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# Health Reform Repeal Could Cause 3 Million People to Lose Jobs and Trigger Broad Economic Disruption

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# The Economic and Employment Consequences of Repealing Federal Health Reform: A 50 State Analysis

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## Summary

Donald Trump and Congressional leaders have stated their intent to repeal the Patient Protection and Affordable Care Act (ACA or Obamacare). This report examines the consequences of repealing two key elements: (1) federal premium tax credits that help low and middle income Americans afford insurance policies bought through the Health Insurance Marketplaces (exchanges) and (2) federal payments to states for expansions of Medicaid eligibility for low-income adults. Congress passed similar legislation (H.R. 3762) in late 2015, which President Obama vetoed.

This report analyzes how the repeal of these policies could affect state-level employment, economies and fiscal conditions. If tax credits and Medicaid expansions end in 2019, repeal would cut a projected \$61 billion in premium tax credits and \$78.5 billion in grants to states for Medicaid expansions in a single year, a total of \$140 billion in health insurance and health service subsidies that help millions of low and middle income Americans.

Earlier research indicates that repeal would increase the number of uninsured Americans by at least 20 million, roughly doubling the number who lack insurance. This study demonstrates that the massive federal cutbacks could have broader repercussions, leading to substantial job losses, reductions in state economic activity and cuts in state and local tax revenues.

The cuts would first affect health care organizations and their workers, but would then ripple out into other businesses and workers in multiple sectors of state economies. When health care providers' incomes fall, they must hire fewer workers, lower salaries and reduce their purchases of goods and services. In turn, workers have less to spend on housing, food and transportation, while downstream businesses are also forced to cut back. Thus, the enormous federal cutbacks being considered could have widespread repercussions.

The report provides the first detailed estimates of the economic and employment effects of partial health reform repeal in all 50 states and the District of Columbia, assuming termination in January 2019. It does not include estimates related to potential replacement policies, which are unknown at this time. The analyses indicate that consequences of repealing both premium tax credits and Medicaid expansions include:

- About 2.6 million jobs could be lost nationwide in 2019, rising to almost 3 million by 2021. Every state would experience major job losses.
- Almost all of the jobs lost are in the private sector. Almost a million (912,000) are in health care, while the remaining two-thirds are in other industries, including construction, real estate, retail trade, finance and insurance.
- States with the highest job losses in 2019 include: California (334,000 jobs), Florida

(181,000), Texas (175,000), Pennsylvania (137,000), New York (131,000), Ohio (126,000), Illinois (114,000), Michigan (102,000), New Jersey (86,000) and North Carolina (76,000).

- Gross state products (state-level analogues to the gross domestic product for the nation) could decline by \$256 billion in 2019. Total business output would fall by almost half a trillion dollars (\$441 billion) in 2019. Over five years, from 2019 to 2023, gross state products could fall by \$1.5 trillion and total business output could be cut by \$2.6 trillion.
- These losses could also trigger reductions in state and local tax revenues, amounting to about \$48 billion lost over five years. States and local governments will experience these revenue shortages at the same time that they face a greater need for uncompensated care and other services because millions more will be uninsured.
- Repealing premium tax credits, by itself, would be responsible for the loss of about 1.1 million jobs in 2019. The repeal of Medicaid expansion alone would reduce employment by 1.5 million.
- All the states will experience negative economic effects if Medicaid expansions are revoked, even the 19 states that have not expanded. Workers and businesses located in Medicaid expansion states purchase goods and services from non-expanding states, so the negative effects of cancelling Medicaid expansions ripple out to all states.

## Introduction

President-elect Donald Trump and Republican leaders of Congress have vowed to repeal and replace the Patient Protection and Affordable Care Act (ACA, also known as Obamacare) in 2017. Congress passed a repeal bill in late 2015, the Restoring

Americans' Healthcare Freedom Reconciliation Act (H.R. 3762), but President Obama vetoed it. The bill zeroed out federal premium tax credits and funding for Medicaid expansion, effective in 2018, without replacing these policies. Since it will be difficult to attain a consensus on a replacement policy, Congress may pass a repeal bill in early 2017 that phases current policies out in two or three years, leaving replacement for later consideration.

Recent research by the Urban Institute<sup>1</sup> and Dobson, DaVanzo & Associates<sup>2</sup> outlined potential effects of repeal on the number of people who could lose health insurance coverage, hospital revenues and uncompensated care levels. Both reports estimate that repeal would roughly double the number of uninsured, from around 29 million to 59 million people (Urban Institute) or 28 to 50 million (Dobson). Dobson estimated a \$400 billion loss in total hospital revenue from 2018 to 2026 and \$166 billion loss in net hospital revenue, while the Urban Institute estimated that uncompensated care costs would rise by \$1.1 trillion from 2019 to 2028. Another recent analysis found that repealing ACA tax policies, including the premium tax credits, would reduce tax levels for those with the highest incomes, but increase taxes for low-income Americans.<sup>3</sup>

In addition to effects on the American health care system, repeal could have much broader economic consequences with repercussions that echo throughout state economies and labor markets across multiple sectors. This analysis examines the consequences of repealing the federal tax credits and federal matching funds for Medicaid expansions in every state and the District of Columbia beginning in 2019, including potential changes in:

- employment levels, i.e., number of jobs that could be lost in health care and other sectors,
- economic activity, such as gross state product and business output, and

- state and local tax revenues.

Repeal would cut federal payments for tax credits and Medicaid expansions by \$140 in 2019 and more in later years,<sup>4</sup> reducing resources that support employment and business activity in all states. Eventual replacement policies or other major federal policy changes might modify some of these effects, but it is too early to know what these policies or their effects will be.

## Policy Background

While the ACA has been credited with reducing the number of uninsured and improving access to health care,<sup>5 6</sup> the health law has been controversial. President-elect Trump, House Speaker Ryan, Senate Majority Leader McConnell and other Republican leaders believe that Obamacare is harmful and are committed to its dissolution.<sup>7</sup>

A plausible legislative scenario is that Congressional majorities pass a federal budget resolution in early 2017 that requires development of a reconciliation bill to reduce spending by eliminating key ACA budgetary provisions in the form of a partial repeal bill. (A Congressional budget resolution is not signed by the President, but binds future budget actions by Congress.) The reconciliation bill could be passed by simple majorities in the House of Representatives and the Senate. It is believed that ACA elements without budgetary impact (such as a number of insurance market reforms) could not be included in the bill because reconciliation bills can only include provisions with direct budget impacts. This was the strategy used to develop the prior repeal reconciliation bill (H.R. 3762), which terminated premium tax credits and Medicaid expansions beginning in 2018, although that bill was vetoed by President Obama. Given his commitment to Obamacare repeal, it is likely that President Trump would sign such a bill.

While numerous replacement policies have been suggested during President-elect

Trump's campaign<sup>8</sup> or by key Republicans (including, but not limited to, House Speaker Ryan<sup>9</sup> and Health and Human Services Secretary-designate Tom Price<sup>10</sup>), a consensus on replacement policies has not yet emerged. Thus, some have suggested that Congress pass a repeal reconciliation bill in early 2017 which contains a transitional period that continues premium tax credit and Medicaid expansion policies until the beginning of 2018, 2019 or even 2020 and then cancels them. Replacement could be established at a later date.<sup>11</sup>

This analysis focuses on two main elements of repeal policy: *termination of federal premium tax credits* and *Medicaid expansions*. For the sake of simplicity, we do not examine other potential policy elements, such as replacement strategies, changes in cost-sharing reductions or reinsurance for Qualified Health Plans, or other Medicaid changes, such as a Medicaid block grant. Too little is known at this time about the other health policies that may be included in a repeal bill. Updates to this report could be developed when more is known.

Key policy elements of current premium tax credits and Medicaid expansions are:

- **Federal premium tax credits** are available to those with low to moderate incomes (generally between 100 percent and 400 percent of the poverty line) who purchase Qualified Health Plans in the Health Insurance Marketplaces. The tax credits are available in every state. Most of the tax credits are provided as advance premium tax credits (APTCs) paid directly to the insurance plans consumers chose, so that consumers only pay the difference between the plans' actual premiums and their tax credits.

The tax credit is income-graduated: those with the lowest incomes receive higher tax credits that cover more of the total cost of an insurance premium, while

those with higher incomes receive lower tax credits and must bear more of the cost themselves. Consumers may select higher or lower cost plans, affecting their final out-of-pocket costs. The actual level of the tax credit is tied to a benchmark, the dollar value of the second lowest cost Silver Plan available to the consumer. Final tax credit amounts are reconciled when federal income taxes are filed, so some taxpayers may owe something back to the Internal Revenue Service or may receive a higher refund.

