

Exhibit ES-1. Comparison of the Affordable Care Act and Governor Romney's Plan: Goals and Provisions

	Affordable Care Act	Romney
Aims to cover all Americans	X	
State health insurance exchanges	X	
Tax credits or tax advantages for private insurance premiums	X	X
Expanded eligibility for Medicaid	X	
Consumer insurance protections	X	X
New Medicare benefits	X	
Individual requirement to have health insurance	X	
Cost containment	X	X
Incentives for quality improvement	X	X

Sources: Commonwealth Fund Health Reform Resource Center, available at <http://www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx>; and Governor Mitt Romney's plan, available at <http://www.mittromney.com/>.

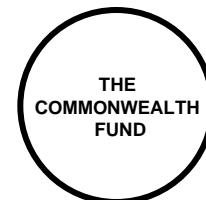
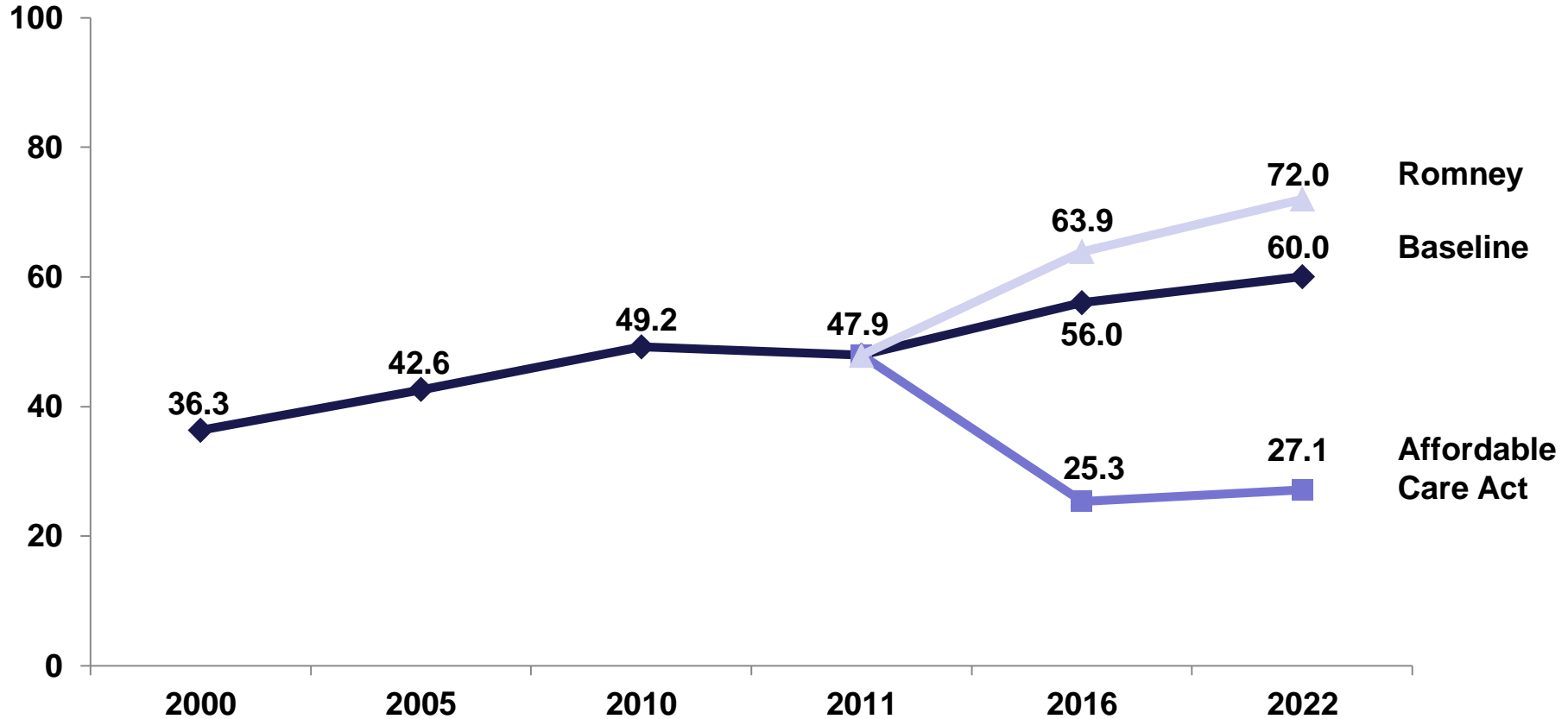


Exhibit ES-2. Numbers of Uninsured Under the Affordable Care Act and Governor Romney's Plan

Millions of uninsured, ages 0–64



Notes: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans.

Sources: *Income, Poverty, and Health Insurance Coverage in the United States: 2011*, U.S. Census Bureau, Sept. 2012; estimates by Jonathan Gruber and Sean Sall of MIT using the Gruber Microsimulation Model for The Commonwealth Fund.

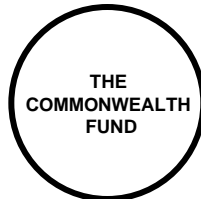
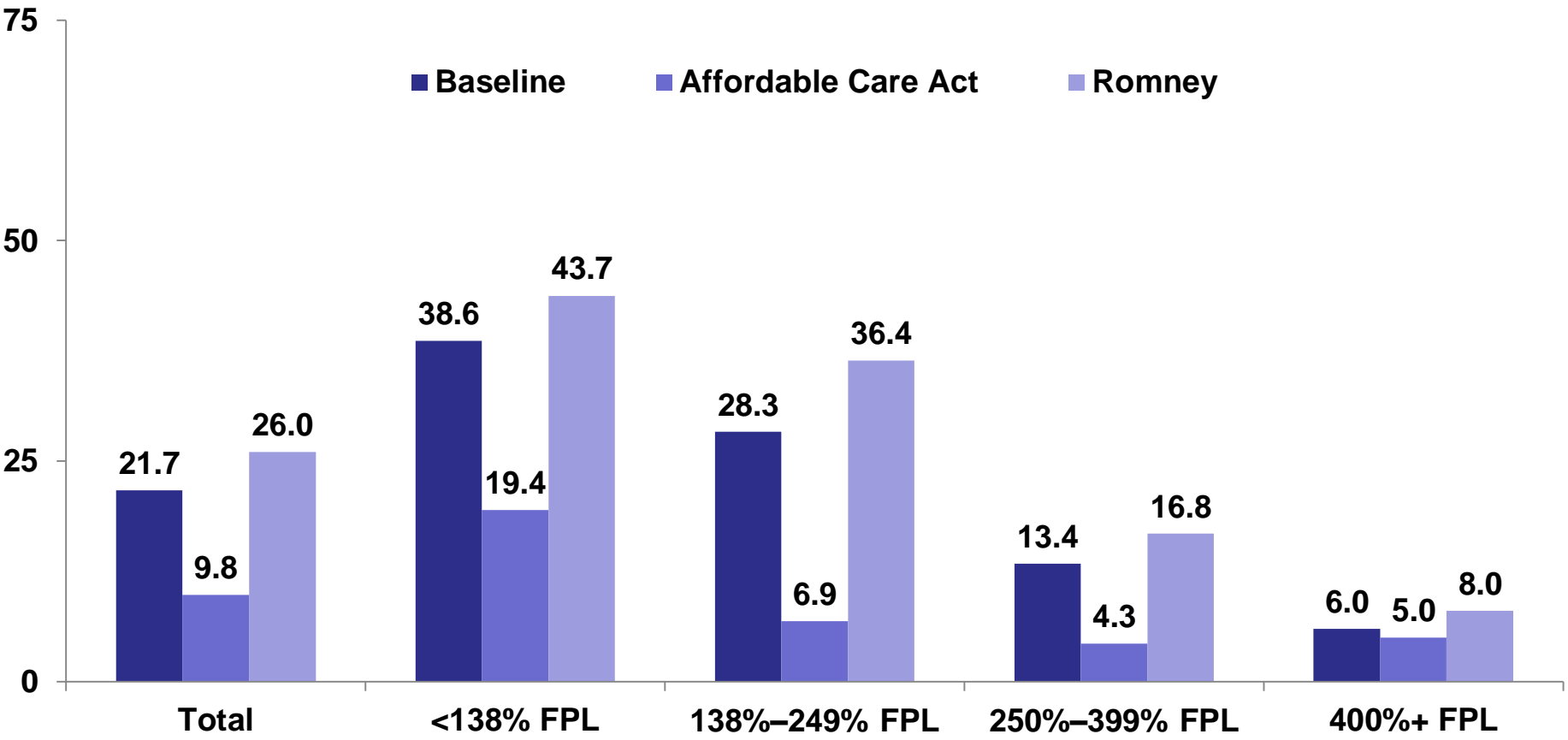


