicaid expansion and subsidies are slated to take effect in 2014.

Analysis

In recent years, the percentage of uninsured Washingtonians has grown dramatically. In 2004, about 12 percent of the state's population – 700,000 people – had no health coverage. By the end of 2013, the number will have grown to nearly 16 percent of the state's population, or nearly 1.1 million people.

Due to income or immigration status, approximately 285,000 of those people will not be eligible for Medicaid or subsidies to pay for private insurance under the ACA. But the vast majority – 805,400 people -- will be.

Of Washington's nearly 1.1 million uninsured by the end of 2013, we calculate that 805,400 will be eligible for either Medicaid or subsidies under the ACA, as follows:

- Medicaid: 328,000 people
- Subsidies: 477,400 people

So the U.S. Supreme Court's ruling could have profound consequences. If the entire act is thrown out, many of those 805,400 Washingtonians will face the same problem they and their families do today: living one bad diagnosis away from medical bankruptcy.

In the absence of meaningful alternative reforms, existing health-care trends – ever-higher premiums, growing numbers of uninsured, and ever-higher amounts of charity care and bad debt – would likely continue. These numbers are broken out by county in Table 1 below.

Region	County	Projected population by 12/31/2013	Projected under-65 uninsured as of 12/31/13	Uninsured who would qualify for Medicaid expansion	Uninsured who would qualify for subsidies	Percent of uninsured who will benefit from ACA
North Sound	Island	80,900	9,600	3,500	3,900	77%
	San Juan	16,200	2,700	700	1,200	70%
	Skagit	120,400	19,600	5,300	8,600	71%
	Whatcom	207,200	25,100	7,500	11,900	77%
	Regional Sum	**424,800**	**56,900**	**17,000**	**25,600**	**75%**
West Balance	Clallam	73,600	10,900	4,900	4,800	89%
	Cowlitz	105,500	16,700	7,900	6,100	84%
	Grays Harbor	75,000	13,300	5,600	5,700	85%
	Jefferson	30,800	4,500	1,300	1,900	71%
	Klickitat	20,900	4,400	1,400	1,900	75%
	Lewis	77,700	12,600	4,200	4,700	71%
	Mason	62,500	11,300	3,600	4,800	74%

	County	Projected population by 12/31/2013	Projected under-65 uninsured as of 12/31/13	Uninsured who would qualify for Medicaid expansion	Uninsured who would qualify for subsidies	Percent of uninsured who will benefit from ACA
	Pacific	21,600	4,000	1,300	1,700	75%
	Skamania	11,400	1,700	500	800	76%
	Wahkiakum	4,100	700	200	300	71%
	Regional Sum	**483,100**	**80,100**	**30,900**	**32,700**	**79%**
King	King	1,989,500	282,800	79,400	117,600	70%
	Regional Sum	**1,989,500**	**282,800**	**79,400**	**117,600**	**70%**
Pierce	Pierce	819,200	121,200	35,800	58,600	78%
	Regional Sum	**819,200**	**121,200**	**35,800**	**58,600**	**78%**
Snohomish	Snohomish	734,900	112,400	25,600	49,600	67%
	Regional Sum	**734,900**	**112,400**	**25,600**	**49,600**	**67%**
Puget Sound Metro	Kitsap	258,700	33,100	10,300	16,900	82%
	Thurston	259,900	31,200	7,700	16,800	79%
	Regional Sum	**518,600**	**64,300**	**18,000**	**33,700**	**80%**
Clark	Clark	438,200	65,600	20,000	31,900	79%
	Regional Sum	**438,200**	**65,600**	**20,000**	**31,900**	**79%**
East Balance	Adams	19,300	4,500	1,800	1,800	80%
	Asotin	22,300	3,400	1,200	1,400	76%
	Chelan	74,600	15,800	3,200	9,500	80%
	Columbia	4,200	800	300	300	75%
	Douglas	39,600	8,600	2,900	3,600	76%
	Ferry	7,800	1,700	600	700	76%

	County	Projected population by 12/31/2013	Projected under-65 uninsured as of 12/31/13	Uninsured who would qualify for Medicaid expansion	Uninsured who would qualify for subsidies	Percent of uninsured who will benefit from ACA
	Garfield	2,300	300	100	200	99%
	Grant	91,800	23,400	8,000	6,500	62%
	Kittitas	42,100	8,400	3,100	3,200	75%
	Lincoln	10,900	1,600	500	700	75%
	Okanogan	42,400	10,800	3,700	4,600	77%
	Pend Oreille	13,400	2,000	700	800	75%
	Stevens	44,800	8,100	2,600	3,600	77%
	Walla Walla	60,600	11,800	4,300	4,700	76%
	Whitman	46,100	7,600	3,200	2,600	76%
	Regional Sum	**522,200**	**108,900**	**36,200**	**44,200**	**74%**
Spokane	Spokane	485,400	73,200	20,100	40,300	83%
	Regional Sum	**485,400**	**73,200**	**20,100**	**40,300**	**83%**
Yakima-TriCities	Benton	180,500	29,300	9,600	10,600	69%
	Franklin	80,500	18,700	4,500	8,100	67%
	Yakima	250,600	76,800	30,800	24,500	72%
	Regional Sum	**511,600**	**124,800**	**44,900**	**43,200**	**71%**
Washington State		**6,927,500**	**1,090,000**	**328,000**	**477,400**	**74%**