- **Federal grants to states for Medicaid expansions** are based on Medicaid expenditures for the adults who were made newly eligible under the ACA Medicaid eligibility expansion policies (non-elderly adults with incomes below 138 percent of the poverty line). Prior to expansions, most state Medicaid programs did not cover adults without dependent children and the median state eligibility limit for parents was 61 percent of the poverty line.<sup>12</sup> In 2012, the Supreme Court ruled that states could not be required to expand Medicaid. As of late 2016, 31 states and the District of Columbia have expanded Medicaid and 19 have not. While most of the 32 state expansions were adopted as part of regular Medicaid programs, several states (Arkansas, Indiana, Iowa, Michigan, Montana and New Hampshire) received federal demonstration project waivers to customize their programs. For example, initiatives in Arkansas, Michigan and New Hampshire included use of private health insurance and the Health Insurance Marketplaces. Indiana, Iowa and Michigan developed incentives for healthy behavior in their programs.<sup>13</sup>

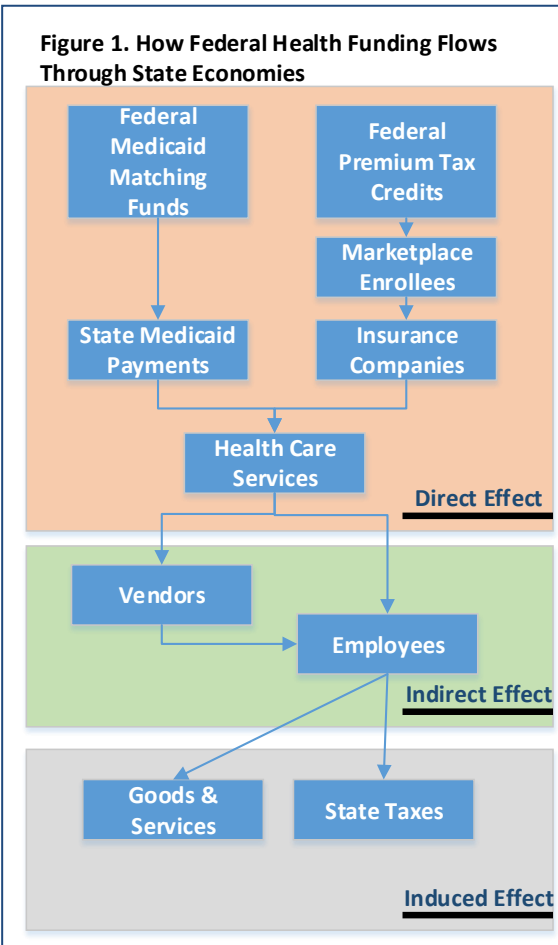
For years 2014 to 2016, the federal government paid 100 percent of the total Medicaid medical costs for the newly eligible adults, but the matching rate declines to 95 percent in 2017 and eventually to 90 percent by 2020. The

regular Federal Medical Assistance Percentage (FMAP) is used for medical costs for other Medicaid beneficiaries (except some children covered under the Children's Health Insurance Program); the regular FMAP ranges from 50 to 75 percent with a higher matching rate for states with lower per capita incomes. The state is responsible for the remaining Medicaid medical costs. Because several states already expanded Medicaid coverage to non-pregnant childless adults prior to the ACA, medical expenditures for those individuals also have an enhanced transitional federal matching rate that gradually rises from at least 75 percent in 2014 to 93 percent in 2019 (the same level as newly eligible adults) and then declines to 90 percent thereafter, as do the more recent expansion groups.<sup>14</sup>

### **How Federal Health Funding Stimulates Jobs and State Economies**

Health care is a major component of the overall U.S. economy, projected to comprise almost one-fifth (18.5 percent) of the gross domestic product by 2019.<sup>15</sup> As such, major changes to health care reverberate across other sectors of the economy.

In this analysis, projected economic consequences are based on an analysis of the flow of funds through a dynamic economy, sometimes described as the *multiplier effect*. As illustrated in Figure 1, at a direct level, federal funding provides premium tax credits to those purchasing Qualified Health Plans. The federal tax credits flow directly to the private insurance plans consumers selected. Most of the money, aside from insurance plans' overhead, flows to health care providers, such as hospitals, clinics, and pharmacies. In a comparable fashion, federal funding helps support state Medicaid insurance programs, which in turn pay health care providers. These payments constitute



the *direct effect* of federal tax credits and Medicaid expansions.

Most of the revenue earned by health care providers is used to pay salaries to staff, such as doctors, nurses, pharmacists, and other personnel and to purchase goods and services needed for medical practice, such as clinic or hospital space, medications, and medical equipment, from other vendors. In turn, the vendors for these goods use their income to pay their workers and to purchase other goods and services they need. That is, the payments made to health care providers are transformed into income for workers and downstream businesses. This is the *indirect effect*.

The *induced effect* occurs as the workers in health care and other sectors use their incomes to purchase food, pay mortgages or rent, buy transportation, finance their

children's education, and so on. Thus, additional federal revenue serves as an investment that continues to cycle and multiply through the economy as payments are used to create income which is used to purchase other goods and services.

For state and local governments, the increased economic activity also generates state and local tax revenues through income, sales, property or other taxes.

When federal funding is cut back, the cycle runs in the reverse direction and spurs cuts by health care providers and spending reductions by workers and other businesses, leading to job losses and business cutbacks. For example, if hospitals or clinics have or expect major revenue losses, they will cut back hiring or salary increases or end plans to expand or modernize buildings, leading to losses for construction firms and other businesses. This ultimately leads to revenue losses by state and local governments.

Most health care is locally provided; patients generally see doctors or hospitals near them. Thus, a substantial share of health care expenditures directly affects businesses and workers in the states where the consumers live. But as money flows beyond that initial stage, it flows into the broader economy and spreads across state lines because of interstate commerce in goods and labor. For example, if a hospital in West Virginia has to cut back construction, this may reduce purchases of concrete from suppliers in North Carolina and trucking services by firms in Ohio.

### Estimating State-Level Consequences: Methodology

The basic methodology used in this report involves two steps: (1) projecting baseline federal spending for premium tax credits and Medicaid expansions from 2019 to 2023 in each state and the District of Columbia in order to estimate the projected loss of federal funding under repeal policies and (2) modeling the economic and employment

effects of the loss of these federal funds using a dynamic structural equation model (PI+, version 2.0), developed by Regional Economic Models, Inc.<sup>16</sup> (See the Appendix for more detail.)

We used the most recent data available to estimate baseline 2016 federal expenditures for premium tax credits and federal Medicaid expansion funding, primarily from data reported by the Department of Health and Human Services. For future years, we relied on the Congressional Budget Office's 2016 baseline projections for federal budget costs of ACA-related premium tax credit and Medicaid expansions.<sup>17</sup> To be conservative, we did not include projections related to Marketplace cost-sharing reductions or effects of the ACA on those already eligible for Medicaid (the "welcome mat" effect). We adjusted parameters from federal fiscal years to calendar years and projected baseline expenditures for tax credits and Medicaid expansions from 2017 to 2023, corresponding with the CBO targets, assuming proportionate growth across all states.

To develop specific inputs for the economic model, these projections were decomposed into key components of health care spending: hospital, ambulatory care, pharmaceutical and long-term care expenditures for every state. For the premium tax credits, a component was also added for insurance administrative overhead costs, since all Qualified Health Plans are operated by private health insurance companies.

In the economic modeling phase, we inputted the state- and sector-specific expected federal funding losses into the PI+ model for each year. The model is a dynamic structural equation forecasting model that includes elements of input-output, general economic equilibrium, econometric and economic geography methodologies to estimate state-level (or other geographic level) economic and employment forecasts.

The estimated effects are based on differences between a baseline model (control forecast) and models assuming policy changes, in this case, the loss of premium tax credits or federal Medicaid expansion funding. The model includes linkages between multiple components of economies including output and demand, capital and labor demand, population and labor supply, and compensation, prices and costs.

PI+ uses a multi-region model that accounts for the flow of funds and goods both within and across states. As noted above, most health care is local; patients living in one state generally use clinics, hospitals and pharmacies in that state. But health care income eventually translates into purchases of diverse goods and services, so that funds beginning in one state flow across state lines into the economies of other states.

Using this approach, we estimate state-level changes in the following measures by calendar year:

- **Employment:** This is the number of jobs that would be added or lost in each state, including full-time and part-time. These include jobs in all sectors, including private health-related jobs, construction, retail, finance and insurance, professional jobs, and public sector employment.
- **Business Output:** Output is equivalent to the sum of all business generated within a state (that is, at the production, wholesale and retail levels). For example, if a product made in a state is sold to a retailer for \$1,000 and the retailer sells it to a consumer for \$1,500, the increase in output is the sum of those transactions, or \$2,500.
- **Gross State Product (GSP):** This is a subset of output and refers to the net value added by economic activity in a state. GSP can be thought of as all net new economic activity or output minus

the goods and services used as inputs to production. Effectively, it measures only the final stage of a transaction. In the example above, GSP would be the \$1,500 for the sales at the retail level, or could also be thought of as \$1,000 at the production stage plus the \$500 in value added at the retail level.

- **State and Local Tax Revenue:** This includes combined state and local general tax revenue, including income, sales and other taxes. It is based on estimates of the effective tax rates: the ratio of state and local general revenue to gross state product, which are then applied to the gross state product estimates above.

Business output, gross state product and state and local tax revenue are measured in current (nominal) dollars for their respective calendar years. This modelling approach has been used in prior research about the potential effects of Medicaid expansions.<sup>18 19</sup>

**Limitations.** All projections entail uncertainty. The health care market and the general economy are ever changing. For example, recent changes in the Health Insurance Marketplace could limit enrollees' choices and increase premiums, thereby raising federal tax credits.<sup>20</sup> Future state decisions could increase or decrease the number of states expanding Medicaid. But our general findings ought to apply, even if some of the details change.

