

## Repeal without Replace: What's at Stake for Arizona?

Congressional leadership has announced they will use a process known as budget reconciliation to dismantle much of the Affordable Care Act (ACA) as early as January. They have indicated the reconciliation will be similar to one they crafted in 2015, which would essentially end funding for people in the ACA marketplace and cut federal dollars to states like Arizona for Medicaid expansion.

Repealing the ACA with a delayed effective date and no replacement plan will have wide-spread effects on Arizona's children, seniors, and people with disabilities and will threaten our state economy.

### Billions of dollars out of Arizona's economy

Arizona's healthcare leaders estimate that repeal of the ACA will cause us to **lose \$3.2 billion in federal funds annually and cost the state budget \$328 million.**<sup>1</sup> There will be an additional loss of \$877 million in ACA marketplace spending in 2019.<sup>2</sup>

This will have a negative ripple effect on healthcare employment and threaten jobs in industries such as construction, retail, real estate, and waste management.<sup>3</sup> **Healthcare makes up almost 20 percent of Arizona's economy and is growing jobs faster than any other sector.**<sup>4</sup> An ACA repeal will impact healthcare providers such as Banner Health, Arizona's largest employer. Furthermore, **the vast majority of those who will lose coverage (82%) belong to working families.**<sup>5</sup>

Even with a delayed effective date, **harmful effects will be felt immediately as insurance markets become extremely unstable.** Instability will be caused by the pending loss of financial assistance to consumers, the elimination of the requirement to purchase insurance (known as the individual mandate) and the requirement to sell insurance to all regardless of preexisting conditions.<sup>6</sup>

### Impact to Arizona's children, seniors, and people with disabilities

**Under an ACA repeal 709,000 Arizonans stand to lose their health insurance.**<sup>7</sup> Studies show that children who have access to Medicaid (AHCCCS and KidsCare) do better in school, are more likely to graduate, and become more financially independent adults.<sup>8</sup> Families raising children with special healthcare needs particularly depend on affordable, quality health coverage for financial security and critical treatments.

**In Arizona, an ACA repeal means 279,000 children lose health coverage.** Children will further be impacted because 151,00 of the adults losing coverage are parents.<sup>8</sup> Arizona has one of the highest percentages of children enrolled in the ACA marketplace in the nation.<sup>9</sup> Furthermore, the recently re-opened **KidsCare is affordable health insurance especially designed for children in working families and is in jeopardy of elimination with an ACA repeal.**

*"Medicaid expansion has extended health coverage to lower-income Arizonans who hold down jobs that are the backbone of the state's economy – from fast food workers to home care attendants to construction workers to cashiers. Repeal would leave these hard working Arizonans out in the cold."*

-Families USA

**The loss of behavioral health coverage for thousands of families would have a negative impact on child safety.** Families at risk of abuse and neglect would lose coverage for evidence-based services that help keep children out of the foster care system. Additionally, parents would lose coverage for substance abuse treatment and families would not have behavioral health coverage for counseling and other services to keep them strong and healthy after reunification.

**Not having health coverage often causes families to delay necessary medical treatments until a health crisis forces them to seek treatment in the emergency room.** Emergency room departments will once again be overburdened with uninsured people requiring complex and costly treatments for conditions that could have been prevented early on.

The ACA has also helped close what is known as the prescription drug “donut hole” for seniors and people with disabilities. In 2015 alone, **approximately 97,000 seniors and people with disabilities in Arizona saved an average of \$966 each on drug costs, totaling over \$93 million.**<sup>10</sup> Under a repeal, seniors and people with disabilities will face high out of pocket costs for needed medications once again.

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## Sources

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