

# Over 3,000 yearly deaths in Pennsylvania expected from repeal of Obamacare

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A report by the Pennsylvania Budget and Policy Center (PBPC) details the deadly effects of wholly repealing the Affordable Care Act (Obamacare) on workers and the poor in Pennsylvania.

Although Obamacare is a regressive law based on the capitalist market—whose purpose has been to reduce costs for businesses, boost profits for the drug and insurance industries and ration health care for workers—the law’s Medicaid expansion provided a portion of the population with access to health care.

In Pennsylvania, about 685,000 people received health care via the Medicaid expansion when Democratic Governor Tom Wolf took office. If repealed, 585,000 people would be booted off Medicaid and either forced to forgo insurance altogether or purchase insurance through an employer or the government-run marketplace, thus placing a financial burden on the person or persons. A small group would be insured through the General Assistance program, Medical Assistance for Workers with Disabilities program, and Medically Needy Only.

The second largest group of Pennsylvanians who acquired insurance were those who purchased health care on the government-run, for-profit marketplace. In the first three months of 2016, approximately 412,347 people bought overpriced private insurance in the marketplace, 321,345 of whom received a tax credit averaging \$248 a month and/or cost-sharing reductions that capped out-of-pocket costs. Those who obtained tax credits would lose this benefit and perhaps their insurance. The 91,000 people who didn’t qualify for the subsidy would still have a harder time gaining coverage.

All in all, the report predicts that more than 1.1 million people would lose health insurance and, consequently, 3,425 premature deaths would happen

each year.

Marc Stier, director of the Pennsylvania Budget and Policy Center and author of the report, explained in a statement following the release of the Congressional Budget Office (CBO) scoring for the proposed House Republican replacement for the ACA, the American Health Care Act (AHCA):

“The most disturbing information in the new report is the prediction that 24 million Americans will lose health insurance by 2026. That high number reinforces our tentative estimate that at least 1.1 million Pennsylvanians, and probably more, will lose health care coverage when the AHCA goes fully into effect. It also lends support to our view that 4,000 Pennsylvanians will die prematurely because a lack of insurance will make it impossible for them to get the health care they need.”

Speaking with the *World Socialist Web Site*, Stier emphasized the impact that the new bill will have on health care. “We are still doing work on the numbers,” he said. “Our first estimate is that at least 1 million people will lose health insurance within 10 years.

“In effect Medicaid is being wiped out as an entitlement program. In the past, the federal government paid 50 percent of a state’s Medicaid costs. If there was a recession, and more people qualified for the program, the federal government would pick up half the cost.”

Under the proposed rules, federal funding will be capped on a per-capita basis, based on 2016 costs, increased according to the Consumer Price Index of health care expenses. “The problem with that,” Stier said, “is that costs for Medicaid increase a lot faster than the general costs of health care. Also, if there is a major outbreak of a new disease or a new procedure developed, those costs will not be reimbursed to the

state.

“We don’t know how the state will respond, but this will be the loss of billions of dollars a year which will surely lead to people being cut off or denied services.”

Workers who get benefits through their employer will also see their benefits cut, Stier said. “Cuts to subsidies to employer-based health care will lead to the loss of insurance for another 250,000 to 300,000 people.”

In a section titled “How Many Will Die Prematurely?” the PBPC report uses a study comparing mortality rates in states that expanded Medicaid and those that did not. That study found that states that did not expand Medicaid had a higher death rate by 19.6 for every 100,000 people. Applying those percentages to Pennsylvania would mean that roughly 3,525 people would die each year due to lack of insurance.

The PBPC report notes that this figure is likely low, as the study was for a single year and couldn’t take into account the effect of not having health insurance over many years.

In addition to the loss of health care, a sizable portion of workers would be left without a job. It is estimated that 137,000 jobs would be eradicated from all parts of the economy, not just the health care sector, and 97 percent would be in the private sector.

Across the nation, the Milken Institute School of Public Health has reported that outright repeal of the ACA would reduce federal spending by \$807 billion over a five-year period, 2019-2023. As a result, nationwide job losses in 2019 alone would be 2.6 million and gross state products could fall by \$1.5 trillion over five years.

Pennsylvania children would adversely be affected. The axing of only the Medicaid expansion and subsidies would more than double the number of children uninsured, from 95,000 to 202,000, or from 3.4 percent to 7.2 percent. Total repeal would increase the number of uninsured children to 546,000, or 19.4 percent. The report notes that current research has demonstrated the positive benefits for children who are insured: better health, more success in school, and higher life-time earnings.

Moreover, the state government would experience severe financial problems. The gross state product would shrink by \$76.5 billion and a corresponding tax reduction at the state and local level of \$2.4 billion. The state’s general fund revenues would be reduced by \$1.5

billion during a five-year period. Adding more to the financial burden is the fact that all of this “pales in comparison to the additional expenditures that the state will be required to make if the ACA is repealed,” estimated at \$1.1 billion per year added to the state’s structural deficit.

The state government is currently encountering staggering levels of debt. Per a mid-fiscal year budget report, the 2016/17 budget had a \$600 million gap, while the state has a structural deficit of \$1.7 billion. The Independent Fiscal Office has stated that Pennsylvania will be afflicted with a \$3 billion yearly budget deficit if it doesn’t reduce or eliminate costs arising from pensions, human services and Medicaid expansion.

Democrat Governor Tom Wolf has disclosed his austerity budget proposal for the next fiscal year, which attacks state workers and teachers, education, and social programs. Former governor Tom Corbett, a Republican, made it more difficult for the poor to obtain health insurance; at one point 89,000 children had been purged from Medicaid, some with life-threatening illnesses.



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