Our results are likely to be conservative because we keep results limited only to the effects for those receiving tax credits or in expanded Medicaid eligibility. For example, implementation of the Health Insurance Marketplaces and Medicaid expansions have been associated with increases in Medicaid participation among those already eligible (the "welcome mat" or "woodwork" effect). Elimination could reverse some of that effect, leading to reductions in federal funds that extend beyond funding for those newly eligible. Similarly, elimination of premium

tax credits could cause entire state-level Health Insurance Marketplaces to collapse, also affecting coverage of those who do not receive tax credits.

This analysis focuses on the termination of premium tax credits and Medicaid expansions. A partial repeal bill may include other elements, such as elimination of some taxes included in the ACA, such as Medicare-related taxes, the tax on high cost insurance or tax penalties for employers or individuals who are uninsured. But it is not yet clear if these tax changes will be included in repeal legislation.<sup>21 22</sup>

Tax reductions might mitigate some of the losses estimated in this study, but evidence suggests that their effects would not substantially change the results reported here. The UC Berkeley Center for Labor Research and Education recently conducted an economic analysis similar to this report, assessing the effects of repeal on California's economy.<sup>23</sup> Its findings were consistent with this analysis. The California analysis included the effects of reversing Medicare-related taxes, health insurance taxes and tax penalties that could be paid by employers or uninsured individuals. It reported that including the effect of these tax changes offset about 16 percent of the job losses related to elimination of funding for tax credits and Medicaid expansions. That is, most of the job losses remained even when these tax changes were included. This was because the value of the tax changes was much smaller than the magnitude of losses due to premium tax credit and Medicaid cutbacks and because the tax changes have a smaller relative effect in bolstering employment than the loss of funding for health care and insurance.

Medicaid and tax credits are primarily targeted to low and moderate income people; if these policies help "free up" a portion of their incomes, the beneficiaries use this additional income to purchase other basic needs, like food or housing, which have stronger stimulative effects on consumer



purchases and economic growth. In contrast, tax savings by higher income people are more likely to be converted to savings which are less stimulative in nature.

In an analysis like this, an important question is whether the federal funding that is cut would be used for another purpose. This is unknown. CBO estimated that H.R. 3762 could have reduced the federal deficit,<sup>24</sup> and alternative uses for these savings were not specified. It did not appear that the federal savings would be rechanneled to help states or support health care.

It is too early to identify the effects of related health policy changes that may be included in repeal legislation because the contents are still undefined. Updates to this report may be possible later, when more information about legislative proposals are known.

All estimated impacts in PI+ are based on a comparison of a baseline model and models that include specific policy interventions. Other broad changes, such as those that affect the general economy, affect both the baseline and the policy models, filtering out the effects of unrelated factors, so that the results are effectively the same, regardless of other exogenous economic or demographic changes. In this regard, if there are, for example, broader changes to tax or economic policies under a new Administration, this should have little incremental effect on estimated changes caused by repeal of the premium tax credits and Medicaid expansions.

Finally, the model essentially assumes that changes made in a given year immediately affect that year, although, in reality, results might be more drawn out. A clinic, hospital or insurer expecting lower revenue in 2019 due to cuts may delay hiring or investment decisions in 2018, creating drags even before the cuts are effective. Some effects might not be realized until 2020 or later because of implementation lags. The dynamic nature of the model accounts for

changes over time after initial implementation as economic shocks are absorbed over the years.

### Findings about Potential Effects

Our main scenario assumes that repeal of both premium tax credits and Medicaid expansions is effective on January 1, 2019. If effective dates are 2018 or 2020 instead, results would be similar but shifted forward or backward by one year.

As seen in **Table 1**, the combined effect of tax credits and Medicaid expansion repeal in 2019 is the loss of almost \$140 billion in federal funding in that year. As a result, about 2.6 million jobs would be lost nationwide in 2019. Almost all the jobs lost are private sector jobs. About one-third of the jobs lost (912,000) are in health care (hospitals, ambulatory care, long-term care and social assistance). The majority of jobs lost (1.6 million) are in other private industry sectors, including construction, real estate, retail trade, finance and insurance. Almost 100,000 public sector jobs (including education and other public jobs) would be lost. The number of jobs lost rises to almost 3 million by 2021 and then declines slightly. (Note: The job losses are not cumulative. Job levels are 2.6 million lower in 2019 and 2.85 million less in 2019, compared to the levels that would exist without repeal. This does not mean that a cumulative 5.45 million jobs are lost across both years: 2.6 million jobs are lost in 2019 and levels dip another 250,000 in 2020, so the number lost by 2020 is 2.85 million, compared to the baseline.)

States would experience substantial losses in economic activity. The loss of federal funding triggers a \$256 billion loss in gross state products in 2019, as well as almost half a trillion dollar loss (\$441 billion) in aggregate business output.

The levels continue to rise in later years. These massive losses are related to the employment reductions described above. If replacement policies are not in effect, these

**Table 1. National Summary of Results: Repeal of Both Premium Tax Credits and Medicaid Expansion**

	2019	2020	2021	2022	2023	Total 2019-23
<b>Federal Funding Cut (billions of \$)</b>	-\$139.5	-\$150.0	-\$161.5	-\$172.0	-\$184.0	-\$807.0
<b>Total Employment Lost (thousands of jobs)</b>	-2,599	-2,854	-2,978	-2,924	-2,857	N/A
<b>Private Employment</b>	-2,535	-2,754	-2,857	-2,796	-2,727	N/A
<b>Health Care</b>	-912	-942	-974	-984	-1,003	N/A
<b>Construction &amp; Real Estate</b>	-292	-385	-410	-383	-340	N/A
<b>Retail Trade</b>	-261	-275	-282	-275	-268	N/A
<b>Finance &amp; Insurance</b>	-159	-165	-168	-163	-159	N/A
<b>All Other Private</b>	-912	-988	-1,023	-991	-957	N/A
<b>Public Employment</b>	-63	-100	-120	-128	-130	N/A
<b>Business Output Lost (billions of \$)</b>	-\$440.5	-\$502.7	-\$542.7	-\$551.6	-\$555.3	-\$2,592.7
<b>Gross State Product Lost (billions of \$)</b>	-\$255.9	-\$292.1	-\$316.2	-\$322.6	-\$326.1	-\$1,512.8
<b>State &amp; Local Taxes Lost (billions of \$)</b>	-\$8.2	-\$9.3	-\$10.1	-\$10.3	-\$10.4	-\$48.4

Source: George Washington University analyses

losses would mount to a cumulative \$1.5 trillion drop in gross state products and \$2.6 trillion reduction in business output over the five-year period 2019 to 2023.

In turn, these losses will cause state and local tax revenues to fall. Across the nation, state and local tax revenues would drop by \$8 billion in 2019, with a cumulative \$48 billion loss from 2019 to 2023.

State and local governments could be faced with a two-fold problem: declining revenues, coupled with an increased demand for health care services because millions more are uninsured and will have difficulty paying for the health care they need. The increase in the number of uninsured drives up uncompensated care costs, particularly by safety net providers such as public hospitals or community health centers. This could force state and local governments to make painful choices about whether to cut back services and/or whether to raise tax rates to meet the increased demand for services.

Effects are similar, but smaller, when the two repeal elements are considered separately: repeal of premium tax credits and repeal of Medicaid expansions. A key difference is that repeal of tax credits directly affects every state because all states

participate in the Health Insurance Marketplaces and receive premium tax credits, while the loss of federal Medicaid expansion funding would only directly affect the 32 states (including the District of Columbia) that adopted expansions. As seen in **Table 2** the repeal of premium tax credits alone could lead to a loss of \$341 billion in federal funding over the five year period 2019-23. This, in turn will lead to the loss of about 1.1 million jobs in 2019, of which 369,000 are health care jobs, while the majority are not. From 2019 to 2023, total gross state products would shrink by \$623 billion, total business output would fall by \$1.1 billion and state and local tax revenues would fall by \$21 billion.

The effects of eliminating only Medicaid expansions are larger than eliminating tax credits because Medicaid expansion is associated with more federal funding, even though Medicaid expansions are not occurring in 19 states. **Table 3** shows that cancelling Medicaid expansions could reduce federal funding to states by \$466 billion from 2019 to 2023. Across all the states, 1.5 million fewer people would have jobs in 2019, including 543,000 in the health care sector and 952,000 in other industries.