Exhibit ES-3. Percent of Population Uninsured Under the Affordable Care Act and Governor Romney's Plan Compared with Baseline by Poverty, 2022

Percent of nonelderly poverty group uninsured in 2022



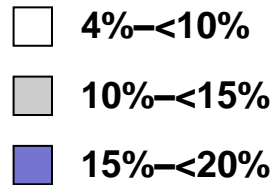
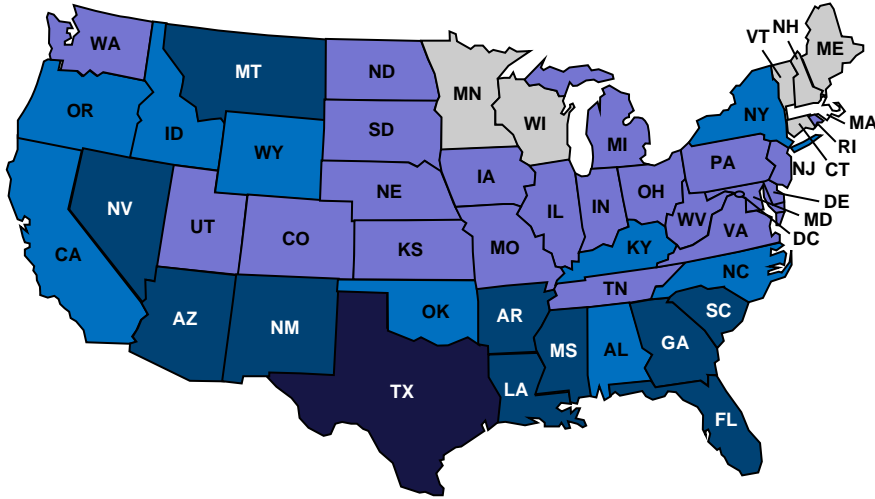
Note: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans. FPL refers to federal poverty level.

Source: Estimates by Jonathan Gruber and Sean Sall of MIT using the Gruber Microsimulation Model for The Commonwealth Fund.

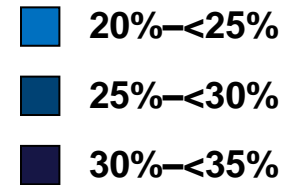
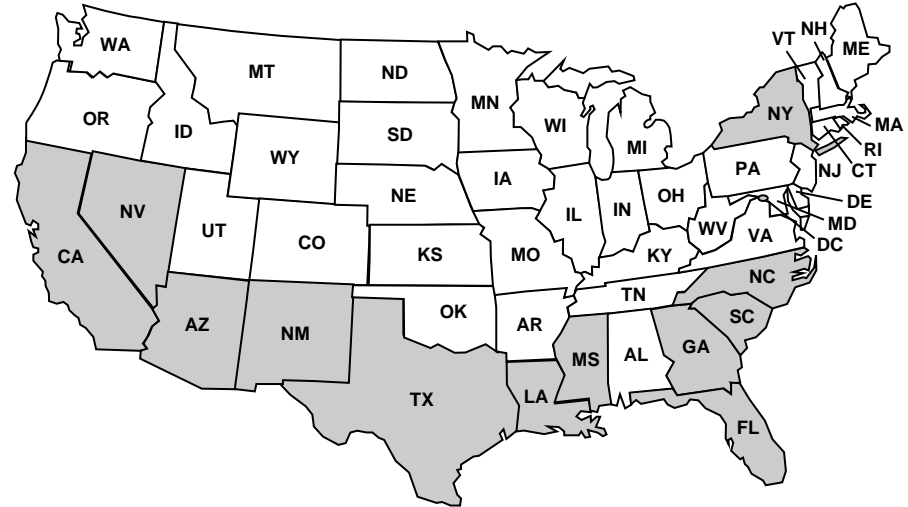


Exhibit ES-4. Uninsured Nonelderly Under Baseline and the Affordable Care Act in 2022, by State

Baseline



Affordable Care Act



22% of nonelderly uninsured

10% of nonelderly uninsured

Note: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans.

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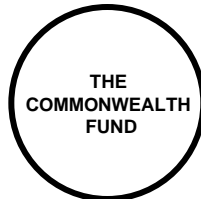
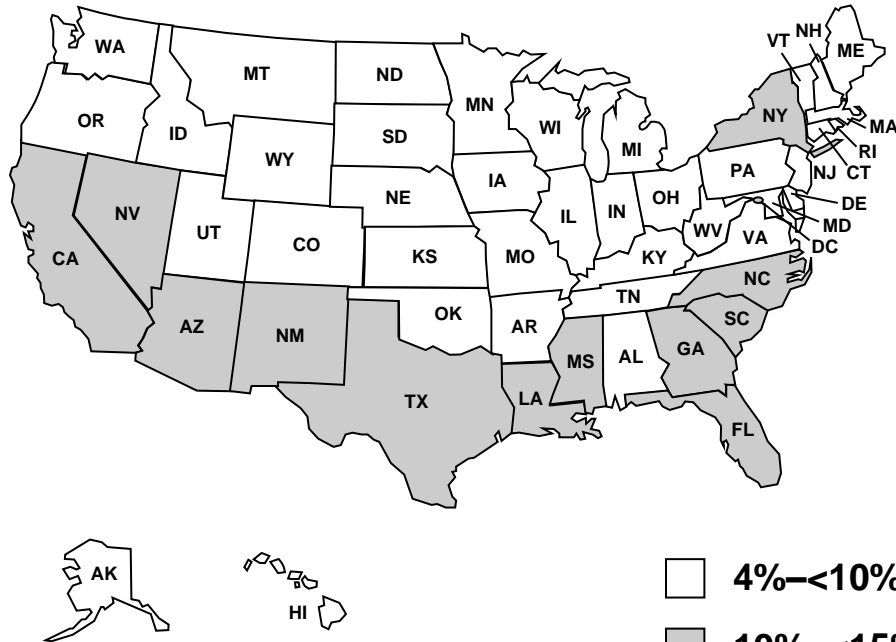
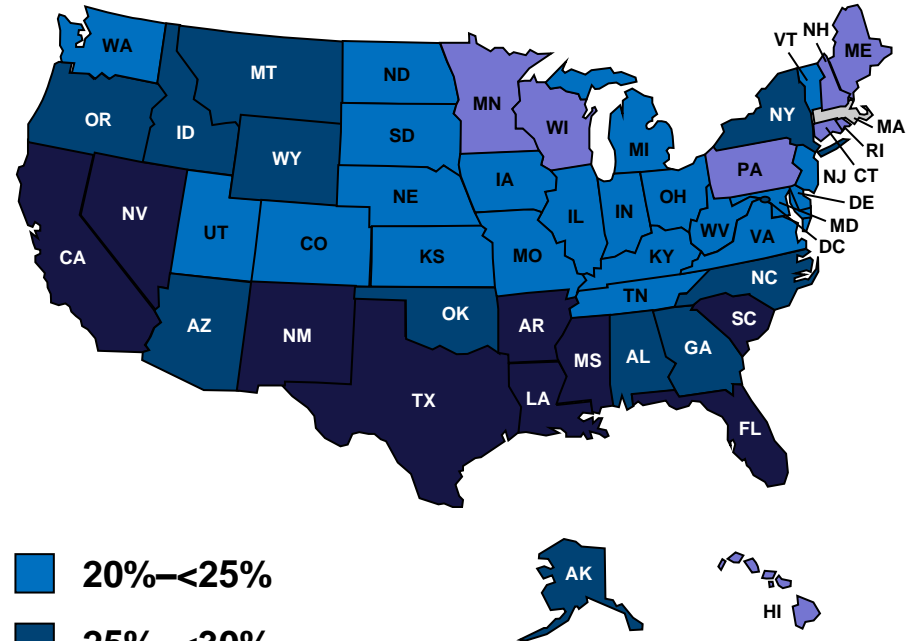


