

Importance of the Affordable Care Act in New Jersey

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(Photo: Mitsu Yasukawa/Staff Photographer)

President-elect Donald Trump has stated both publicly and on his website that on day one of his administration he will ask Congress for a full repeal of the Patient Protection and Affordable Care Act, better known as Obamacare. He offered blanket criticisms of the ACA, but his rhetorical attacks were bereft of detail and provided few specifics on any replacement plan other than saying it would be some mixture of tax credits and health savings accounts.

Throughout his campaign, Trump made many unreasonable promises on a variety of issues with little regard for the consequences that his positions would have on the American public or on the states. His statements on the Affordable Care Act were no exception.

The ACA is now providing health coverage to an additional 20 million Americans and 700,000 New Jerseyans who were previously uninsured. The health care law also provides Medicaid coverage to individuals who had had no realistic means of paying for health insurance. It also has created a system of tax credits that can be redeemed on the health care marketplace for discounted private health plans.

HEALTH: [Officials warn of problems with repealing Obamacare](https://www.nj.com/news/health/story/news/health/2017/01/09/officials-warn-problems-repealing-obamacare/96266524/) (/story/news/health/2017/01/09/officials-warn-problems-repealing-obamacare/96266524/)

EDITORIAL: [Obamacare: Repeal, replace or rethink?](https://www.nj.com/opinion/editorials/story/opinion/editorials/2017/01/07/editorial-obamacare-repeal-replace-rethink/96242280/) (/story/opinion/editorials/2017/01/07/editorial-obamacare-repeal-replace-rethink/96242280/)

AFFORDABLE CARE ACT: [What repeal of Obamacare would mean for N.J.](https://www.nj.com/news/health/story/news/health/2017/01/04/what-repeal-obamacare-would-mean-nj/96167168/) (/story/news/health/2017/01/04/what-repeal-obamacare-would-mean-nj/96167168/)

A full repeal of this landmark law would have a devastating impact on the lives of millions of Americans, including hundreds of thousands of New Jersey residents, and would have a severe consequences for the budgets of state governments across the country, especially in the Garden State. That is not to say that the law does not need to be revisited to address rising premiums and a need for more private insurance plans in the marketplace. The program should be improved, but it should not be blindly eliminated.

The budget implications in New Jersey would be extremely serious. Because the ACA significantly reduced the number of uninsured New Jerseyans, the state was able to save nearly \$350 million in Charity Care spending. Under Charity Care, New Jersey sends funds to hospitals to pay for uncompensated care that they provide to disadvantaged New Jerseyans.

A repeal of the ACA would create a situation that would force these patients to revert to obtaining routine health care services from hospital emergency rooms rather than primary-care offices and urgent-care centers. As a result, New Jersey would be forced to pour hundreds of millions back into Charity Care.

We would also imperil the benefits of the expansion of Medicaid, which Gov. Chris Christie elected to implement. This aspect of Obamacare is generating an additional \$3 billion in federal matching funds this year to provide health insurance to our most vulnerable residents in New Jersey. If Congress and the Trump administration were to repeal the expansion, approximately half a million New Jerseyans would lose coverage entirely, and the state would be responsible for paying an additional \$1 billion in Medicaid costs because of a reduction of federal matching funds for those who remain covered.

The need to spend hundreds of millions on charity care and an additional billion on Medicaid would crowd out other important spending priorities like education, addiction treatment and services for the disabled.

A full repeal of the ACA would also do away with the subsidies that many use to purchase discounted plans on the health care marketplace. Without those subsidies, many New Jerseyans who do not obtain coverage through an employer would opt not to purchase insurance at all. Only the sickest individuals who need coverage most would purchase insurance. This will leave insurance companies with an unsustainable customer base. They would have no choice but to increase premiums significantly for all plans, which could have a crippling effect on the budgets of individuals, families and businesses. As a result, we could see many New Jersey businesses move to high-deductible plans, significantly increase premium sharing, or end employee health coverage altogether.

The Affordable Care Act is an historic achievement that, while not perfect, now provides millions of people with affordable health insurance and the peace of mind that comes with it. It protects those with pre-existing conditions from being denied coverage, allows grown children to be covered by their parents' insurance until the age of 26 and prevents discriminatory rates for women. Neither President-elect Trump nor Congress has offered an alternative that

would achieve these goals, and they have not accounted for the consequences that a repeal of the ACA would have on the states and their budgets.

It is not wise to throw out the baby with the bath water. We should be discussing improvements to ACA, not scrapping it for the sake of partisan politics. I urge the president-elect and Congress to weigh carefully the potential consequences of repeal, to talk to constituents and to engage state governments before acting.

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