**Table 2. National Summary of Results: Repeal of Premium Tax Credits**

	2019	2020	2021	2022	2023	Total 2019-23
<b>Federal Funding Cut (billions of \$)</b>	-\$61.0	-\$65.0	-\$68.8	-\$71.8	-\$74.8	-\$341.3
<b>Total Employment Lost (thousands of jobs)</b>	-1,105	-1,202	-1,232	-1,184	-1,121	N/A
<b>Private Employment</b>	-1,077	-1,159	-1,181	-1,130	-1,068	N/A
<b>Health Care</b>	-369	-377	-382	-377	-373	N/A
<b>Construction &amp; Real Estate</b>	-125	-164	-172	-157	-134	N/A
<b>Retail Trade</b>	-109	-114	-115	-109	-103	N/A
<b>Finance &amp; Insurance</b>	-88	-91	-91	-88	-85	N/A
<b>All Other Private</b>	-386	-414	-421	-399	-373	N/A
<b>Public Employment</b>	-27	-43	-51	-53	-53	N/A
<b>Business Output Lost (billions of \$)</b>	-\$188.4	-\$212.5	-\$225.2	-\$224.0	-\$218.6	-\$1,068.7
<b>Gross State Product Lost (billions of \$)</b>	-\$109.3	-\$123.4	-\$131.1	-\$130.9	-\$128.3	-\$623.0
<b>State &amp; Local Taxes Lost (billions of \$)</b>	-\$3.7	-\$4.1	-\$4.4	-\$4.4	-\$4.3	-\$20.9

Source: George Washington University analyses

**Table 3. National Summary of Results: Repeal of Medicaid Expansions Only**

	2019	2020	2021	2022	2023	Total 2019-23
<b>ALL STATES COMBINED</b>						
<b>Federal Funding Cut (billions of \$)</b>	-\$78.5	-\$85.0	-\$92.8	-\$100.3	-\$109.3	-\$465.8
<b>Total Employment Lost (thousands of jobs)</b>	-1,495	-1,653	-1,748	-1,744	-1,739	N/A
<b>Health Care</b>	-543	-566	-592	-608	-631	N/A
<b>All Other</b>	-952	-1,088	-1,155	-1,136	-1,108	N/A
<b>Business Output Lost (billions of \$)</b>	-\$252.4	-\$290.4	-\$317.9	-\$328.2	-\$337.3	-\$1,526.1
<b>Gross State Product Lost (billions of \$)</b>	-\$146.7	-\$168.8	-\$185.3	-\$192.0	-\$198.1	-\$891.0
<b>State &amp; Local Taxes Lost (billions of \$)</b>	-\$4.7	-\$5.4	-\$6.0	-\$6.2	-\$6.4	-\$28.7
<b>32 STATES EXPANDING MEDICAID</b>						
<b>Federal Funding Cut (billions of \$)</b>	-\$78.5	-\$85.0	-\$92.8	-\$100.3	-\$109.3	-\$465.8
<b>Total Employment Lost (thousands of jobs)</b>	-1,158	-1,277	-1,354	-1,361	-1,369	N/A
<b>Health Care</b>	-451	-470	-492	-506	-527	N/A
<b>All Other</b>	-707	-808	-862	-855	-842	N/A
<b>Business Output Lost (billions of \$)</b>	-\$195.0	-\$223.9	-\$245.7	-\$255.5	-\$264.8	-\$1,185.0
<b>Gross State Product Lost (billions of \$)</b>	-\$114.0	-\$130.9	-\$144.1	-\$150.4	-\$156.5	-\$695.8
<b>State &amp; Local Taxes Lost (billions of \$)</b>	-\$3.8	-\$4.3	-\$4.7	-\$5.0	-\$5.2	-\$22.9
<b>19 STATES NOT EXPANDING MEDICAID</b>						
<b>Federal Funding Cut (billions of \$)</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Employment Lost (thousands of jobs)</b>	-338	-376	-394	-383	-369	N/A
<b>Health Care</b>	-86	-90	-93	-95	-97	N/A
<b>All Other</b>	-251	-287	-301	-288	-272	N/A
<b>Business Output Lost (billions of \$)</b>	-\$53.2	-\$61.8	-\$67.1	-\$67.6	-\$67.4	-\$317.1
<b>Gross State Product Lost (billions of \$)</b>	-\$32.7	-\$37.9	-\$41.2	-\$41.7	-\$41.7	-\$195.2
<b>State &amp; Local Taxes Lost (billions of \$)</b>	-\$1.0	-\$1.1	-\$1.2	-\$1.2	-\$1.2	-\$5.8

Source: George Washington University analyses

Repeal would cause gross state products to fall by almost \$900 billion from 2019 to 2023 and lower total business output by about \$1.5 trillion. The majority of these losses occur among the 32 states that are expanding Medicaid, including almost 1.2 million jobs lost in 2019.

Although 19 states are not expanding Medicaid, they will also experience serious job and economic losses. As seen in the lower panel of Table 3, the 19 non-expanding states will collectively lose about 338,000 jobs in 2019 and \$195 billion in gross state products from 2019 to 2023, even though they will not lose any federal matching funds related to expansions. These states currently benefit indirectly benefit from the economic growth generated by Medicaid expansions in other states.

The impact of the flow of labor, goods and services across state lines can be better understood with an example. As seen in Table 4, although the state Utah has not expanded Medicaid, federal repeal would cause it to lose almost 9 thousand jobs in 2019 and \$9 billion in business output from 2019 to 2023 because of indirect effects from other states. If Medicaid expansions are terminated, there will be direct losses among other states that expanded Medicaid, including neighbors Colorado, Arizona, Nevada and New Mexico, as well as nearby California. These states currently garner billions in federal matching funds, triggering economic and job growth in those states. Thus, the termination of Medicaid expansions in other states also would lead to economic dislocations that are also felt in Utah, as expanding states' businesses and workers reduce purchases from Utah businesses and workers. Because of interstate commerce, economic and employment benefits from Medicaid-expanding states flow into Utah, although not as much as if Utah had expanded its Medicaid program.

**Table 4** summarizes data about eight states (Arizona, Florida, Maine, New York, Ohio, Pennsylvania, Utah and West Virginia), five of which expanded Medicaid and three which did not.

- Job losses in these eight states range from 13,000 lost in Maine to 181,000 lost in Florida, triggered by the joint cuts in premium tax credits and Medicaid expansions. Among the other states, Arizona would lose 34,000 jobs, New York loses 131,000, Ohio loses 126,000, Pennsylvania loses 137,000 Utah loses 19,000 and West Virginia loses almost 19,000 jobs. In all eight states, the health care sector loses the largest number of jobs, but the majority of employment lost is among other industries.
- These states also experience substantial economic losses. Gross state products will fall as much as \$90 billion over five years in New York and in Florida, \$76 billion in Pennsylvania, \$70 million in Ohio, \$18 billion in Arizona, \$9 billion in West Virginia and \$7 billion in Maine.
- As a consequence of these economic losses, state and local tax revenues will also decline, ranging from \$270 million in Maine to \$3.6 billion in New York.
- In the five states shown in Table 4 that expanded Medicaid (Arizona, New York, Ohio, Pennsylvania and West Virginia), the majority of losses are caused by repealing Medicaid expansions. In the other three states (Florida, Maine and Utah) the majority of losses are due to repeal of the tax credits. (Adults with incomes between 100 percent and 138 percent of poverty in states that do not expand Medicaid are eligible for tax credits, but are instead eligible for Medicaid in expansion states.) Nonetheless, all eight states experience job and economic losses due to repeal of the tax credits and Medicaid expansions.

**Table 4. Summary of Consequences for Eight Selected States**

	Arizona*	Florida	Maine	New York*	Ohio*	Pennsylvania*	Utah	West Virginia*
<b>REPEAL OF TAX CREDITS &amp; MEDICAID EXPANSION</b>								
Federal Funding Cut, 2019-23 (billions of \$)	-\$6.8	-\$54.4	-\$2.7	-\$15.5	-\$34.9	-\$36.9	-\$3.4	-\$7.2
<b>Employment Lost in 2019</b>								
Total Employment Lost (thousands of jobs)	-33.9	-181.0	-13.1	-130.7	-126.3	-137.2	-18.6	-16.5
Health Care	-10.5	-64.2	-5.0	-47.7	-49.7	-57.0	-4.9	-7.2
All Other	-23.4	-116.8	-8.1	-83.0	-76.6	-80.2	-13.7	-9.3
<b>Economic Activity Lost, 2019-23</b>								
Business Output Lost (billions of \$)	-\$29.11	-\$146.46	-\$12.09	-\$154.11	-\$119.52	-\$128.93	-\$17.18	-\$15.97
Gross State Product Lost (billions of \$)	-\$17.67	-\$90.42	-\$6.88	-\$89.67	-\$69.52	-\$76.47	-\$10.07	-\$9.12
State & Local Taxes Lost (billions of \$)	-\$0.53	-\$3.03	-\$0.27	-\$3.55	-\$2.20	-\$2.42	-\$0.31	-\$0.35
<b>REPEAL OF TAX CREDITS ONLY</b>								
Federal Funding Cut, 2019-23 (billions of \$)	-\$3.6	-\$54.4	-\$2.7	-\$2.7	-\$5.4	-\$9.9	-\$3.4	-\$1.4
<b>Employment Lost in 2019</b>								
Total Employment Lost (thousands of jobs)	-13.7	-140.3	-7.0	-44.5	-38.7	-46.5	-9.8	-5.9
Health Care	-4.3	-52.7	-2.7	-13.4	-13.1	-16.7	-3.0	-2.4
All Other	-9.4	-87.6	-4.3	-31.1	-25.6	-29.9	-6.8	-3.5
<b>Economic Activity Lost, 2019-23</b>								
Business Output Lost (billions of \$)	-\$11.24	-\$115.47	-\$6.25	-\$54.03	-\$37.26	-\$44.80	-\$8.53	-\$5.78
Gross State Product Lost (billions of \$)	-\$6.84	-\$71.08	-\$3.64	-\$30.59	-\$21.32	-\$26.16	-\$5.07	-\$3.26
State & Local Taxes Lost (billions of \$)	-\$0.21	-\$2.38	-\$0.14	-\$1.21	-\$0.67	-\$0.83	-\$0.16	-\$0.12
<b>REPEAL OF MEDICAID EXPANSION ONLY</b>								
Federal Funding Cut, 2019-23 (billions of \$)	-\$3.2	\$0.0	\$0.0	-\$12.8	-\$29.5	-\$26.9	\$0.0	-\$5.8
<b>Employment Lost in 2019</b>								
Total Employment Lost (thousands of jobs)	-20.3	-40.8	-6.0	-86.3	-87.6	-90.7	-8.8	-10.6
Health Care	-6.3	-11.5	-2.2	-34.4	-36.5	-40.3	-1.9	-4.7
All Other	-14.0	-29.3	-3.8	-51.9	-51.1	-50.4	-7.0	-5.9
<b>Economic Activity Lost, 2019-23</b>								
Business Output Lost (billions of \$)	-\$17.90	-\$31.05	-\$5.87	-\$100.27	-\$82.29	-\$84.18	-\$8.67	-\$10.19
Gross State Product Lost (billions of \$)	-\$10.84	-\$19.38	-\$3.26	-\$59.19	-\$48.22	-\$50.34	-\$5.01	-\$5.86
State & Local Taxes Lost (billions of \$)	-\$0.33	-\$0.65	-\$0.13	-\$2.34	-\$1.52	-\$1.59	-\$0.16	-\$0.22

