



What's at Stake

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

June 18, 2015

Before the end of June, the U.S. Supreme Court will rule on *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 155,000 people would lose an average of \$2,616 in tax credits, with many of these people losing their insurance entirely.¹ All told, more than 200,000 Tennesseans 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 Tennessee alone, more than 180,000 people³ have coverage through its federal marketplace, and 85 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:

- **About 230,000 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.⁵



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- **Overall, more than 155,000 Tennesseans would lose an average of \$2,616 in tax credits.** According to the Centers for Medicare and Medicaid Services, 155,753 people would lose an average of \$2,616 in tax credits if the U.S. Supreme Court rules in favor of the plaintiffs.⁶
- **On average, insurance premiums would increase more than 220 percent in Tennessee.** According to the Kaiser Family Foundation, the average subsidized enrollee in Tennessee would face a premium increase of 222 percent.⁷ This estimate does not take into account the significant premium increases expected in 2016 and beyond if the elimination of premium tax credits causes healthy enrollees to drop coverage.

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

- **More than 180,000 Tennesseans have selected a marketplace plan.** As of March 31, 2015, there were 182,893 Tennesseans with effectuated enrollment—meaning they have an active marketplace plan and have paid for their coverage.⁸
- **Eighty-five percent of Tennesseans enrolled in the federal marketplace received financial assistance.** As of March 2015, 85.2 percent of Tennesseans enrolled in the federal marketplace received financial assistance to help lower the cost of their health coverage.⁹
- **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.¹⁰

Endnotes

1 Centers for Medicare and Medicaid Services, "March 31, 2015 Effectuated Enrollment Snapshot," Press release, June 2, 2015, available at <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-06-02.html>.

2 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>.

3 Centers for Medicare and Medicaid Services, "March 31, 2015 Effectuated Enrollment Snapshot."

4 Ibid.

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

6 Centers for Medicare and Medicaid Services, "March 31, 2015 Effectuated Enrollment Snapshot."

7 Kaiser Family Foundation, "State-by-State Effects of a Ruling for the Challengers in King v. Burwell," June 2015, available at <http://kff.org/interactive/king-v-burwell-effects/>.

8 Centers for Medicare and Medicaid Services, "March 31, 2015 Effectuated Enrollment Snapshot."

9 Ibid.

10 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>.