Exhibit ES-5. Uninsured Nonelderly Under the Affordable Care Act and Governor Romney's Plan in 2022, by State

Affordable Care Act



Romney



10% of nonelderly uninsured

26% of nonelderly uninsured

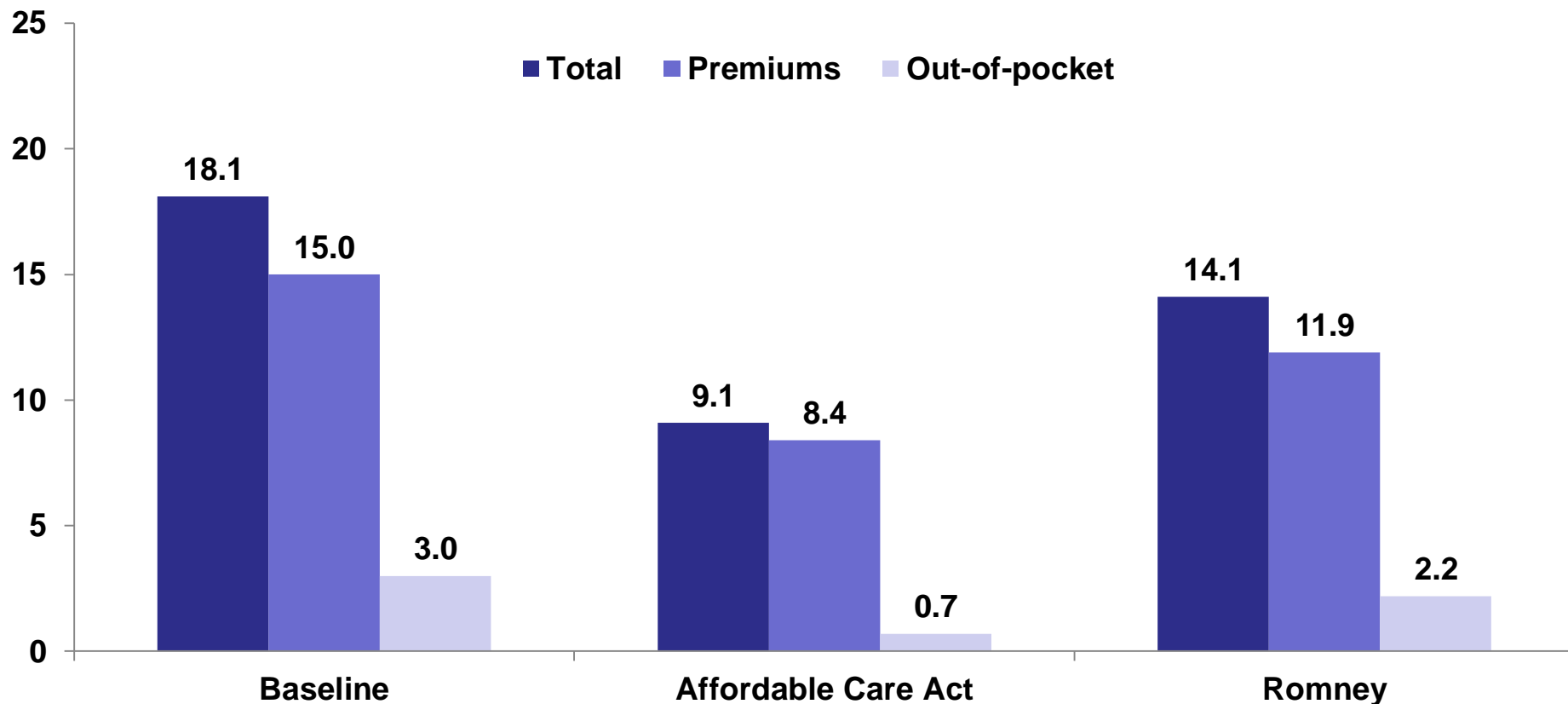
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Source: Estimates by Jonathan Gruber and Sean Sall of MIT using the Gruber Microsimulation Model for The Commonwealth Fund.



Exhibit ES-6. Average Percent of Income Spent on Health Care in the Nongroup Market Under the Affordable Care Act and Governor Romney's Plan Compared with Baseline, 2016

Average percent of income nonelderly spent on health care in nongroup market



Note: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans.

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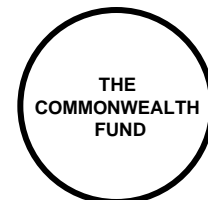


Exhibit ES-7. Estimated Budgetary Effects of Repealing the Affordable Care Act, 2013–2022

Dollars in billions

	July 2012 Congressional Budget Office estimate
<u>Net change from coverage provisions</u>	<u>–\$1,171</u>
Coverage provisions	–\$1,677
Revenues and wage effects	\$506
<u>Net change from payment and system reforms</u>	<u>\$711</u>
Reductions in annual updates to Medicare provider payment rates	\$415
Medicare Advantage reform	\$156
Provider payment changes and other provisions	\$140
<u>Net change in noncoverage revenues</u>	<u>\$569</u>
Manufacturer and insurer fees	–\$165
New Medicare taxes on high-income earners	–\$318
Other provisions	–\$87
<u>Total net impact on federal deficit, 2013–2022</u>	<u>\$109</u>

Notes: Totals do not reflect net impact on deficit because of rounding.

Source: D. Elmendorf, “Letter to the Honorable John Boehner” (Washington, D.C.: Congressional Budget Office, July 24, 2012).

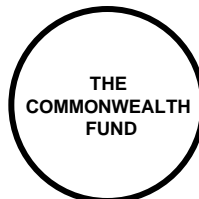
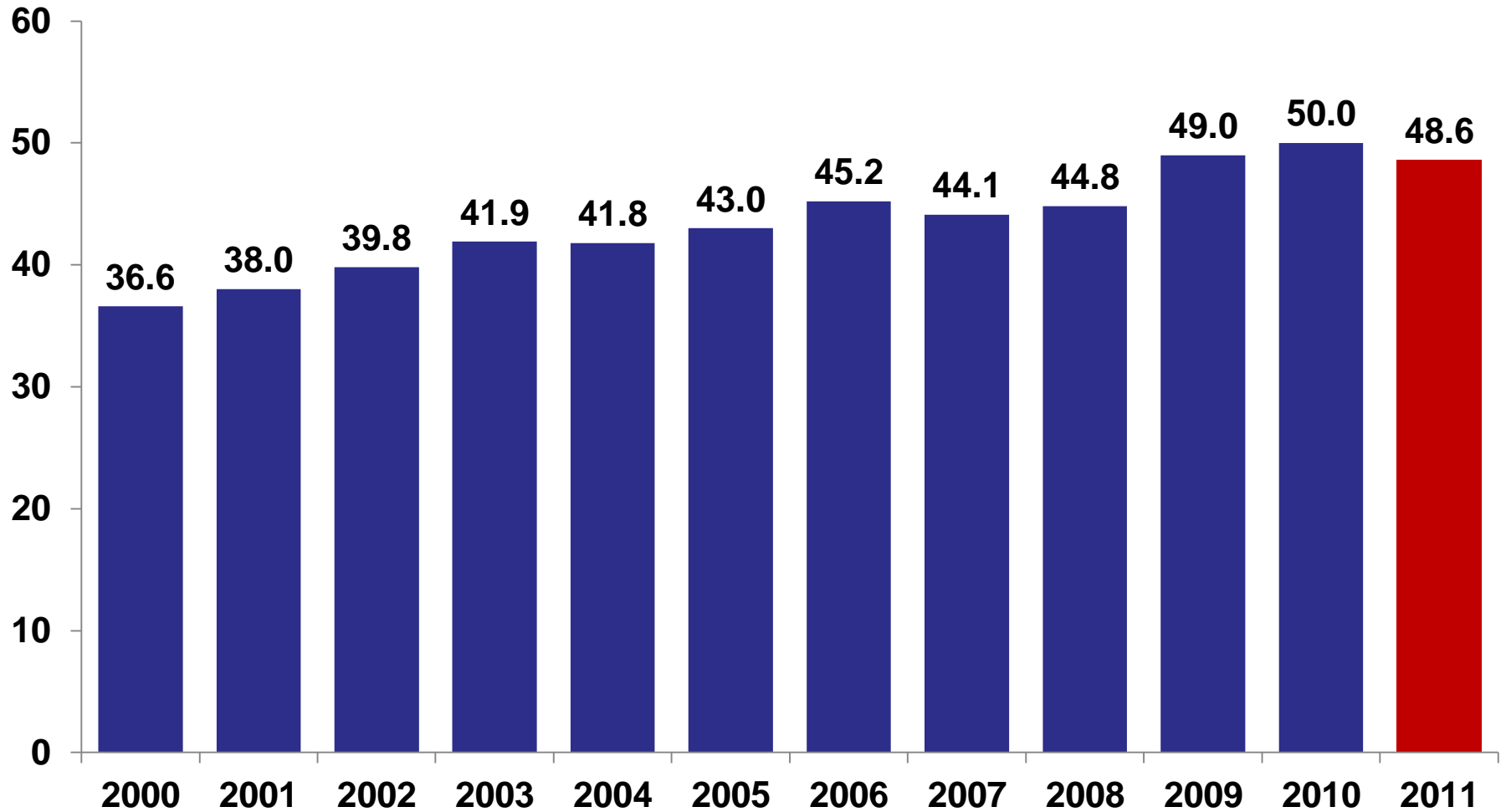