\* States expanding Medicaid

Source: George Washington University analyses

Tables A-1 to A-4, at the end of this report, provide more detail about all 50 states and the District of Columbia.

States with the highest job losses in 2019 include: California (334,000 jobs), Florida (181,000), Texas (175,000), Pennsylvania (137,000), New York (131,000), Ohio (126,000 each), Illinois (114,000), Michigan (102,000), New Jersey (86,000) and North Carolina (76,000). It is not surprising that the largest job and economic losses occur in

larger states, but it is important to recognize that all states lose jobs and have adverse economic effects after the large federal health cutbacks occur.

## Discussion

Repealing key parts of the Affordable Care Act would lead to major cuts in federal assistance for health care, thereby triggering major losses in employment and serious

economic distress in all states. These losses will affect not only hospitals, clinics and patients, but will have more widespread repercussions through most sectors of the states' economies. This analysis finds that:

- 2.6 million jobs could be lost across the nation in 2019 and rise to almost 3 million by 2021. About one-third of the jobs lost are in health care, such as doctors, nurses, pharmacists, medical aides and healthcare technicians, but the remainder is in other sectors that sell services to health providers or to other downstream businesses and workers, including the construction and real estate, retail trade, and finance and insurance. Almost all the jobs lost are in the private sector.
- The size of states' economies (as measured by gross state products) could shrink by almost \$1.5 trillion over five years (2019-23).
- Total business output could dwindle by \$2.6 trillion over five years.
- State and local governments could lose \$48 billion in tax revenues over five years.
- The employment and economic losses would be widespread, affecting every state and multiple sectors of their economies. Because economic activity flows across state lines, even states that did not expand Medicaid would lose jobs and experience economic losses if Medicaid expansions are cancelled.

These findings are particularly noteworthy in light of common (debunked) claims that Obamacare has been a "job killer."<sup>25</sup> Evidence has shown that job growth has been robust since the ACA was implemented and the U.S. economy has had a major recovery since the Great Recession of 2008 to 2010.<sup>26</sup> In fact, this analysis indicates that repealing key parts of Obamacare could lead to major job loss and economic distress across the states.

The economic hardships for states and for health care providers will be particularly serious. States and localities will lose revenues at the same time millions of their residents could lose their health insurance, increasing the need to assist residents in obtaining care and health care providers in offsetting uncompensated care costs. The hospital sector is likely to see major losses, and states and localities likely will want to do what they can to keep all facilities open where possible, given limited budgets. Safety net health facilities, such as hospitals and community health centers, could be particularly affected because they serve a disproportionate share of uninsured and Medicaid patients. An Urban Institute analysis found that uncompensated care demands would rise greatly.<sup>27</sup> Recent analyses demonstrated that Medicaid expansions were associated with lower uncompensated hospital burdens and with increased capacity at nonprofit community health centers.<sup>28 29</sup>

Some may argue that other future policy changes, such as tax policy changes or investments in infrastructure, would lead to gains that offset the employment and economic losses identified in this study. The goal of this study is to identify the specific effects of repealing these elements of health reform, not to speculate on the aggregate effect of other uncertain policy changes. For example, the Trump campaign proposed a number of tax changes, but analyses indicated they would greatly increase the federal deficit and be tilted towards those with very high incomes. These outcomes conflict with other campaign claims, suggesting that the tax changes would have to be drastically altered.<sup>30</sup> It is not yet clear what tax policy changes will be under serious consideration in 2017.

Let us assume that a hypothetical infrastructure investment policy could increase employment by 1 million. This does not negate the finding that ACA repeal reduces jobs by 2.6 million; the other job growth is caused by a different policy. Had

this hypothetical infrastructure policy gone into effect in the absence of changes to the ACA, net employment could have grown by one million, rather than having a net 1.6 million loss that might occur if both types of policies are adopted. Moreover, different types of policies are likely to have very different distributions of losses or gains effects across sectors (e.g., healthcare vs. construction) and across states. This paper analyzes the potential consequences associated with a partial repeal of the ACA, similar to the policies contained in H.R. 3762, which President Obama vetoed. Losses could be smaller if tax credits and Medicaid expansions are not fully repealed or if effective replacement policies that include substantial levels of federal support are developed.

In a post-repeal environment, a key question is what type of policies might replace the premium tax credits. For example, the Trump campaign platform recommended allowing full tax deductibility of health insurance premiums.<sup>31</sup> Analyses by the RAND Corporation indicated this would substantially increase federal costs, but have a very limited effect on insurance coverage.<sup>32</sup> The level of a family's tax deductions are based on its marginal tax rate, which is higher for those with greater incomes and zero for those with the lowest incomes.

Thus, strategies based on tax deductions primarily help those with higher incomes, who already have very high rates of insurance coverage and access to care, but do little to help to those with lower incomes, who have more serious constraints affording health insurance and health care services. Such a strategy would also provide fewer additional federal resources, reducing the stimulative effects on employment and state economies. ACA policies are targeted to low and moderate income families. To the extent that federal subsidies help them save money, they are likely to use those savings to purchase other basic needs like food, housing or transportation, which help stimulate local

economies and employment. In contrast, policies focused on those with higher incomes are more likely to lead to higher savings, which are less stimulative in nature.

Many Republicans have promoted greater use of Health Savings Accounts (HSAs) that link high deductible health insurance to the use of tax-deferred HSAs that could be used to cover out-of-pocket health costs. As noted above, tax deductibility is of little help to those with low or middle incomes who have zero or low marginal tax rates; HSAs primarily benefit those with higher incomes and/or excellent health. Moreover, those with limited incomes are unlikely to have much disposable income that could be deposited in HSAs anyway. The high deductibles necessitated by HSAs could create serious barriers to consumers' ability to access healthcare.<sup>33</sup>

With respect to Medicaid expansion policies, other questions arise. First, some states that have not yet expanded Medicaid might be more interested in these options under a Republican administration, if they believe revised federal policies would permit greater flexibility for Section 1115 waiver programs that let them modify the structure of expansions. Would they be permitted to expand Medicaid during a transition period and how would state waiver proposals be assessed by incoming federal officials?

Second, would federal expansion funding continue to be available to states after repeal goes into effect? House Speaker Ryan and others have proposed converting Medicaid into a block grant of some type that would provide more fixed levels of federal funding in lieu of Medicaid's current entitlement status.<sup>34</sup> Presumably states' federal block grant funding levels would be based on federal payments in some baseline period. Would federal expansion funds be included in state baselines for block grants, so that the funds continue to be available for future Medicaid services? Such an approach could limit some of the economic damage, but

current plans in Congress are not clear. Moreover, if federal funding under a block grant is ultimately more limited in the future, the positive economic effects of Medicaid expansions could be more than offset by other limitations imposed by a block grant.

A final concern is that, even if repeal is passed in early 2017, it could be a long time before replacement policies are developed. While there is a strong desire to rapidly repeal Obamacare, no strong consensus exists on how it should be replaced. Discussion and debate about what should be in a replacement package (and how to finance it) could be very difficult, stretching months or even years. It is possible that a prolonged period of uncertainty would be harmful in and of itself. For example, the American Academy of Actuaries warned that uncertainty that could be caused by an immediate repeal bill without clear replacements could create havoc, causing serious disruptions in the health insurance market for both insurers and health care providers.<sup>35</sup> This is consistent with broader economic and business research findings that uncertainty about future policies can hamper businesses trying to plan for the future, leading to delays in investment and planning decisions and contributing to economic downturns.<sup>36 37</sup>

**Conclusion.** Recent analyses have indicated that repealing Obamacare could greatly roughly double the number of uninsured Americans, making it harder for them to afford health care services, increase uncompensated care and reduce funding for hospitals.<sup>38 39</sup> This analysis demonstrates that the consequences could extend well beyond the health care system and trigger major reductions in employment and substantial losses in state economic activity and state and local revenues. Repercussions would reverberate across all the states and most sectors of the economy.

