



What's at Stake

How the U.S. Supreme Court Could Force More Texans 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 Texas alone, more than 1.5 million people would lose an average of \$2,780 in tax credits and cost-sharing reductions, with many of these people losing their insurance entirely.¹ All told, nearly 1.5 million Texans would become uninsured.²

This court decision has the potential to upend the health care system at the same time that the Affordable Care Act is working. In Texas alone, nearly 1 million people³ have coverage through its federal marketplace, and 86 percent of those enrollees have received financial assistance.⁴

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:

- **Nearly 1.5 million Texans would lose their insurance.** According to the Urban Institute, 1,441,000 Texans 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.⁵



1,441,000

Texans would lose coverage



More than 1.5 million
Texans would lose
an average of

\$2,780

in tax credits and
cost-sharing reductions

- **Overall, more than 1.5 million Texans would lose an average of \$2,780 in tax credits and cost-sharing reductions.** According to the Urban Institute, 1,566,000 people would lose an average of \$2,780 in tax credits and cost-sharing reductions—a total of \$4.4 billion—if the U.S. Supreme Court rules in favor of the plaintiffs.⁶

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

- **Nearly 1 million Texans have selected a marketplace plan.** As of January 16, 2015, 918,890 Texans have selected a marketplace plan.⁷
- **Eighty-six percent of Texans who selected a marketplace plan received financial assistance.** As of January 2015, 86 percent of Texans who selected a plan in the federal marketplace received financial assistance to help lower the cost of their health coverage.⁸
- **The uninsured rate in Texas dropped 3 percentage points from 2013 to 2014.** From the beginning of 2013 to mid-2014, the uninsured rate in Texas dropped 3 percentage points, from 27 percent to 24 percent.⁹

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.

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>.