Exhibit 1. The Number of Uninsured Fell by 1.3 Million People in 2011

Millions of uninsured, full U.S. population



Source: *Income, Poverty, and Health Insurance Coverage in the United States: 2011*, U.S. Census Bureau, Sept. 2012.

Exhibit 2. Premium Tax Credits and Cost-Sharing Protections Under the Affordable Care Act

Poverty level	Income	Premium contribution as a share of income	Out-of-pocket limits	Percent of medical costs covered on average: silver plan
100%–137%	Single: \$11,170–<\$15,415 Family: \$23,050–<\$31,809	2% (or Medicaid)	Single: \$1,983 Family: \$3,967	94%
138%–149%	Single: \$15,415–<\$16,755 Family: \$31,809–<\$34,575	3.0%–4.0%		94%
150%–199%	Single: \$16,755–<\$22,340 Family: \$34,575–<\$46,100	4.0%–6.3%		87%
200%–249%	Single: \$22,340–<\$27,925 Family: \$46,100–<\$57,625	6.3%–8.05%	Single: \$2,975 Family: \$5,950	73%
250%–299%	Single: \$27,925–<\$33,510 Family: \$57,625–<\$69,150	8.05%–9.5%		70%
300%–399%	Single: \$33,510–<\$44,680 Family: \$69,150–<\$92,200	9.5%	Single: \$3,967 Family: \$7,933	70%
400%+	Single: \$44,680+ Family: \$92,200+	—	Single: \$5,950 Family: \$11,900	—

All plans cover essential health benefit package at four levels of cost-sharing:

- 1st tier (bronze) actuarial value: 60%
- 2nd tier (silver) actuarial value: 70%
- 3rd tier (gold) actuarial value: 80%
- 4th tier (platinum) actuarial value: 90%

Catastrophic policy with essential health benefits package available to young adults and people whose premiums are 8%+ of income

Notes: Premium and cost-sharing credits are for the silver plan. Federal poverty levels are for 2012.

Source: Commonwealth Fund Health Reform Resource Center: What's in the Affordable Care Act? (PL 111-148 and 111-152), <http://www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx>.

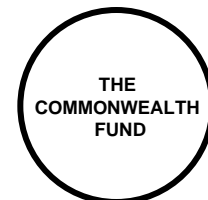
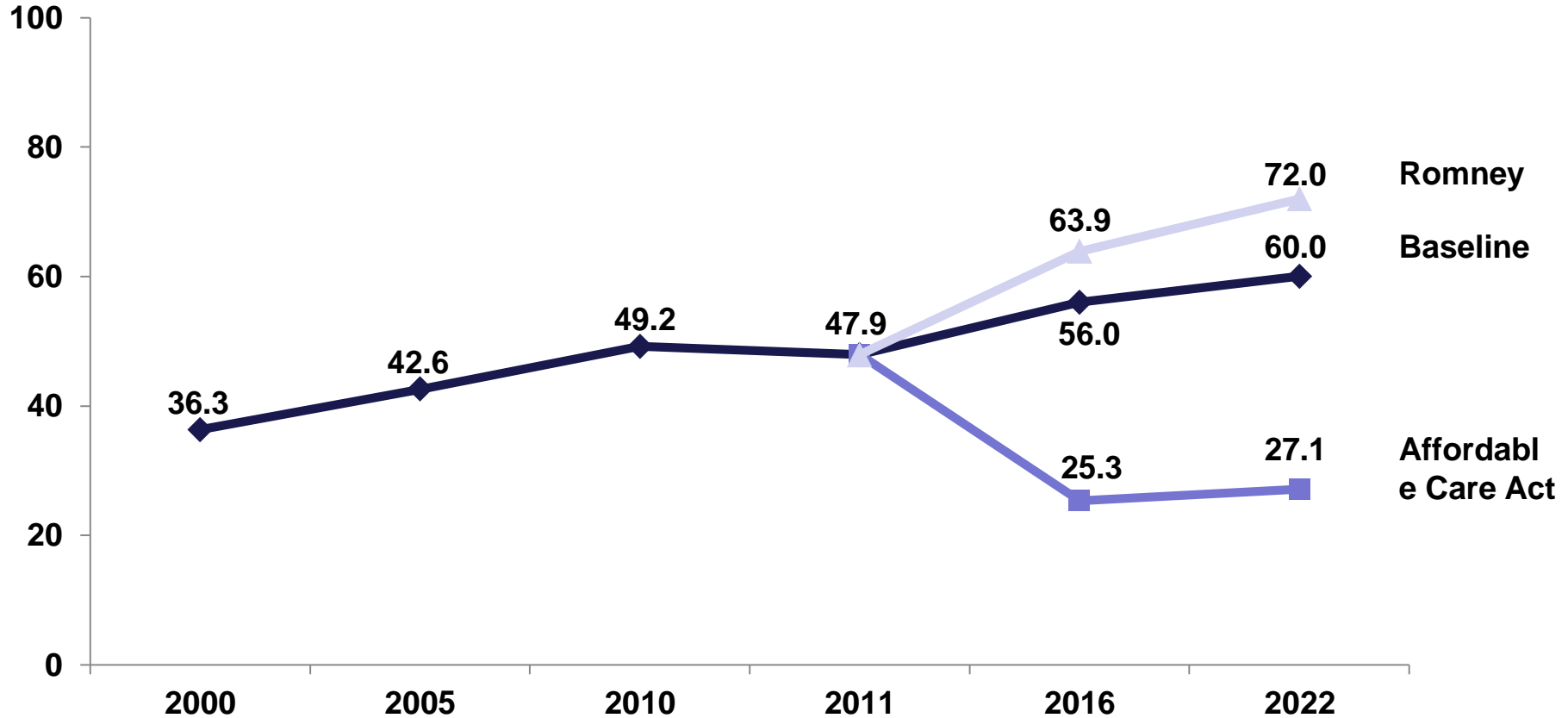


Exhibit 3. Numbers of Uninsured Under the Affordable Care Act and Governor Romney's Plan

Millions of uninsured, ages 0–64



Notes: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans.