**Note:** An abbreviated version of this report has been released by the Commonwealth Fund and is available at:

<http://www.commonwealthfund.org/Publications/Issue-Briefs/2017/Jan/Repealing-Federal-Health-Reform>



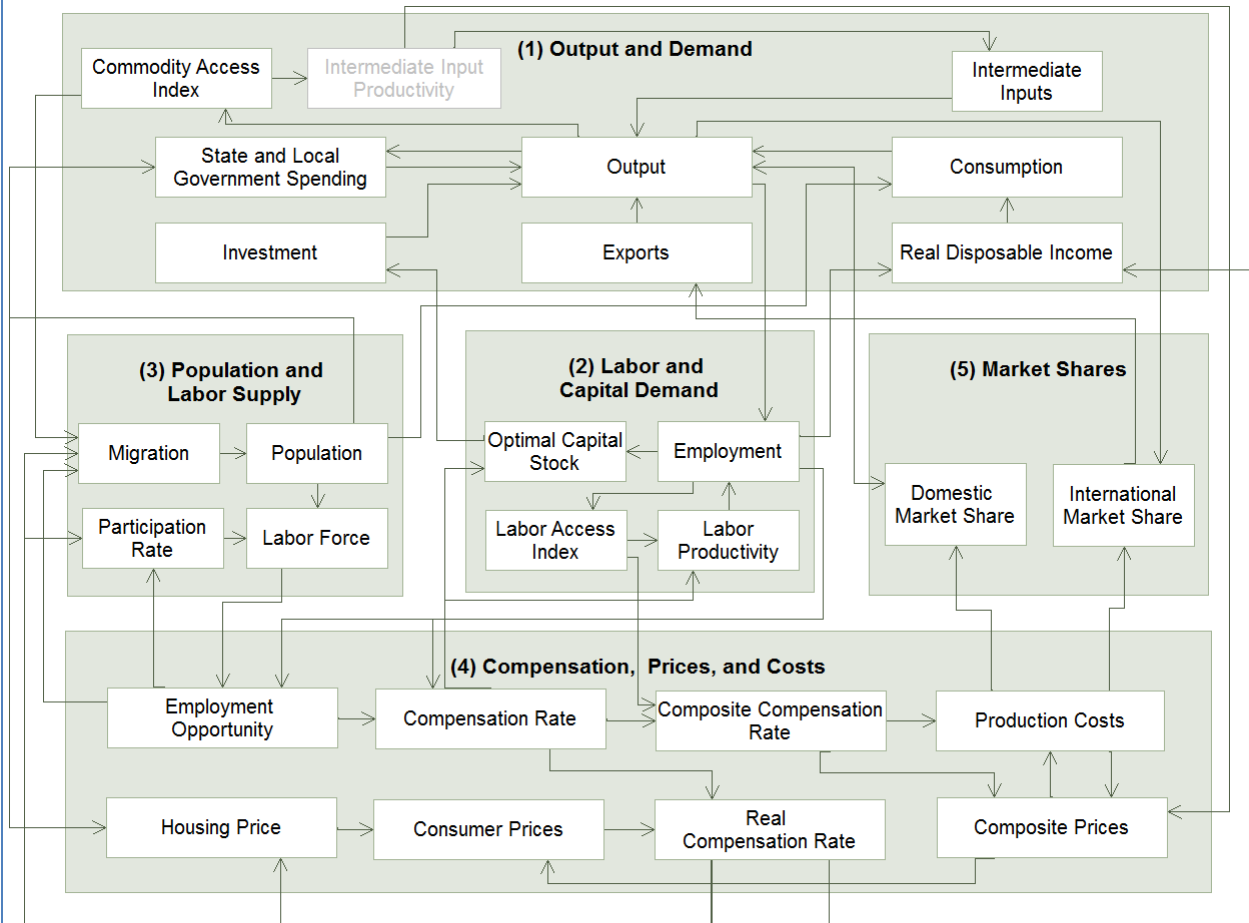
## Appendix: Additional Information about Sources of Data and Methods

- State-level premium tax credits were estimated based on the number of people who received advanced premium tax credits in Health Insurance Exchanges and the average monthly value of tax credits for each state as reported by the Centers for Medicare and Medicaid Services (CMS).<sup>40</sup> These estimates were projected forward to future calendar years based on the Congressional Budget Office (CBO) baseline estimates of the value of federal premium tax credits.<sup>41</sup>
- Federal funding for Medicaid expansions was based on preliminary estimates of federal Medicaid expenditures for newly eligible “Group VIII” enrollees for Quarters 3 and 4 of Fiscal Year 2015 and Quarters 1 and 2 of Fiscal Year 2016, with additional estimates of federal expenditures for early expansion non-pregnant childless adults.<sup>42</sup> Expenditure data for three states that only recently implemented expansions (Alaska, Louisiana and Montana) were not yet available from these sources. Data for Alaska was based on a data available on a state website.<sup>43</sup> Data for Louisiana and Montana were based on estimates of expected federal expenditures for Fiscal Year 2017 as reported in their State Plan Amendments filed with CMS.<sup>44</sup> These were also projected forward to future years based on the CBO baseline estimate of federal expenditures for Medicaid expansions, adjusted to account for changing federal matching rates for Medicaid expansions under the ACA.
- The state-level estimates of federal expenditures were partitioned into

estimates for hospital expenditures (inpatient, outpatient and emergency), ambulatory health services, pharmaceuticals and long-term care services, based on regional estimates of expenditures for Medicaid and private insurance beneficiaries based on regional analysis using the 2014 Medical Expenditure Panel Survey. For the premium tax credits, a fifth sector, insurance overhead, was added because insurance on all Health Insurance Marketplaces is offered by private carriers.

- Estimates of changes in hospital, ambulatory care, long-term care and insurance funding are modeled in PI+ as exogenous increases in the demand for services, while pharmaceutical funding is included as changes in consumer spending. Models were run that included elimination of premium tax credits and Medicaid expansions both alone and together.
- Our analyses do not include any potential state compensatory reactions. For example, if federal Medicaid expansions are cancelled, a state might use its own funding to support some or all of the expansion. Or a state might create state tax credits in lieu of federal tax credits to support insurance purchases in health insurance marketplaces. But given the extremely large size of federal subsidies in the ACA, it seems unlikely that states would be able to substitute state funds for much, if any, of the federal funds lost. Moreover, given that states have balanced budget requirements, such actions would shift state funds from some other function to support these purposes that were previously federal responsibilities.

**Figure 2. Schematic Illustration of the PI+ Model and System of Equations**



Source: Regional Economic Models, Inc. (REMI)

- Figure 2 illustrates the models and linkages used in PI+, version 2.0. More information about the model and data sources used is available at REMI's website.<sup>45</sup> The economic, demographic and employment data come from a variety of sources, especially data from the Bureau of Economic Analysis.

