ACA Repeal Economic Impact on Chicago

Preliminary Economic Impact of Affordable Care Act Repeal on Chicago

If Congress repeals health coverage for over 1 million Illinoisans under the Affordable Care Act (ACA) and does not replace it, preliminary estimates are that, statewide, Illinois would sustain a potential loss of $11.6 billion to $13.1 billion in annual economic activity which translates to a potential loss of 84,000 to 95,000 jobs.

In addition, Illinois hospitals have already experienced over $1 billion in Medicare payment cuts to help pay for ACA coverage. For 2016-2025, these hospital cuts will approximate another $10 billion.

Position

- Illinois hospitals strongly support ensuring continued access to healthcare coverage.
- Any repeal of ACA coverage should not take effect until the replacement plan takes effect.
- If Congress does not make repeal of coverage contingent on adoption of a replacement plan, then Congress should also repeal the hospital payment cuts that help pay for ACA coverage.

City of Chicago – Estimated Economic Impact

Congressional Districts 1, 4, 5 and 7

- $892 million in lost spending for coverage of Medicaid ACA population
- $450 million in lost spending for coverage of Marketplace ACA population
- $3.23 billion in lost economic impact with indirect ripple effect
- 23,300 jobs lost
- $348 million in hospital Medicare payment cuts incurred 2010-15
- $965 million in additional hospital Medicare payment cuts 2016-20
- $3.77 billion in total hospital Medicare payment cuts 2010-25

City of Chicago – Estimated Enrollment Data

Congressional Districts 1, 4, 5, and 7

- 179,000 Medicaid expansion enrollees
- 825,000 total Medicaid enrollees
- 102,000 ACA Marketplace enrollees

Sources:

- Illinois Department of Healthcare and Family Services (HFS) Medicaid ACA Enrollment by Congressional District, June 2016. Note: HFS classified some enrollees as unknown so these enrollees are not included in any congressional district.
- HFS CY2016 MCO Rate Certification for ACA population, July 2016.
- U.S. Department of Health and Human Services (HHS) Assistant Secretary for Planning and Evaluation (ASPE) Plan Selections in Health Insurance Marketplace, March 2016. Mapping by zip codes results in some zip codes allocated to multiple congressional districts.
- IHA estimate of percentage of Marketplace beneficiaries who would obtain alternate coverage.

Economic impact estimates are based on Regional Input-Output Modeling System II (RIMS II), U.S. Bureau of Economic Analysis (BEA). The Final Demand Multipliers, obtained from BEA RIMS-II, were applied to estimated cost of Medicaid and Marketplace coverage to obtain the total economic impact, including “ripple effect,” of jobs and spending at risk throughout the state.

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