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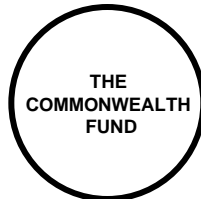
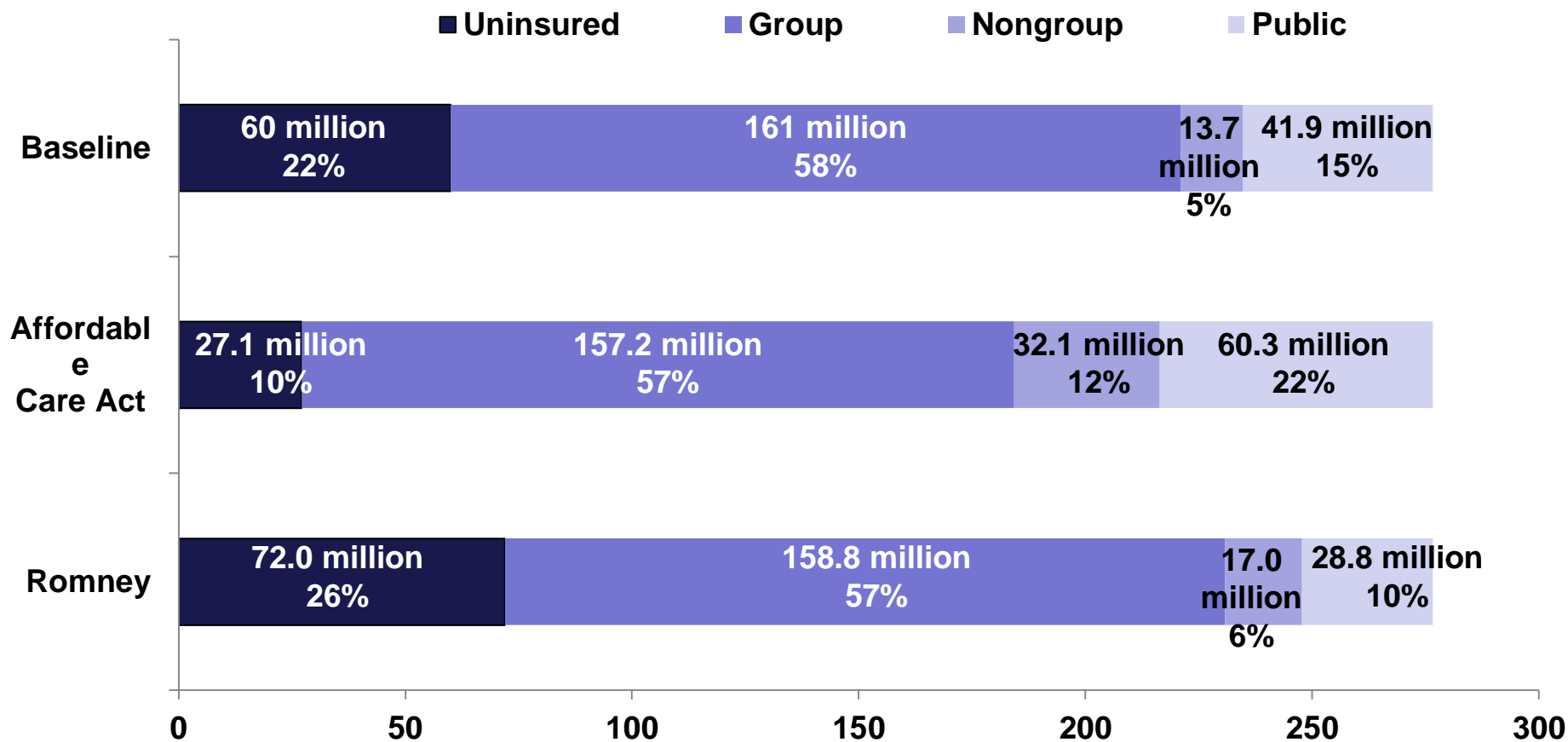


Exhibit 4. Source of Insurance Coverage Under the Affordable Care Act and Governor Romney's Plan Compared with Baseline, 2022

Among 276.6 million people ages 0–64



Note: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans.

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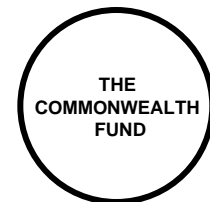
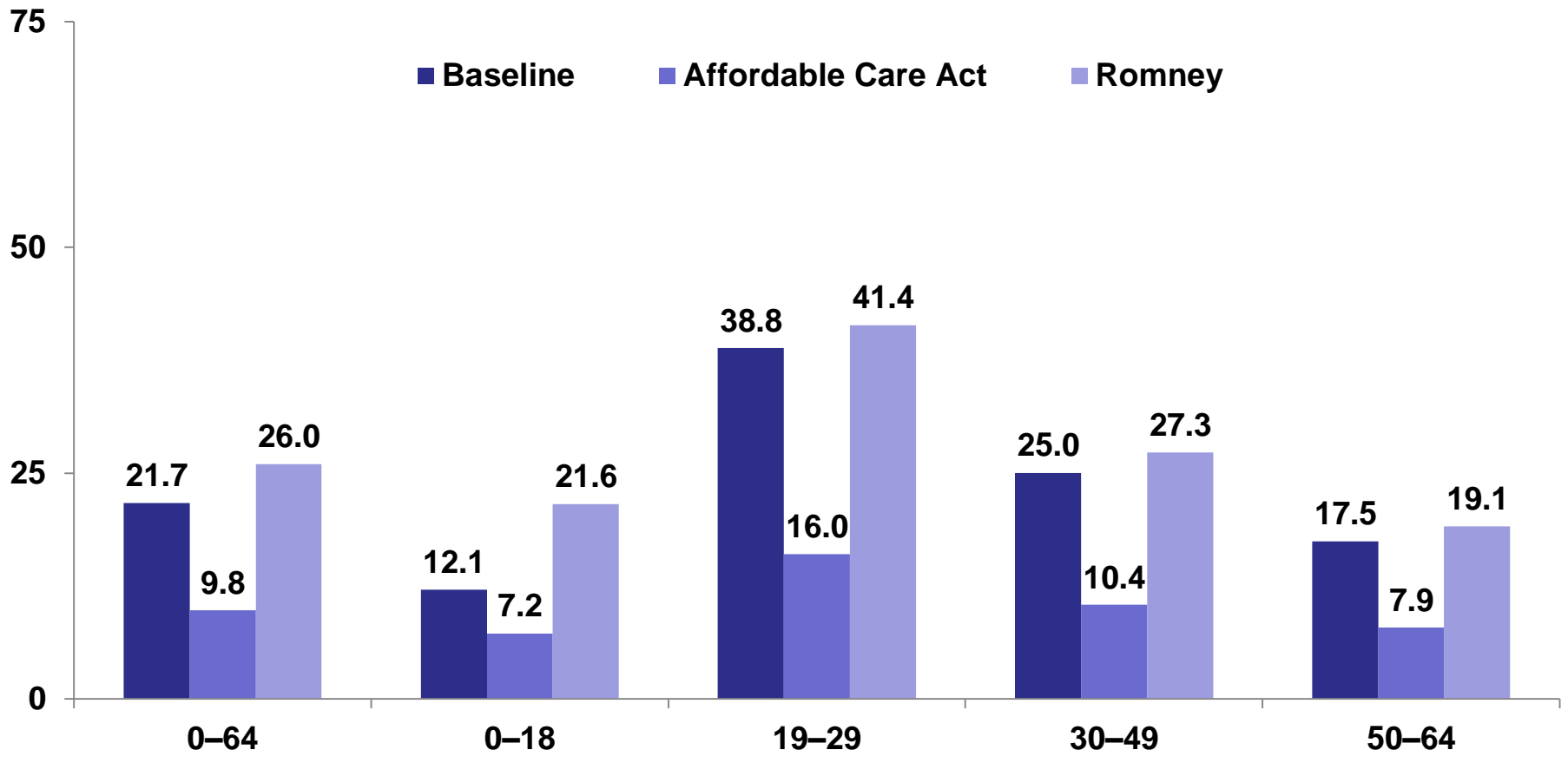


Exhibit 5. Percent of Population Uninsured Under the Affordable Care Act and Governor Romney's Plan Compared with Baseline by Age Group, 2022