**Table A-1. Jobs Lost by State Due to Repeal of Tax Credits and Medicaid Expansions in 2019 (Thousands of Jobs)**

	Private Employment						Public Employment
	Total Employment	Health Care	Construction / Real Estate	Retail Trade	Finance / Insurance	All Other Private	
Alabama	-28.2	-8.8	-3.3	-2.8	-1.8	-10.6	-0.8
Alaska	-5.3	-2.1	-0.5	-0.5	-0.2	-1.8	-0.2
Arizona	-33.9	-10.5	-4.2	-3.4	-2.7	-12.5	-0.7
Arkansas	-27.6	-9.5	-3.0	-3.4	-1.1	-9.6	-1.0
California	-333.6	-121.3	-35.2	-34.6	-16.4	-118.6	-7.5
Colorado	-39.0	-11.6	-5.6	-3.9	-2.6	-14.5	-0.9
Connecticut	-35.9	-14.2	-3.9	-3.3	-3.1	-10.6	-0.8
Delaware	-9.0	-3.4	-1.1	-0.9	-0.8	-2.7	-0.2
Dist. Columbia	-8.2	-3.4	-0.5	-0.3	-0.3	-3.6	-0.1
Florida	-181.0	-64.2	-21.4	-17.9	-13.4	-60.2	-3.9
Georgia	-71.5	-21.4	-8.3	-6.9	-5.0	-28.1	-1.7
Hawaii	-7.4	-2.6	-0.9	-0.9	-0.3	-2.6	-0.1
Idaho	-11.5	-3.8	-1.6	-1.2	-0.6	-3.9	-0.3
Illinois	-114.3	-39.3	-10.9	-11.2	-7.9	-42.5	-2.6
Indiana	-55.4	-19.1	-6.2	-6.0	-2.8	-20.0	-1.4
Iowa	-25.8	-8.2	-3.1	-3.2	-2.2	-8.4	-0.8
Kansas	-18.8	-5.8	-2.0	-1.7	-1.6	-7.1	-0.5
Kentucky	-44.5	-17.1	-4.6	-6.0	-2.0	-13.5	-1.4
Louisiana	-36.8	-11.9	-5.2	-3.7	-1.9	-13.2	-1.0
Maine	-13.1	-5.0	-1.7	-1.4	-0.6	-4.0	-0.4
Maryland	-52.0	-20.0	-6.6	-5.0	-2.5	-16.7	-1.2
Massachusetts	-56.9	-20.0	-6.5	-4.1	-3.9	-21.2	-1.1
Michigan	-101.5	-40.2	-9.8	-11.3	-4.5	-33.2	-2.5
Minnesota	-52.9	-18.8	-5.5	-5.6	-3.5	-18.1	-1.4
Mississippi	-16.4	-5.1	-1.9	-1.7	-0.9	-6.3	-0.6
Missouri	-46.1	-15.4	-5.3	-4.8	-3.3	-16.2	-1.2
Montana	-8.2	-3.0	-1.2	-0.8	-0.4	-2.6	-0.3
Nebraska	-14.3	-4.4	-1.7	-1.5	-1.4	-4.9	-0.4
Nevada	-22.1	-6.3	-2.7	-2.6	-1.2	-8.9	-0.4
New Hampshire	-13.4	-4.5	-1.8	-1.6	-0.8	-4.4	-0.3
New Jersey	-86.4	-33.5	-8.9	-8.6	-5.1	-28.1	-2.2
New Mexico	-18.8	-7.8	-1.9	-2.4	-0.6	-5.3	-0.8
New York	-130.7	-47.7	-11.8	-9.3	-11.1	-47.8	-3.0
North Carolina	-76.2	-26.1	-9.0	-7.9	-4.6	-26.4	-2.2
North Dakota	-8.2	-2.4	-1.2	-0.8	-0.5	-3.0	-0.2
Ohio	-126.3	-49.7	-12.5	-13.3	-6.6	-40.9	-3.3
Oklahoma	-22.8	-6.9	-2.7	-2.1	-1.5	-9.0	-0.7
Oregon	-45.3	-18.1	-4.6	-5.5	-1.8	-14.0	-1.3
Pennsylvania	-137.2	-57.0	-13.8	-13.1	-7.4	-42.9	-3.0
Rhode Island	-12.1	-5.4	-1.2	-1.1	-0.6	-3.5	-0.3
South Carolina	-28.5	-8.2	-3.3	-3.1	-2.0	-11.1	-0.8
South Dakota	-7.4	-2.6	-0.9	-0.8	-0.6	-2.2	-0.2
Tennessee	-57.0	-17.0	-7.2	-5.9	-3.3	-22.0	-1.5
Texas	-174.7	-48.3	-24.9	-15.8	-13.2	-68.9	-3.6
Utah	-18.6	-4.9	-2.6	-2.0	-1.5	-7.2	-0.4
Vermont	-5.7	-2.1	-0.7	-0.6	-0.2	-1.9	-0.2
Virginia	-51.6	-15.8	-6.6	-4.6	-3.2	-20.3	-1.1
Washington	-40.9	-14.5	-4.9	-4.5	-2.0	-14.1	-0.9
West Virginia	-16.5	-7.2	-1.6	-2.0	-0.5	-4.6	-0.6
Wisconsin	-45.7	-14.7	-4.8	-4.8	-3.4	-16.8	-1.2
Wyoming	-3.6	-0.8	-0.6	-0.3	-0.2	-1.6	-0.1

Source: George Washington University analyses

**Table A-2. State Employment Results: Repeal of Premium Tax Credits in 2019 (Thousands of Jobs)**

	Private Employment						Public Employment
	Total Employment	Health Care	Construction / Real Estate	Retail Trade	Finance / Insurance	All Other Private	
Alabama	-17.0	-5.6	-2.0	-1.9	-1.2	-5.8	-0.5
Alaska	-2.3	-1.0	-0.2	-0.2	-0.1	-0.7	-0.1
Arizona	-13.7	-4.3	-1.6	-1.3	-1.3	-4.9	-0.3
Arkansas	-8.6	-3.0	-0.9	-0.8	-0.6	-3.0	-0.3
California	-93.8	-31.8	-9.8	-8.4	-7.0	-35.1	-1.8
Colorado	-11.3	-2.8	-1.7	-0.9	-1.1	-4.6	-0.2
Connecticut	-12.3	-3.9	-1.4	-1.2	-1.6	-4.0	-0.3
Delaware	-3.5	-1.2	-0.4	-0.4	-0.4	-1.0	-0.1
Dist. Columbia	-2.7	-0.9	-0.2	-0.1	-0.1	-1.4	0.0
Florida	-140.3	-52.7	-16.4	-14.3	-10.6	-42.8	-3.4
Georgia	-46.9	-15.3	-5.4	-4.9	-3.6	-16.6	-1.3
Hawaii	-0.9	-0.2	-0.1	-0.1	-0.1	-0.5	0.0
Idaho	-5.3	-2.1	-0.6	-0.6	-0.4	-1.5	-0.2
Illinois	-39.8	-11.7	-3.9	-3.6	-3.9	-15.9	-0.9
Indiana	-21.2	-6.7	-2.3	-2.2	-1.5	-7.9	-0.5
Iowa	-9.7	-2.6	-1.2	-1.0	-1.2	-3.3	-0.3
Kansas	-9.9	-3.1	-1.1	-1.0	-1.0	-3.4	-0.3
Kentucky	-13.2	-4.4	-1.4	-1.2	-1.0	-4.8	-0.4
Louisiana	-22.8	-8.0	-2.9	-2.6	-1.3	-7.3	-0.7
Maine	-7.0	-2.7	-0.9	-0.9	-0.4	-2.0	-0.2
Maryland	-17.2	-5.8	-2.3	-1.4	-1.2	-6.2	-0.4
Massachusetts	-24.9	-8.3	-2.9	-2.0	-2.0	-9.2	-0.5
Michigan	-32.2	-11.4	-3.2	-3.3	-2.1	-11.5	-0.7
Minnesota	-15.8	-4.5	-1.7	-1.3	-1.7	-6.2	-0.4
Mississippi	-9.0	-2.9	-1.0	-1.0	-0.6	-3.2	-0.3
Missouri	-25.5	-8.8	-2.8	-3.0	-2.0	-8.1	-0.7
Montana	-3.6	-1.4	-0.5	-0.4	-0.2	-1.1	-0.1
Nebraska	-7.5	-2.3	-0.8	-0.9	-0.9	-2.4	-0.2
Nevada	-6.3	-1.6	-0.8	-0.6	-0.5	-2.7	-0.1
New Hampshire	-5.1	-1.5	-0.7	-0.6	-0.4	-1.8	-0.1
New Jersey	-28.0	-8.9	-3.0	-2.8	-2.5	-10.1	-0.7
New Mexico	-3.8	-1.3	-0.4	-0.3	-0.2	-1.4	-0.1
New York	-44.5	-13.4	-4.1	-3.1	-5.1	-17.8	-1.0
North Carolina	-50.7	-18.8	-5.8	-5.9	-3.2	-15.4	-1.6
North Dakota	-3.0	-0.9	-0.4	-0.3	-0.2	-1.1	-0.1
Ohio	-38.7	-13.1	-4.0	-3.5	-3.2	-14.0	-0.9
Oklahoma	-12.5	-4.1	-1.4	-1.2	-0.9	-4.4	-0.4
Oregon	-8.1	-2.8	-0.8	-0.8	-0.6	-2.9	-0.2
Pennsylvania	-46.5	-16.7	-4.8	-4.4	-3.8	-15.9	-1.0
Rhode Island	-3.8	-1.4	-0.4	-0.3	-0.3	-1.3	-0.1
South Carolina	-18.1	-5.7	-2.1	-2.1	-1.4	-6.2	-0.6
South Dakota	-3.2	-1.1	-0.4	-0.4	-0.3	-0.9	-0.1
Tennessee	-30.3	-9.3	-3.7	-3.3	-2.0	-11.0	-0.9
Texas	-105.6	-32.7	-13.7	-10.2	-8.6	-37.7	-2.5
Utah	-9.8	-3.0	-1.2	-1.0	-0.9	-3.4	-0.2
Vermont	-2.4	-0.9	-0.3	-0.3	-0.1	-0.8	-0.1
Virginia	-27.1	-9.1	-3.2	-2.7	-1.9	-9.5	-0.7
Washington	-9.1	-2.9	-1.1	-0.8	-0.8	-3.5	-0.1
West Virginia	-5.9	-2.4	-0.6	-0.6	-0.3	-1.8	-0.2
Wisconsin	-22.6	-7.2	-2.3	-2.8	-2.0	-7.6	-0.7
Wyoming	-1.6	-0.4	-0.2	-0.2	-0.1	-0.6	-0.1

