

# THE AFFORDABLE CARE ACT: Who, Why, and What?

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## Who Are the Uninsured?

We recently saw the assault on the Patient Protection and Affordable Care Act [PPACA] close the federal government (costing at least \$25 billion dollars<sup>1</sup>) and almost wreck the economy by refusing to lift the debt limit. Lest we go through that again, it is important to remind ourselves about the who, why, and what of our current health care reform.

We look first at those without health care coverage. Current estimates indicate that approximately 50 million people are now without health care (and a whopping 86 million more uninsured at some point in a two-year period, including 18.6 million people in the five Gulf South states<sup>2</sup>).

Looking more closely, we can see some further details. First, using 2012 and 2013 data from the Census Bureau, the following table shows the percentages of the U.S. and Gulf South men and women aged 19 – 64 who are uninsured<sup>3</sup>:

### UNINSURED MEN AND WOMEN IN THE U.S. AND GULF SOUTH

Location	Men 19 – 64	Women 19 – 64
United States	23%	19%
Alabama	21%	18%
Florida	31%	27%
Louisiana	29%	27%
Mississippi	24%	20%
Texas	33%	30%

The lower rate of uninsured among women reflects the higher rate of coverage for children—under Medicaid or other public health insurance programs.

For another view, the table on page 5 shows the disparate impacts by race/ethnicity, including the number of non-elderly persons uninsured and the percentage of each affected group [NSD=insufficient data].

## Non-Elderly Uninsured in the U.S. and Gulf South

The table underscores the fact that significantly higher percentages of African-Americans and Hispanics are uninsured than whites in the nation and in the Gulf South states.

## Catholic Teaching on Health Care

The Catholic Church has been clear in its teaching that health care is a basic human right and that it is a function of government to assure this right in the public square. (See *Catholic Social Thought and Health Care* in this issue.) During the debate over passage of PPACA, the U.S. Catholic bishops launched a website to focus directly on health care reform and to bring together Catholic concerns about health care, social justice, protecting human life, and the rights of immigrants. On that site<sup>4</sup> and in communications to members of Congress and the administration, the bishops highlighted four essential elements for reform:

- a truly universal health policy with respect for human life and dignity;
- access for all with special concern for the poor and inclusion of legal immigrants;
- pursuing the common good and preserving pluralism including freedom of conscience and variety of options; and
- restraining costs and applying them equitably across all payers.

The site also referred readers to the comprehensive statement on health care reform approved by the full body of bishops in 1993, titled *A Framework for Comprehensive Health Care Reform: Protecting Human Life, Promoting Human Dignity, Pursuing the Common Good*.

## UNINSURED PEOPLE BY RACE IN THE U.S. AND GULF SOUTH

LOCATION	WHITE	BLACK	HISPANIC	OTHER	TOTAL
United States	21,300,500 [13%]	6,946,700 [21%]	15,319,300 [31%]	3,745,000 [16%]	47,311,500 [18%]
Alabama	365,100 [14%]	208,500 [18%]	73,100 [42%]	NSD	660,700 [16%]
Florida	1,657,200 [19%]	752,800 [29%]	1,280,400 [34%]	176,200 [23%]	3,866,700 [25%]
Louisiana	382,900 [17%]	384,300 [30%]	77,100 [41%]	NSD	866,300 [22%]
Mississippi	197,900 [14%]	227,700 [23%]	NSD	NSD	453,600 [18%]
Texas	1,509,300 [17%]	588,200 [22%]	3,794,000 [39%]	275,200 [20%]	6,166,600 [27%]

Health care advocates know that any real reform must deal with at least several key issues simultaneously: access, costs, coverage, and quality. Partial efforts of the past that did not address all these factors—employment-based health insurance, managed care, quality control, Medicare, Medicaid, S-CHIP—still left us with spiraling health care costs, emergency room primary care, denial of coverage for pre-existing conditions, limitations on insurance benefits, increasing co-payments, reduced employment-based coverage, and 1 million more people a year without coverage. Market-driven health care and our employment-based system failed to deal comprehensively with reform’s key issues.

### Coverage under PPACA

The PPACA responds to the challenge of covering the uninsured in two ways. The first expands and reforms the private insurance market by:

- ▶ Requiring that employers with 50 or more full-time employees provide employee health insurance;
- ▶ Requiring that almost every uninsured person purchase health insurance or face a tax penalty;
- ▶ Providing tax credits for individuals and families with incomes below 400 percent of the federal poverty line to make insurance purchase more affordable;
- ▶ Requiring insurers to offer basic services, including hospitalization, maternity care, and chronic disease management;

- ▶ Creating online markets (“exchanges”) for people to purchase insurance so that competition will help keep rates low;
- ▶ Preventing exclusion of people from coverage for pre-existing conditions;
- ▶ Eliminating annual or lifetime dollar limits on insurance benefits; and
- ▶ Allowing young adults to stay on their parents’ plans until age 26.