Percent of nonelderly age group uninsured in 2022



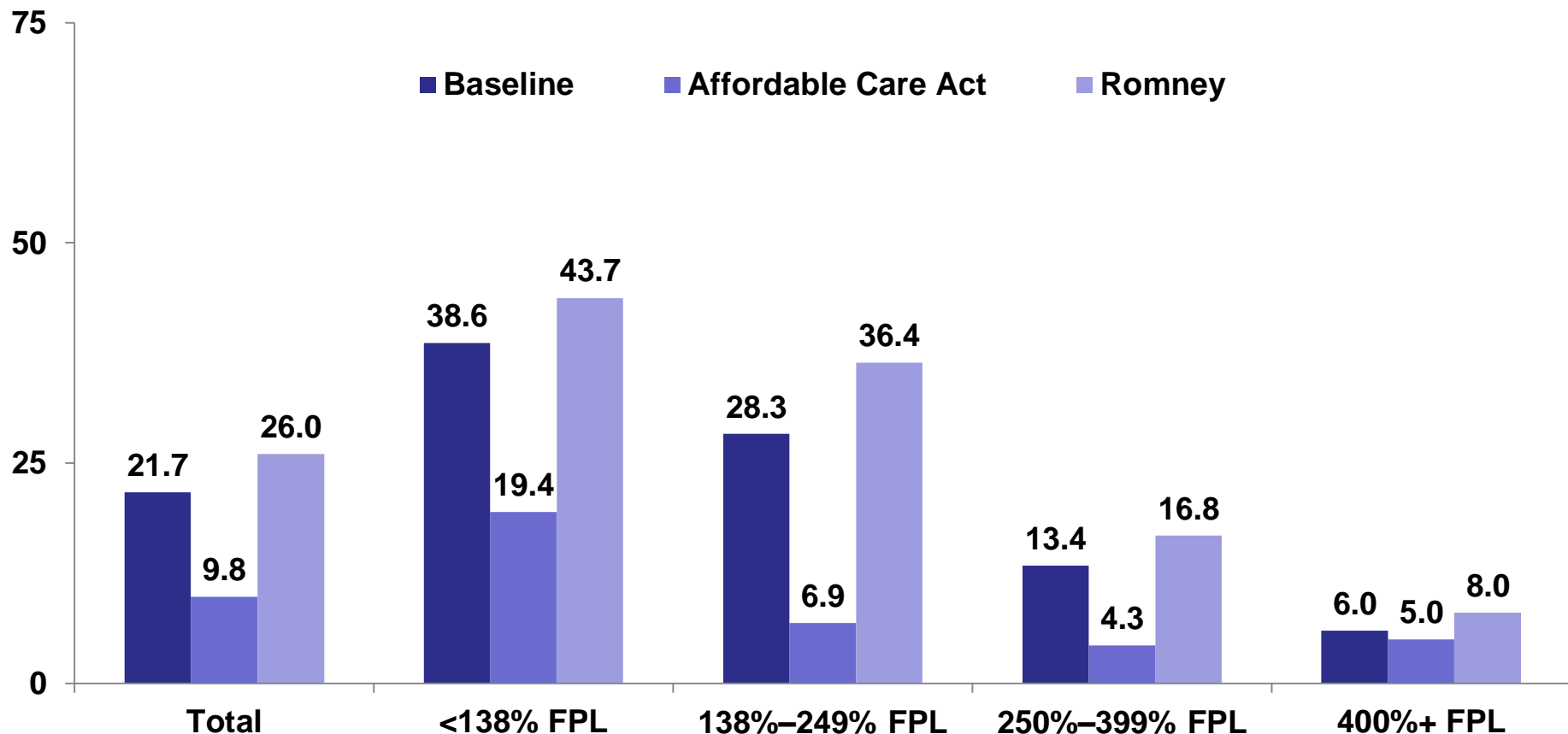
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Source: Estimates by Jonathan Gruber and Sean Sall of MIT using the Gruber Microsimulation Model for The Commonwealth Fund.



Exhibit 6. Percent of Population Uninsured Under the Affordable Care Act and Governor Romney's Plan Compared with Baseline by Poverty, 2022

Percent of nonelderly poverty group uninsured in 2022



Note: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans. FPL refers to federal poverty level.

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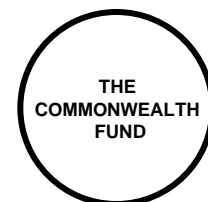
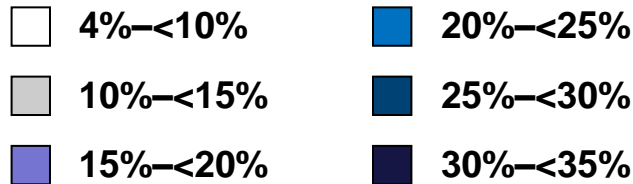
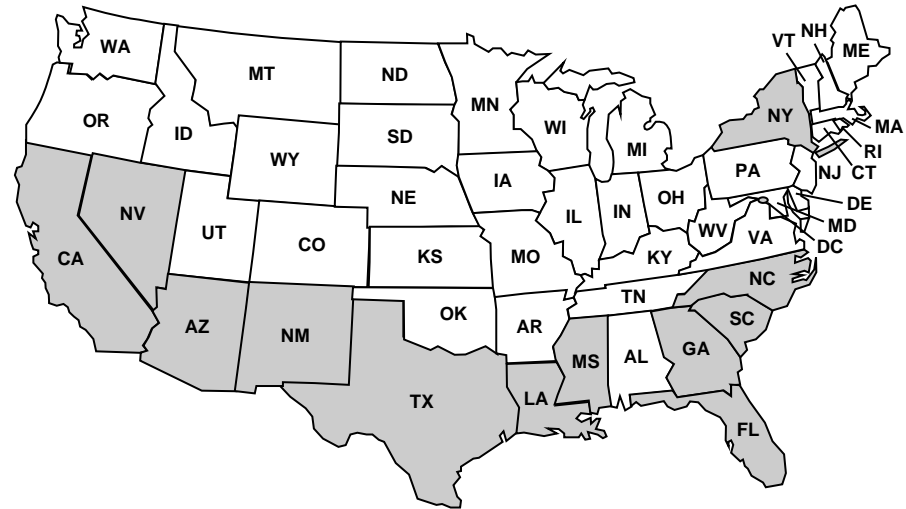
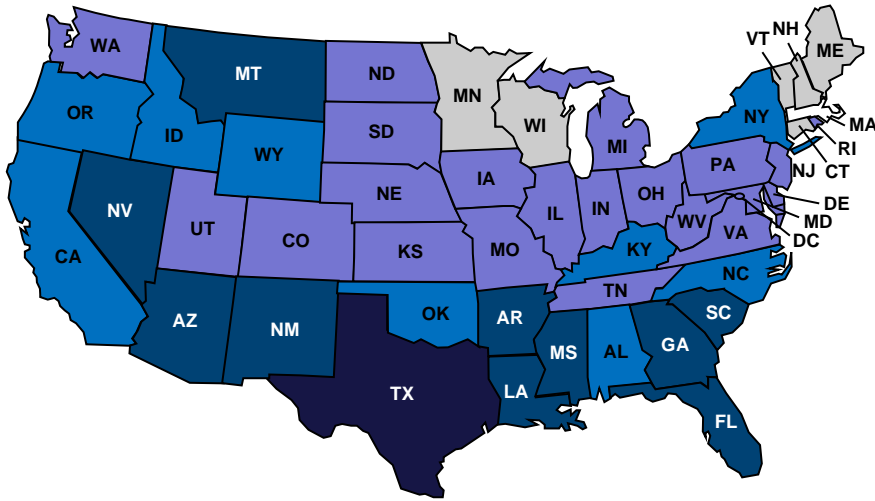


Exhibit 7. Uninsured Nonelderly Under Baseline and the Affordable Care Act in 2022, by State