Source: George Washington University analyses

**Table A-3. Jobs Lost by State Due to Medicaid Expansions in 2019 (Thousands of Jobs)**

	Private Employment						Public Employment
	Total Employment	Health Care	Construction / Real Estate	Retail Trade	Finance / Insurance	All Other Private	
Alabama	-11.2	-3.2	-1.3	-1.0	-0.6	-4.8	-0.2
Alaska	-3.0	-1.1	-0.3	-0.3	-0.1	-1.1	-0.1
Arizona	-20.3	-6.3	-2.6	-2.1	-1.3	-7.6	-0.4
Arkansas	-18.9	-6.5	-2.0	-2.6	-0.5	-6.6	-0.7
California	-239.9	-89.5	-25.5	-26.2	-9.4	-83.5	-5.7
Colorado	-27.7	-8.8	-3.9	-2.9	-1.5	-9.8	-0.7
Connecticut	-23.6	-10.3	-2.5	-2.1	-1.5	-6.6	-0.5
Delaware	-5.5	-2.1	-0.7	-0.5	-0.4	-1.6	-0.1
Dist. Columbia	-5.5	-2.5	-0.3	-0.2	-0.2	-2.2	-0.1
Florida	-40.8	-11.5	-5.0	-3.6	-2.7	-17.5	-0.4
Georgia	-24.6	-6.1	-2.9	-2.0	-1.5	-11.6	-0.4
Hawaii	-6.4	-2.3	-0.8	-0.8	-0.2	-2.2	-0.2
Idaho	-6.2	-1.7	-0.9	-0.6	-0.3	-2.4	-0.2
Illinois	-74.6	-27.6	-7.0	-7.7	-4.0	-26.6	-1.7
Indiana	-34.3	-12.4	-3.8	-3.8	-1.3	-12.2	-0.9
Iowa	-16.1	-5.5	-1.9	-2.2	-1.0	-5.0	-0.5
Kansas	-8.9	-2.7	-1.0	-0.7	-0.6	-3.7	-0.2
Kentucky	-31.4	-12.7	-3.2	-4.8	-1.0	-8.7	-1.0
Louisiana	-14.1	-3.9	-2.3	-1.1	-0.6	-5.8	-0.3
Maine	-6.0	-2.2	-0.8	-0.5	-0.2	-2.0	-0.2
Maryland	-34.8	-14.2	-4.3	-3.7	-1.3	-10.5	-0.9
Massachusetts	-32.0	-11.7	-3.7	-2.2	-1.9	-12.0	-0.6
Michigan	-69.3	-28.8	-6.6	-8.0	-2.4	-21.7	-1.8
Minnesota	-37.1	-14.3	-3.8	-4.3	-1.9	-11.9	-1.0
Mississippi	-7.3	-2.2	-0.9	-0.7	-0.3	-3.1	-0.2
Missouri	-20.7	-6.6	-2.5	-1.8	-1.2	-8.1	-0.5
Montana	-4.6	-1.6	-0.7	-0.5	-0.2	-1.6	-0.1
Nebraska	-6.8	-2.1	-0.9	-0.6	-0.5	-2.6	-0.2
Nevada	-15.8	-4.7	-1.9	-2.0	-0.7	-6.2	-0.3
New Hampshire	-8.3	-3.0	-1.1	-1.0	-0.3	-2.7	-0.2
New Jersey	-58.4	-24.6	-5.9	-5.8	-2.7	-18.0	-1.5
New Mexico	-15.0	-6.6	-1.4	-2.1	-0.3	-3.9	-0.6
New York	-86.3	-34.4	-7.7	-6.2	-6.0	-30.0	-2.0
North Carolina	-25.4	-7.3	-3.2	-2.0	-1.4	-11.0	-0.5
North Dakota	-5.2	-1.6	-0.8	-0.5	-0.2	-1.9	-0.2
Ohio	-87.6	-36.5	-8.6	-9.8	-3.4	-27.0	-2.3
Oklahoma	-10.3	-2.8	-1.3	-0.8	-0.6	-4.6	-0.3
Oregon	-37.2	-15.3	-3.8	-4.7	-1.2	-11.1	-1.1
Pennsylvania	-90.7	-40.3	-9.0	-8.7	-3.7	-27.0	-2.0
Rhode Island	-8.3	-4.1	-0.8	-0.7	-0.3	-2.2	-0.2
South Carolina	-10.5	-2.5	-1.3	-1.0	-0.6	-4.9	-0.2
South Dakota	-4.2	-1.5	-0.5	-0.4	-0.3	-1.3	-0.1
Tennessee	-26.8	-7.7	-3.5	-2.6	-1.3	-11.1	-0.7
Texas	-69.3	-15.6	-11.2	-5.6	-4.6	-31.2	-1.1
Utah	-8.8	-1.9	-1.4	-1.0	-0.6	-3.8	-0.2
Vermont	-3.2	-1.2	-0.4	-0.3	-0.1	-1.1	-0.1
Virginia	-24.5	-6.7	-3.4	-1.9	-1.3	-10.8	-0.5
Washington	-31.8	-11.6	-3.9	-3.6	-1.2	-10.6	-0.8
West Virginia	-10.6	-4.7	-1.0	-1.5	-0.2	-2.8	-0.4
Wisconsin	-23.2	-7.5	-2.5	-2.0	-1.4	-9.2	-0.6
Wyoming	-2.1	-0.4	-0.4	-0.1	-0.1	-1.0	-0.1

Source: George Washington University analyses

**Table A-4. State Economic Results: Repeal of Tax Credits and Medicaid Expansions from 2019 to 2023 (millions of \$)**

	Federal Funds Lost	Business Output Lost	Gross State Product Lost	State & Local Taxes Lost
Alabama	-\$5,886	-\$26,204	-\$14,499	-\$486
Alaska	-\$3,174	-\$7,130	-\$3,827	-\$180
Arizona	-\$6,764	-\$29,111	-\$17,666	-\$533
Arkansas	-\$13,665	-\$29,748	-\$15,791	-\$539
California	-\$186,840	-\$348,301	-\$207,719	-\$6,783
Colorado	-\$14,647	-\$41,462	-\$24,433	-\$751
Connecticut	-\$12,527	-\$39,133	-\$23,303	-\$748
Delaware	-\$1,957	-\$9,169	-\$5,356	-\$149
Dist. Columbia	-\$2,863	-\$11,336	-\$6,643	-\$118
Florida	-\$54,361	-\$146,457	-\$90,422	-\$3,031
Georgia	-\$15,514	-\$67,341	-\$39,432	-\$1,078
Hawaii	-\$4,229	-\$7,253	-\$4,195	-\$158
Idaho	-\$2,737	-\$10,646	-\$5,900	-\$191
Illinois	-\$33,365	-\$113,842	-\$66,052	-\$2,050
Indiana	-\$12,426	-\$56,451	-\$30,352	-\$907
Iowa	-\$8,087	-\$29,148	-\$14,749	-\$490
Kansas	-\$2,336	-\$18,991	-\$10,464	-\$363
Kentucky	-\$23,858	-\$40,616	-\$22,926	-\$718
Louisiana	-\$7,726	-\$39,092	-\$21,532	-\$640
Maine	-\$2,726	-\$12,086	-\$6,877	-\$268
Maryland	-\$18,443	-\$49,224	-\$30,619	-\$982
Massachusetts	-\$5,521	-\$64,451	-\$38,017	-\$1,149
Michigan	-\$34,441	-\$94,340	-\$53,990	-\$1,820
Minnesota	-\$14,379	-\$57,465	-\$32,944	-\$1,128
Mississippi	-\$2,796	-\$14,563	-\$7,953	-\$327
Missouri	-\$8,876	-\$43,443	-\$24,875	-\$711
Montana	-\$3,179	-\$8,452	-\$4,482	-\$147
Nebraska	-\$2,662	-\$15,147	-\$8,068	-\$247
Nevada	-\$10,067	-\$21,458	-\$12,691	-\$377
New Hampshire	-\$3,880	-\$13,648	-\$8,042	-\$236
New Jersey	-\$31,912	-\$85,048	-\$53,085	-\$1,861
New Mexico	-\$12,248	-\$17,306	-\$10,145	-\$380
New York	-\$16,098	-\$154,108	-\$89,670	-\$3,550
North Carolina	-\$24,971	-\$67,212	-\$39,399	-\$1,197
North Dakota	-\$1,177	-\$11,779	-\$6,388	-\$260
Ohio	-\$34,777	-\$119,515	-\$69,519	-\$2,197
Oklahoma	-\$4,209	-\$23,838	-\$13,603	-\$393
Oregon	-\$23,929	-\$42,581	-\$24,884	-\$818
Pennsylvania	-\$36,720	-\$128,925	-\$76,468	-\$2,422
Rhode Island	-\$4,484	-\$10,568	-\$6,487	-\$234
South Carolina	-\$7,253	-\$25,759	-\$14,886	-\$579
South Dakota	-\$843	-\$7,548	-\$4,153	-\$108
Tennessee	-\$7,576	-\$59,531	-\$34,205	-\$899
Texas	-\$30,872	-\$184,425	-\$107,420	-\$2,716
Utah	-\$3,389	-\$17,178	-\$10,071	-\$313
Vermont	-\$1,241	-\$5,101	-\$2,963	-\$120
Virginia	-\$10,986	-\$52,397	-\$31,001	-\$923
Washington	-\$18,242	-\$46,366	-\$26,967	-\$807
West Virginia	-\$7,145	-\$15,967	-\$9,119	-\$349
Wisconsin	-\$7,892	-\$46,513	-\$25,659	-\$846
Wyoming	-\$1,163	-\$5,377	-\$2,897	-\$109

Source: George Washington University analyses

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