

The Washington Post

The truth about ACA subsidies

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The Oct. 14 front-page headline “Move to halt ACA subsidies rattles insurance market” described the payments President Trump ended as being part of the Affordable Care Act. That accepts the disputed premise that the ACA provides for those payments to insurance companies. A federal court ruled that the ACA does not fund those payments, that continued payment of those subsidies is unlawful and unconstitutional, and that the payments must stop.

Second, while on the surface it may appear those payments to insurers “help millions of lower-income Americans afford coverage,” that is inaccurate. Eliminating the payments to insurers neither reduces the coverage the ACA promises lower-income Americans nor increases the amount lower-income Americans must pay for that coverage. The effect will be to increase how much high-income earners pay for ACA coverage and perhaps to increase federal spending, as described in the accompanying news article, “Subsidies’ end may not pinch where you’d think.”

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