Baseline

Affordable Care Act



22% of nonelderly uninsured

10% of nonelderly uninsured

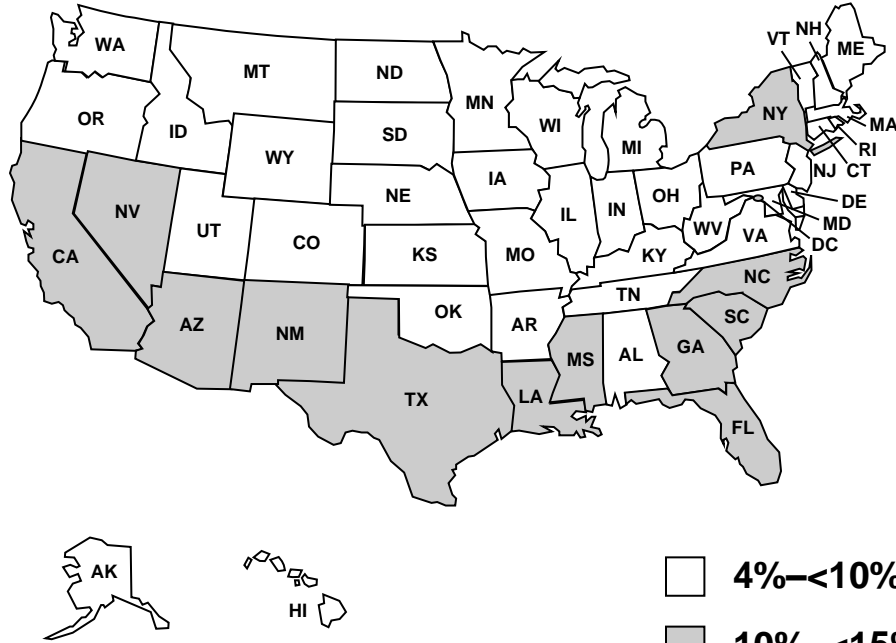
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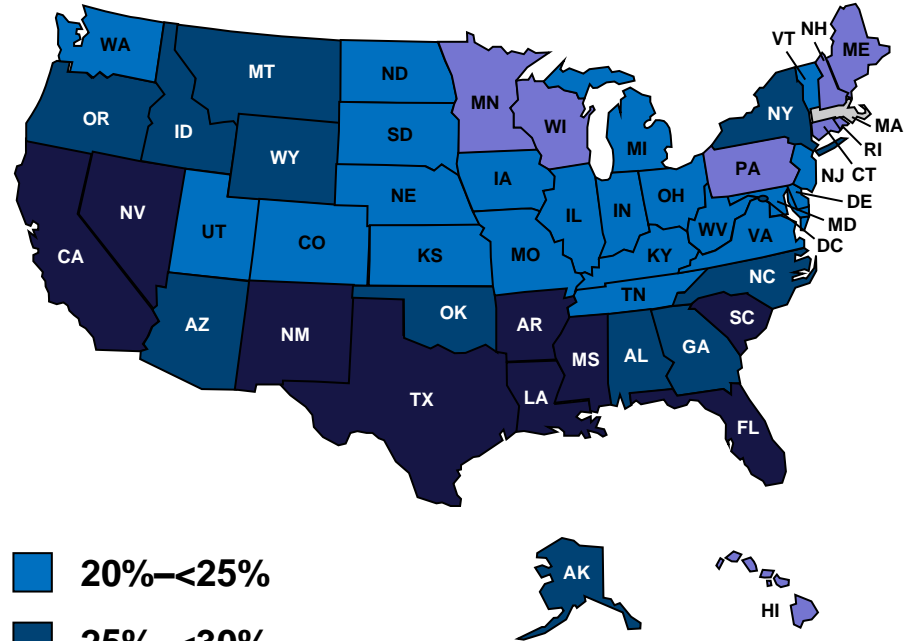
Exhibit 8. Uninsured Nonelderly Under the Affordable Care Act and Governor Romney's Plan in 2022, by State

Affordable Care Act



10% of nonelderly uninsured

Romney



26% of nonelderly uninsured

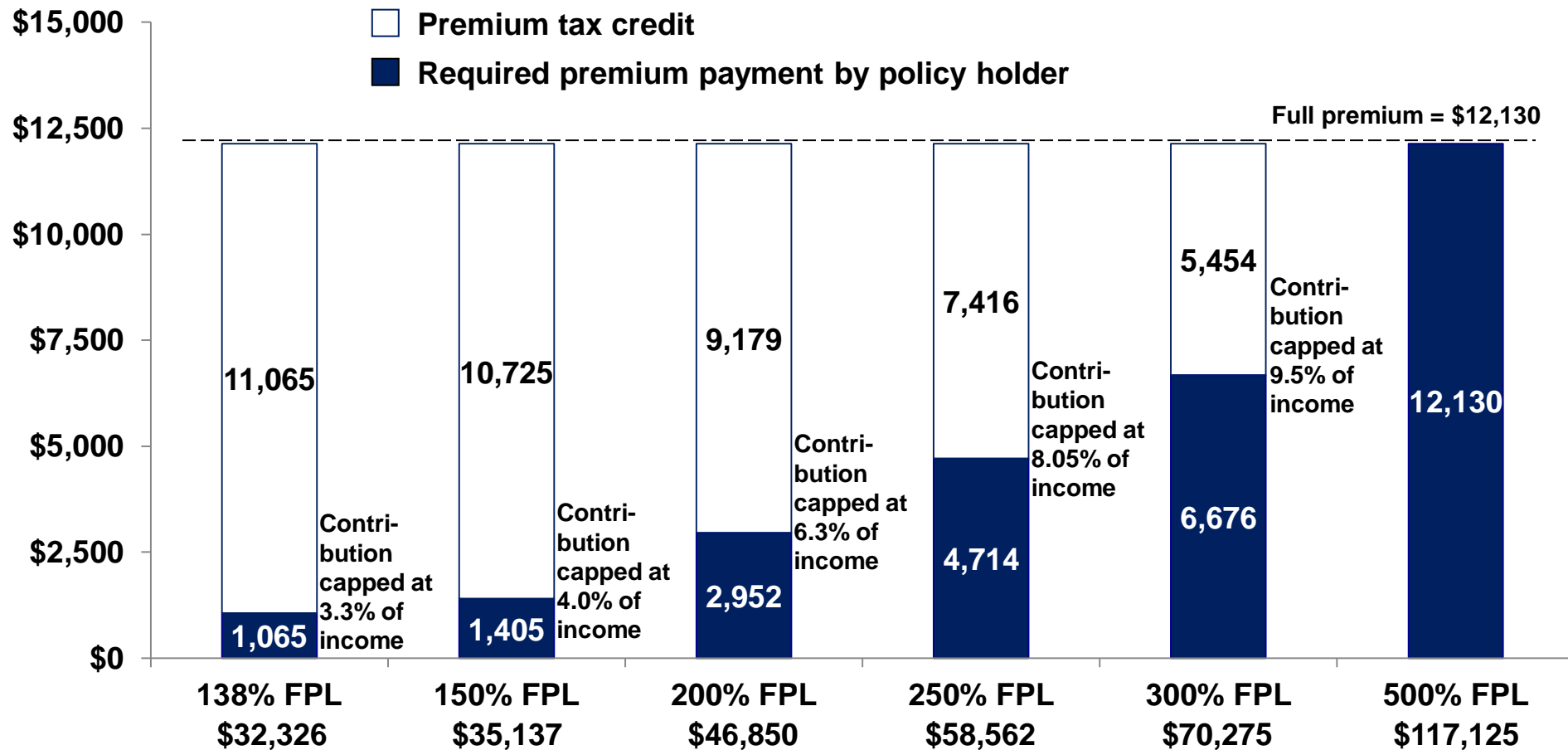
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Source: Estimates by Jonathan Gruber and Sean Sall of MIT using the Gruber Microsimulation Model for The Commonwealth Fund.



Exhibit 9. Annual Premium Amount and Tax Credits for a Family of Four Under the Affordable Care Act, 2014

Annual premium amount paid by policy holder and premium tax credit



Notes: For an family of four, policy holder age 40, in a medium-cost area in 2014. Premium estimates are based on an actuarial value of 0.70. Actuarial value is the average percent of medical costs covered by a health plan. FPL refers to federal poverty level.

Source: Premium estimates are from Kaiser Family Foundation Health Reform Subsidy Calculator

<http://healthreform.kff.org/Subsidycalculator.aspx>.

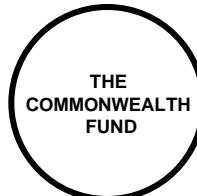


Exhibit 10. Premium Tax Credits and Tax Deductions Under the Affordable Care Act and Governor Romney's Plan, 2016

Nonelderly population, ages 0–64

	Affordable Care Act (tax credits)	Romney (tax deductions)
Number of tax credit/deduction recipients		
Among those previously uninsured	10.4 million	1 million
Among those previously insured	9.9 million	8.9 million
Average tax credit/deduction per recipient		
Among those previously uninsured	\$3,928.91	\$1,880.00
Among those previously insured	\$4,548.84	\$2,567.75
Total dollars of tax credits/deductions		
Among those previously uninsured	\$40.9 billion	\$1.9 billion
Among those previously insured	\$45.2 billion	\$22.9 billion

