



## What's at Stake

### How the U.S. Supreme Court Could Force More Tennesseans to Go Without Health Coverage

February 4, 2015

On March 4, 2015, the U.S. Supreme Court will hear *King v. Burwell*, a lawsuit that seeks to strip premium tax credits from people who live in states with a federal insurance marketplace under the Affordable Care Act, or ACA. Repealing this pillar of the law, which helps make health coverage more affordable for consumers, would have severe consequences.

The stakes could not be higher. The sudden elimination of a key component of the ACA would cause substantial disruptions to the U.S. health care system. Moreover, it would take away health insurance coverage from more than 8 million Americans and cause premiums to spike for millions more. In Tennessee alone, more than 300,000 people would lose an average of \$2,450 in tax credits and cost-sharing reductions, with many of these people losing their insurance entirely.<sup>1</sup> All told, more than 200,000 Tennesseans would become uninsured.<sup>2</sup>

This court decision has the potential to upend the health care system at the same time that the Affordable Care Act is working. In Tennessee alone, nearly 200,000 people<sup>3</sup> have coverage through its federal marketplace, and 83 percent of those enrollees have received financial assistance.<sup>4</sup>

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Repealing tax credits would cause widespread turmoil in the health care system

If the U.S. Supreme Court were to rule in favor of the plaintiffs in the *King v. Burwell* case:

- **More than 200,000 Tennesseans would lose their insurance.** According to the Urban Institute, 230,000 Tennesseans would be unable to afford their health insurance coverage and would become uninsured if the U.S. Supreme Court repeals the tax credits available under the Affordable Care Act in the federal marketplaces.<sup>5</sup>



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- **Overall, more than 300,000 Tennesseans would lose an average of \$2,450 in tax credits and cost-sharing reductions.** According to the Urban Institute, 320,000 people would lose an average of \$2,450 in tax credits and cost-sharing reductions—a total of \$783 million—if the U.S. Supreme Court rules in favor of the plaintiffs.<sup>6</sup>

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## The Affordable Care Act is working: Tax credits help lower the cost of premiums for Tennesseans

- **Nearly 200,000 Tennesseans have selected a marketplace plan.** As of January 16, 2015, 184,486 Tennesseans have selected a marketplace plan.<sup>7</sup>
- **Eighty-three percent of Tennesseans who selected a marketplace plan received financial assistance.** As of January 2015, 83 percent of Tennesseans who selected a plan in the federal marketplace received financial assistance to help lower the cost of their health coverage.<sup>8</sup>
- **The uninsured rate in Tennessee dropped 2.4 percentage points from 2013 to 2014.** From the beginning of 2013 to mid-2014, the uninsured rate in Tennessee dropped 2.4 percentage points, from 16.8 percent to 14.4 percent.<sup>9</sup>

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## Endnotes

1 Linda J. Blumberg, Matthew Buettgens, and John Holahan, "The Implications of a Supreme Court Finding for the Plaintiff in King vs. Burwell" (Washington: Urban Institute, 2015), available at <http://www.urban.org/UploadedPDF/2000062-The-Implications-King-vs-Burwell.pdf>.

2 Ibid.

3 U.S. Department of Health and Human Services, "Open Enrollment Week 9: January 10, 2015 – January 16, 2015," January 21, 2015, available at <http://www.hhs.gov/health-care/facts/blog/2015/01/open-enrollment-week-nine.html>.

4 Office of the Assistant Secretary for Planning and Evaluation, "Health Insurance Marketplace 2015 Open Enrollment Period: January Enrollment Report" (U.S. Department of Health and Human Services, 2015), available at [http://aspe.hhs.gov/health/reports/2015/marketplaceenrollment/jan2015/ib\\_2015jan\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2015/marketplaceenrollment/jan2015/ib_2015jan_enrollment.pdf).

5 Blumberg, Buettgens, and Holahan, "The Implications of a Supreme Court Finding for the Plaintiff in King vs. Burwell."

6 Ibid.

7 U.S. Department of Health and Human Services, "Open Enrollment Week 9: January 10, 2015 – January 16, 2015."

8 Office of the Assistant Secretary for Planning and Evaluation, "Health Insurance Marketplace 2015 Open Enrollment Period: January Enrollment Report."

9 Dan Witters, "Arkansas, Kentucky Report Sharpest Drops in Uninsured Rate," Gallup, August 5, 2014, available at <http://www.gallup.com/poll/174290/arkansas-kentucky-report-sharpest-drops-uninsured-rate.aspx>.