

Affordable Care Act has improved access to health care, but disparities persist

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Coral Gables, Fla. August 30, 2016 The Affordable Care Act (ACA) has substantially decreased the number of uninsured Americans and improved access to health care, though insurance affordability and disparities by geography, race/ethnicity, and income persist. In addition, changes brought on by the ACA will no doubt impact state and federal budgets. These are just some of the findings revealed in nearly 100 studies, dating back to 2010, pertaining to the ACA. All are pooled together in a research paper, soon to be published in *Health Services Research*, authored by professors at the University of Miami School of Business Administration and the Florida Atlantic University College of Business.

The article, based on a structured and systematic review of these studies, compiles dozens of key findings about the ACA's impact on the U.S. health care system:

Overall Health Insurance Coverage, Access, and Affordability

- In the first five years of the ACA, 11.7 million individuals purchased new plans from the marketplace, 10.8 million more now have Medicaid coverage, and 3 million [young adults](#) are on their parents' policies.
- Expanded coverage has led to better access to a physician among all income groups. Although the proportion without a regular

source of care decreased from 29.8 percent in 2013 to 26 percent in 2014, almost 40 percent of respondents still had at least one access problem.

Dependent Coverage Provision (Young Adults Less Than Age 26)

- 1-3 million uninsured young adults gained coverage under the ACA. The gains in coverage are especially pronounced for men, unmarried individuals, and nonstudents.
- Disparities persist by race, ethnicity, and income. Most studies report that gains in insurance coverage are associated with better access to health care for young adults, especially among men and college graduates.
- The amount of uncompensated care for young adults decreased as a greater proportion of health care utilization is being covered by private insurance.
- Disparities in [health care access](#) persist for different racial/ethnic and income groups. The uninsured are more likely to be young, low-income, and Hispanic.

Use of Marketplace Subsidies

- Plans purchased in the marketplace accounted for 43 percent of all individually purchased plans in 2014, and 85 percent of those enrolling in marketplace plans qualified for tax credits.
- In 2014, tax credits reduced marketplace premiums by an average of 76 percent. As incomes rise and subsidies decline, however, premiums may increase sharply, making it increasingly difficult for those at the subsidy threshold to afford health insurance.
- Due to the ACA's "family glitch," whereby a low-income

employee can't afford family coverage through his/her employer and doesn't qualify for subsidies through the exchanges, a significant number of low- to moderate-income individuals—2-4 million according to various estimates—may be denied financial assistance.

Participation and Competition in Exchanges

- Among the incumbent insurers in 2012, 10 percent participated in the marketplace in 2014. As the ACA matures, participation may increase further—25 percent more insurance companies joined the marketplace in 2015 than in 2014.
- In 2014, almost all state exchanges had multiple issuers, most included a mix of large and small companies, and more populous states usually had a wider selection of plans. Medicaid Expansion
- An estimated 3.7 million adults in non-expansion states are in the "coverage gap," with low-income blacks disproportionately affected. This means they earn too much to qualify for Medicaid, but not enough to be eligible for premium tax credits in the marketplace.

Budgetary Effects of the ACA

- Overall, studies present evidence that expanding Medicaid is financially prudent for most states. Federal contributions cover all expansion costs during the first three years, which will benefit providers and generate economic activity. State budgets may be more strained later on, when they are required to fund more of the expansion. Even so, decreases in uncompensated care are expected to offset some of spending increases associated with Medicaid expansion.
- Due to its major role in Medicaid expansion and the

establishment of health insurance exchanges, the federal government will likely end up financing a larger proportion of [health care](#) than before the ACA.

- Overall, the Congressional Budget Office (CBO) estimates that federal deficits will grow by \$137 billion from 2016 to 2025 if the ACA were repealed.

"Our paper provides the public with a non-partisan, scientific perspective on the initial impact of the Affordable Care Act," said Michael T. French, professor of health sector management and policy, and sociology at the University of Miami School of Business Administration, a co-author of the paper. "With new research studies on the ACA being published every month, another comprehensive status report will be necessary in the near future."

"The scientific research so far suggests that ACA's progress is encouraging, especially in terms of expanding [coverage](#)," said co-author Gulcin Gumus, associate professor of Management Programs - Health Administration at the Florida Atlantic University College of Business.

More information: Michael T. French et al. Key Provisions of the Patient Protection and Affordable Care Act (ACA): A Systematic Review and Presentation of Early Research Findings, *Health Services Research* (2016). [DOI: 10.1111/1475-6773.12511](https://doi.org/10.1111/1475-6773.12511)

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