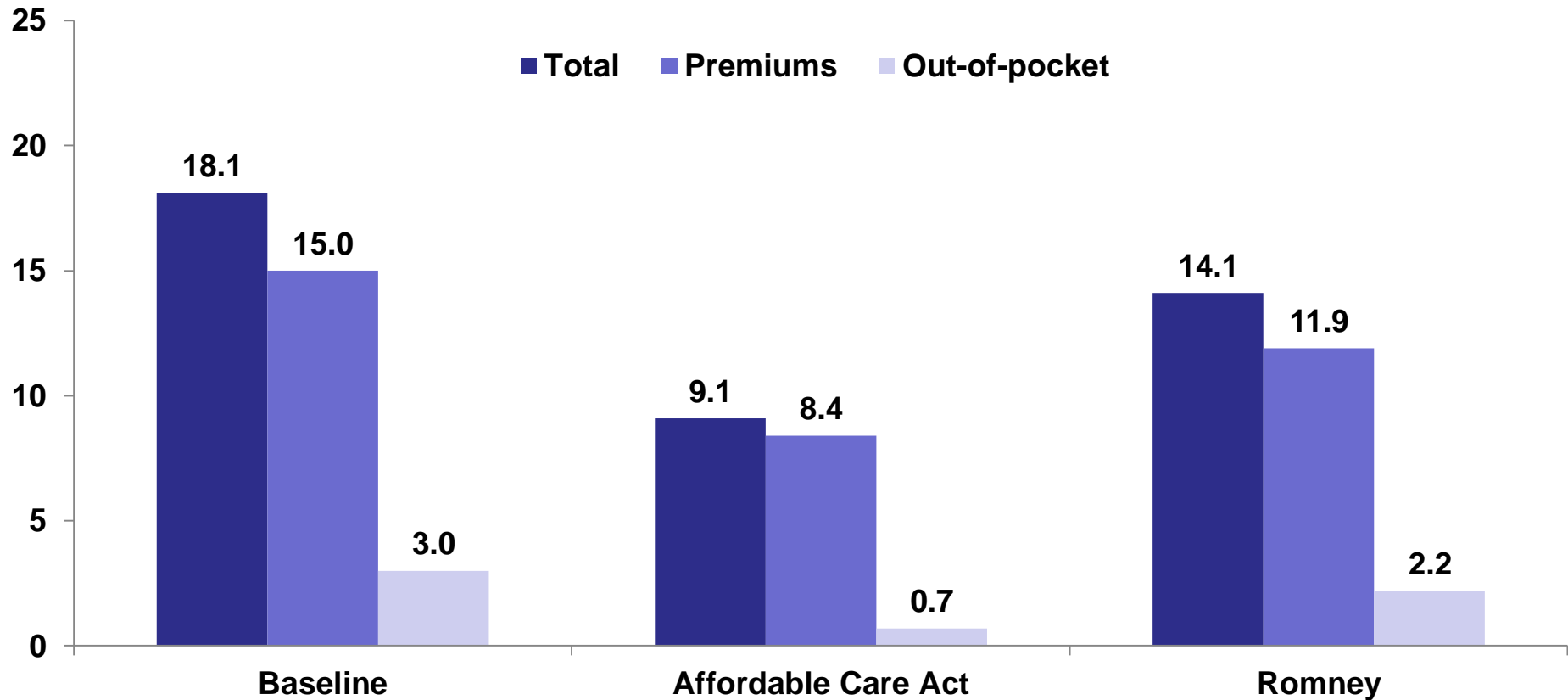
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Exhibit 11. Average Percent of Income Spent on Health Care in the Nongroup Market Under the Affordable Care Act and Governor Romney's Plan Compared with Baseline, 2016

Average percent of income nonelderly spent on health care in nongroup market



Note: Baseline scenario is if the Affordable Care Act had not been enacted in 2010; Affordable Care Act is full implementation of the law; Romney plan includes full repeal of the Affordable Care Act and replacement with state block grants for the Medicaid program and equalization of the tax treatment of individually purchased health plans and employer plans.

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Exhibit 12. System Improvement Provisions of the Affordable Care Act

Supporting primary care, prevention, and wellness	Primary care 10% bonus for five years; Medicaid payment rates to primary care physicians no less than 100% of Medicare rates in 2013 and 2014; annual wellness visit and/or health risk assessment for Medicare beneficiaries; preventive services without cost-sharing; local and employer wellness programs; medical home initiatives
Payment reforms to encourage and support improved system performance	Value-based purchasing programs; reduced payment for hospital-acquired conditions and potentially preventable readmissions; bundled payment for acute and postacute care
Accountable care organizations	Accountable care organizations to share savings in Medicare
Controlling health spending	Independent Payment Advisory Board recommendations to meet Medicare expenditure target as well as total system spending nonbinding recommendations; productivity improvement update factor
Resources to promote system improvement	Center for Medicare and Medicaid Innovation; Patient-Centered Outcomes Research Institute; Medicare–Medicaid Coordination Office
Quality improvement and public reporting	Directs the U.S. Department of Health and Human Services to develop national quality strategy, public reporting
Accelerating the adoption of health information technology	Incentives to providers that encourage them to adopt and meaningfully use health information technology
Medicare private plan competition	Levels the playing field between Medicare Advantage and traditional Medicare fee-for-service plans

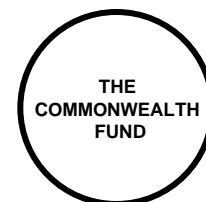


Exhibit 13. Overview of Center for Medicare and Medicaid Innovation–Sponsored Initiatives

Bundled Payments for Care Improvement. Tests four different payment models to encourage improved care coordination and efficiency related to hospital admissions. Currently selecting participants.

Pioneer ACO Model. Tests advanced ACO models. 32 organizations are participating.

ACO Advance Payment Model. Tests whether advance payments will assist participation in the Medicare ACO programs for physician-led and rural organizations with limited access to start-up capital. 20 organizations are currently participating.

Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration. Supports 500 FQHCs' transformation to medical homes through \$6 per member per month payment for each eligible Medicare beneficiary.

Comprehensive Primary Care Initiative. Public and private payer collaborative to strengthen primary care, involving risk-adjusted, monthly care management fees, as well shared savings payments. 7 states and 500 primary care practices are currently participating.

Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents. Seeks to improve quality of care for people in nursing facilities by reducing preventable inpatient hospitalizations. Currently selecting participants.

Partnership for Patients. Nationwide public–private partnership to support safer care and more effective transitions of patients from hospitals to other settings. \$218 million was awarded to 26 organizations to be Hospital Engagement Networks, which help identify and spread solutions already working to reduce health care–acquired conditions. An additional \$500 million is available for models improving care transitions and reducing readmissions for high-risk Medicare beneficiaries. Already, 47 participants have been selected for that program.

Independence at Home Demonstration. Tests effectiveness of delivering comprehensive primary care at home, focusing on patients with multiple chronic conditions. 15 independent practices and 3 consortia participating.

Medicaid Emergency Psychiatric Demonstration. Tests whether Medicaid can support higher-quality care at a lower total cost by reimbursing private psychiatric hospitals for certain psychiatric services for which Medicaid reimbursement has historically been unavailable. 11 states and D.C. are participating.

Medicaid Incentives for the Prevention of Chronic Diseases. Provides incentives to Medicaid beneficiaries participating in prevention programs and demonstrate changes in health risk. 10 states are participating.

Financial Alignment Initiative. Aligns financial incentives of Medicare and Medicaid to provide Medicare–Medicaid enrollees with a better care experience. This opportunity is open to all states. Currently, one state is participating.

State Innovation Models Initiative. A competitive funding opportunity for states to design and test multipayer payment and delivery models that deliver high-quality health care and improve health system performance. Up to \$275 million will be made available for up to 30 grants.

Health Care Innovation Awards. Provides grants up to \$30 million to participants who are implementing innovative ideas to deliver better health, improved care, and lower costs. 107 grants totaling \$894 were awarded. Nearly \$2 billion in savings is expected over three years from these initiatives.

Strong Start for Mothers and Newborns. Supports reducing the risk of significant complications and long-term health problems for both expectant mothers and newborns.

Graduate Nurse Education Demonstration. Provides hospitals with funds for clinical training of advanced practice registered nursing (APRN) students. 5 hospitals are participating.

Innovation Advisors Program. Creates a network of delivery system reform experts. 73 advisors have been selected.

Exhibit 14. Estimated Budgetary Effects of Repealing the Affordable Care Act, 2013–2022

Dollars in billions

	July 2012 Congressional Budget Office estimate
<u>Net change from coverage provisions</u>	<u>–\$1,171</u>
Coverage provisions	–\$1,677
Revenues and wage effects	\$506
<u>Net change from payment and system reforms</u>	<u>\$711</u>
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Other provisions	–\$87
<u>Total net impact on federal deficit, 2013–2022</u>	<u>\$109</u>

Notes: Totals do not reflect net impact on deficit because of rounding.

Source: D. Elmendorf, “Letter to the Honorable John Boehner” (Washington, D.C.: Congressional Budget Office, July 24, 2012).