The second major coverage element of PPACA expands Medicaid to cover all people whose incomes are below 138 percent of the federal poverty line (\$15,856 for an individual or \$26,951 for a family of three in 2013). Federal funding to states for this Medicaid expansion is 100 percent for the first three years and then is reduced gradually to a floor of 90 percent by the year 2021, with states assuming the balance. Estimates are that PPACA would make 15 million adults newly eligible for Medicaid.<sup>5</sup>

The Congressional Budget Office (CBO) estimated in February 2013 that in five years 27 million Americans would be receiving health insurance through the new health insurance exchanges and 11 million Americans would be added to coverage under Medicaid and the Children’s Health Insurance Program (CHIP). The number of uninsured would decline from pre-PPACA levels by 27 million persons.<sup>6</sup>

### Problems with PPACA

Technical failures in online access to the federal insurance exchange and some state exchanges have filled the news, as have the efforts to remedy those failures. Of more concern to the Catholic Bishops’ Conference and others has been the

Administration’s inclusion of contraceptive coverage as a mandate under the 2012 HHS rule implementing PPACA<sup>7</sup>; the mandate has given rise to a major religious freedom campaign and a number of pending lawsuits by religious employers and others challenging the mandate.

Another major problem arose from the precedent-shattering decision of the U.S. Supreme Court to make the Medicaid expansion provision of PPACA a state option. Twenty-five states currently are refusing to expand the Medicaid program, denying potential coverage to 13.4 million adults, including 5.5 million in the Gulf South states.<sup>8</sup>

Others concerned about PPACA look to the failure to include many legal immigrants (barred for five years) and those who are undocumented. The CBO’s estimate of the number of uninsured non-elderly persons in the country in five years will still be 29 million persons, including various immigrants as well as others who are eligible but not enrolled.<sup>9</sup>

What is certain about the PPACA is that it takes a major step to cover tens of millions of the uninsured—those who are now served in hospital emergency rooms or who more usually go without health care. Opponents offer little more than lukewarm leftovers of failed past efforts, if even that. In implementing PPACA, health care advocates must work to ensure that proposed regulations and practices do in fact expand universality, respect for life and dignity, access for the poor and vulnerable, freedom of conscience, and cost containment.

—Endnotes on back cover

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## The Affordable Care Act: Who, Why, and What?

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### ENDNOTES

- 1 Josh Hicks, *How much did the shutdown cost the economy?* *W.Post Blog*, October 18, 2013, at [www.washingtonpost.com/blogs/federal-eye/wp/2013/10/18/how-much-did-the-shutdown-cost-the-economy/?hpid=z12](http://www.washingtonpost.com/blogs/federal-eye/wp/2013/10/18/how-much-did-the-shutdown-cost-the-economy/?hpid=z12) (accessed October 21, 2013).
- 2 Families USA, *Americans At Risk: One in Three Uninsured*, March 2009, at <http://www.familiesusa.org/assets/pdfs/americans-at-risk.pdf>
- 3 Data for this and later tables are drawn from the State Health Facts website of the Henry J. Kaiser Family Foundation at <http://kff.org/state-category/health-coverage-uninsured/> (accessed December 13, 2013), drawn from analysis by the Kaiser Commission on Medicaid and the Uninsured and the Urban Institute using figures from the Census Bureau and the March 2012 and 2013 Current Population Survey.
- 4 See website at: <http://www.usccb.org/sdwp/national/comphealth.shtml>.
- 5 Genevieve M. Kenney, Lisa Dubay, Stephan Zuckerman, and Michael Huntress, *Opting Out of the Medicaid Expansion under the ACA: How Many Uninsured Adults Would Not Be Eligible for Medicaid?*, Health Policy Center, Urban Institute, July 5, 2012, p. 1 (emphasis in original).
- 6 CBO, *Effects of the Affordable Care Act on Health Insurance Coverage—February 2013 Baseline*, February 5, 2013, at <http://www.cbo.gov/publication/43900> (accessed October 21, 2013).
- 7 See U.S. Bishops' opposition to the mandate, at <http://www.usccb.org/news/2012/12-012.cfm> (accessed October 21, 2013).
- 8 Families USA, *Infographics: A 50-State Look at Medicaid Expansion*, at <http://www.familiesusa.org/infographics/50-state-medicaid-expansion.html> (accessed October 22, 2013).
- 9 CBO, *op. cit.*

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