

The Republican Threat to Health Insurance in Pennsylvania

What Medicaid and the Affordable Care Act Mean to Pennsylvania

Medicaid serves more than **3 million Pennsylvanians, including 2 million adults, 1.4 million children, and 400,000 older adults.**

The Medicaid expansion, under the Affordable Care Act (ACA), currently insures 750,000 Pennsylvanians.

Since it was instituted **in 2015, more than 2.5 million** Pennsylvanians have secured insurance through the Medicaid expansion.

On average, people are on Medicaid for two to three years. Many go on it when they have difficulties—they lose a job or have to leave work to take care of children or an elderly relative. Sometimes they go on Medicaid when they have opportunities—a large number of graduate, law, and medical students are on Medicaid.

Pennie, the Pennsylvania ACA Exchange, insures 496,691 Pennsylvanians this year. This is an **increase of 137,160 or 38% since 2021**. The increase is the result of expanded premium tax credits instituted during the pandemic.

The expansion of premium tax credits made two major improvements to the ACA exchanges. **It reduced the share of income that families have to pay for health insurance on the exchange by about half** for those with incomes at 400% of the federal poverty line (FPL) or below. Families with less than 150% of the FPL pay zero. And for the first time, it allowed families with incomes **above 400%** of the federal poverty line to receive tax credits. This limited the **share of income they had to pay for health insurance to 8.5%**.

Since the expansion of Medicaid, the share of Pennsylvanians without health insurance has dropped significantly, falling from 9.7% in 2013 to 5.4% in 2023.



What Medicaid Cuts Will Mean to Pennsylvania

The One Big Beautiful Bill Act (OBBBA) will make deep cuts to Medicaid coverage, mostly by instituting unnecessary and burdensome work reporting requirements and frequent redetermination of eligibility. The requirements are unnecessary because almost all people on Medicaid either work or are disabled, are taking care of children or elderly relatives, or are in school. But the red tape created by those requirements will make it increasingly difficult for those who are eligible for Medicaid to get the coverage they deserve.

Our best estimate is that the **OBBBA will lead to between 375,000 and 576,000 people losing Medicaid in Pennsylvania**, depending on how aggressive the state is at making it easier for people to report on their work and sign up for Medicaid. (But a more aggressive approach would be very costly for the state, which has limited funds for this purpose.)

What the Failure to Extend Expanded Premium Tax Credits Will Mean to Pennsylvania

We estimate that as many as 270,000 people in our state will lose the health insurance they currently secure on Pennie.

Why? Because the cost of **health insurance premiums will skyrocket**, making it unaffordable for more than half the people who receive it now. According to Pennie, premiums will increase by **an average of 102% for all enrollees, with many paying double, triple, or even quadruple as much per month.**

Average Increase in Monthly Premium by County

