What would a world without Obamacare look like?

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What would the healthcare landscape in the United States look like if the Supreme Court actually invalidated Obamacare?

A few days after the November election, the Supreme Court will hear *California v. Texas*. In that case, the plaintiffs contend that Obamacare's individual mandate, the requirement that people purchase health coverage or pay a penalty, is unconstitutional. They further contend that Congress effectively removed the mandate when it set the penalty to $0 in 2017. Since the mandate was a core part of Obamacare, the entire law is now invalid.

That we will see what the country looks like without Obamacare appears unlikely as the odds of the Supreme Court actually invalidating the entire law seem low. For example, Justice Brett Kavanaugh, one of President Trump's appointees, has been willing to rule certain parts of a law unconstitutional while preserving other parts. That said, it is not out of the realm of possibility.

To gauge what might happen if Obamacare was thrown out, the *Washington Examiner* asked two healthcare policy experts with almost diametrically opposed views on Obamacare for their opinions.

"Millions of people would lose coverage through the Medicaid expansions, the exchanges, and the coverage of adult children through their parents' policies," said Timothy Jost, a law professor at the Washington and Lee University School of Law and an author at the Commonwealth Fund, a liberal healthcare policy institute.

"It is a real issue, but it is overblown," replied Michael Cannon, director of health policy studies at the Cato Institute.

The Kaiser Family Foundation estimates that at least 12 million people gained coverage under Obamacare's Medicaid expansion. KFF also notes that as of early 2019, 10.6 million people were enrolled for private coverage in the Obamacare exchanges, in which individuals and families purchase coverage directly instead of through an employer. About 9.3 million of those received federal subsidies to pay for their premiums. Obamacare also permitted young adults to remain on their parents' insurance policy until they turn 26. There does not appear to be a precise number of how many more people gained coverage due to that provision. Nevertheless, all of that would be at risk if the Supreme Court found the entirety of Obamacare to be unconstitutional.

If that were to happen, the timing could be particularly bad.

"In the midst of the COVID epidemic, where more people have been signing up for Medicaid because they've lost their jobs, to take that away would be devastating," Jost said.

The Urban Institute estimates that 20 million people would lose coverage if the Supreme Court threw out Obamacare. But Cannon is skeptical.

"No one is taking seriously the task of figuring out how many people would lose coverage," Cannon said. "They are just throwing out big numbers to scare you."

He noted that people with coverage from the exchanges would not lose it right away. Private insurers enter into a contract with those they cover, and those contracts spell out the length of coverage.

Cannon further explained that states that expanded Medicaid wrote those expansions into law. Unless the state also included in the law a "kill switch" that would eliminate the expansion if Obamacare was overturned by the Supreme Court, residents in those states would still be eligible for Medicaid. The primary changes states would face is that they would no longer receive matching funds from the federal government at rates of 90%.

Cannon thinks that would be an improvement.

"States would have to take more responsibility for paying for their Medicaid programs," he said. "Since states have to balance their budgets, we wouldn't be pushing those costs off on future generations the way we do by paying for Medicaid with federal debt."

Jost agreed that state governments would have to pay for the Medicaid expansions, but he doubts that they would.

"States would have to set up their own programs to take care of those people, which would be very unattractive to many states that have financial burdens from COVID," he said. "I think it would effectively eliminate the Medicaid expansion."

Cannon said that one of the biggest benefits of eliminating Obamacare would be lower premiums for individuals and families getting insurance through the exchanges.

"Health insurance on the exchanges would become more affordable," Cannon said. "If Obamacare went away, people could choose the health insurance they want, and many more people would be able to afford insurance without subsidies."

Cannon stated that Obamacare's regulations, such as community rating, preexisting condition requirements, and benefit mandates, drive up the cost of coverage.

Research from the Department of Health and Human Services found that premiums in states that used the federal exchanges more than doubled from 2013 to 2017. In the last year, though, premiums have dropped slightly.

Jost replied that the premium savings would not be evenly shared.

"Health insurance would be more affordable for young and healthy people," he said. "It would be far more expensive or unavailable for people with preexisting conditions or were older."