Effect on those *with* insurance

Invalidation of the law would also likely strip away significant consumer protections and other reforms for the 5.8 million Washingtonians who already have health coverage. Some of these benefits have already gone into effect; others are slated to start in 2014. They include:

- No deductible or co-pays for preventive services.
- Free preventive care for senior citizens
- Tax rebates for small business
- No lifetime dollar limit on benefits.
- Elimination of the prescription drug "donut hole" coverage gap for the more than 1 million Washington seniors on Medicare
- Federal review of unreasonable increases in health insurance premiums
- Expanded coverage for early retirees

The law is also slated to dramatically improve the medical benefits for about 180,000 Washingtonians who have very limited medical insurance in the individual market today, by requiring that plans meet higher standards for coverage.

Uncompensated care

In addition, the amount of uncompensated care – bad debt and charity care provided by hospitals, doctors and others -- has risen sharply.

In 2008, uncompensated care in Washington state amounted to about $675 million a year. Today, it is more than $1 billion.

Those costs are often shifted to patients with insurance. We estimate that premiums for an average *insured* family are $1,017 a year higher due to cost-shifting from uncompensated care.

Since overturning the Affordable Care Act would likely result in growing numbers of uninsured Washingtonians, we believe that the cost of uncompensated care would also continue to rise.

Total number of uninsured, statewide and by county

Below are our projections for the number of Washingtonians without health coverage at the end of 2013. Note: Unlike the table above, this also includes the small number of people – about 7,000 statewide -- who are over age 65 but not on Medicare.

Region	County	Total Projected Uninsured as of 12/31/13	Uninsured as a percentage of total county population
North Sound	Island	9,700	12.0%
	San Juan	2,700	16.5%
	Skagit	19,700	16.4%
	Whatcom	25,400	12.2%
	Regional Sum	**57,400**	**13.5%**
West Balance	Clallam	10,900	14.9%
	Cowlitz	16,800	16.0%
	Grays Harbor	13,400	17.9%
	Jefferson	4,600	14.8%
	Klickitat	4,400	21.1%
	Lewis	12,700	16.4%
	Mason	11,400	18.2%
	Pacific	4,000	18.6%
	Skamania	1,800	16.0%
	Wahkiakum	600	14.9%
	Regional Sum	**80,700**	**16.7%**
King	King	284,600	14.3%
	Regional Sum	**284,600**	**14.3%**
Pierce	Pierce	121,800	14.9%
	Regional Sum	**121,800**	**14.9%**
Snohomish	Snohomish	113,100	15.4%
	Regional Sum	**113,100**	**15.4%**
Puget Sound Metro	Kitsap	33,300	12.9%
	Thurston	31,500	12.1%
	Regional Sum	**64,800**	**12.5%**
Clark	Clark	66,000	15.1%
	Regional Sum	**66,000**	**15.1%**

	County	Total Projected Uninsured as of 12/31/13	Uninsured as a percentage of total county population
Region	Asotin	3,400	15.3%
	Chelan	15,900	21.2%
	Columbia	700	17.0%
	Douglas	8,700	22.0%
	Ferry	1,700	21.3%
	Garfield	400	16.0%
	Grant	23,500	25.6%
	Kittitas	8,400	20.0%
	Lincoln	1,600	14.7%
	Okanogan	10,900	25.7%
	Pend Oreille	2,100	15.4%
	Stevens	8,100	18.1%
	Walla Walla	11,900	19.6%
	Whitman	7,700	16.6%
	Regional Sum	**109,500**	**21.0%**
Spokane	Spokane	73,700	15.2%
	Regional Sum	**73,700**	**15.2%**
Yakima-TriCities	Benton	29,500	16.3%
	Franklin	18,700	23.2%
	Yakima	77,100	30.8%
	Regional Sum	**125,300**	**24.5%**
Washington State		**1,097,000**	**15.8%**

How this report was prepared

This analysis, by staff from the Office of the Insurance Commissioner, used the most recent available data (as of May 1, 2012) from several federal and state agencies and some key non-profit organizations as its primary basis. These include:

- *The U.S. Census Bureau* (2010 American Community Survey, 2010 Census, and the 2009 Small Area Health Insurance Estimates)
- *The Washington State Office of Financial Management* (2010 Washington State Population Survey, 2011 population projections to 2030)
- *The Washington State Caseload Forecast Council* (Medicaid and state health program enrollment data for 2011)
- *The Washington State Health Care Authority* (Basic Health Plan and Public Employees Benefit Board enrollment data for 2011)
- *The Washington State Office of the Insurance Commissioner* (enrollment data from the Additional Data Statements for 2010 and 2011)
- *The National Association of Insurance Commissioners* (2010 and 2011 Annual Reports from insurers, 2011 Annual Health Supplement reports)
- *The Kaiser Family Foundation* (Key Facts on Health Coverage for Low-Income Immigrants Today and Under Health Reform—February 2012)
- *PEW Hispanic Center* (Unauthorized Immigrant Population: National and State Trends, 2010)