

Health reform politics after King v. Burwell

Reno Gazette-Journal / RGJ.COM

Wednesday, July 1, 2015

The Supreme Court's decisive 6-3 ruling in favor of the Obama Administration in *King v. Burwell* confirms what was widely understood all along during the debate around the enactment of the Affordable Care Act: the law provides subsidies for consumers in all states not just those that established their own exchanges as is the case in Nevada.

Most of those who bought insurance through the 34 federally-run marketplaces have qualified for subsidies averaging \$272 per month. Had the court ruled for the plaintiffs, over 6 million people would have lost subsidies, making coverage unaffordable for most of them. Writing for the six-justice majority, Chief Justice John Roberts wrote, "Congress passed the Affordable Care Act to improve health insurance markets, not to destroy them."

In addition to the millions of newly insured Americans who can breathe a sigh of relief, the decision upholding the heart of the law will allow the ACA's key coverage gains to continue. A new report from the National Center for Health Statistics indicates that 7.9 million fewer non-elderly adults were uninsured in 2014 than in 2013 and their uninsured rate plummeted from 20.4 percent to 16.3 percent, by far the lowest on record since 1997. That 4.1 percentage-point decline is more than four times larger than any other single-year decline.

Despite the Court's clear signal that it has settled the major legal challenges to the law, plenty of hurdles remain, including undiminished GOP zeal to impede or destroy the ACA. I dare say that the increasingly hollow rallying cry of "repeal and replace" hasn't seen its last election cycle.

A related challenge is the obstinate refusal of Republican governors and GOP-controlled legislatures in 21 states to participate in the ACA's Medicaid expansion. States that have adopted the law's Medicaid expansion have seen significant gains in coverage – at least 100 thousand uninsured have enrolled in Nevada Medicaid – not to mention substantial budget savings for state taxpayers. Another 4 million Americans would gain coverage if all states expanded their Medicaid programs to cover low-income residents.

The ACA has also helped resuscitate struggling hospitals and safety-net providers by improving operating revenue and slowing the growth of discounted care and bad debt from uninsured patients. USA Today reports that hospitals currently face an average of \$900 a year in costs for every uninsured person – costs that stand to be reduced by coverage gains through the exchanges and expansion of Medicaid eligibility.

According to the National Rural Health Association, 53 rural hospitals in the US have closed since 2010. It is no coincidence that the majority of these closures are concentrated in states whose governors have decided not to participate in the ACA's Medicaid expansion. It is also no coincidence that hospital stocks rallied on news of the court's decision.

Having now survived two Supreme Court challenges, the future of Obamacare will now largely be decided through the political process and Congress, not the courts, which is just as it should be. The time has long since passed for policymakers to devote their energy to reform's implementation and the unfinished business of ensuring affordable coverage to all Americans.

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