

Health care is no game, but will your family win or lose under Obamacare?

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It's a story of two moms in search of health insurance: Single mother Melanie Thomas and young wife and mother Lindsey Stephens each separately went online recently to sign up for health care coverage as part of the looming Obamacare mandate.

It's also the story of Obamacare itself. Though loud voices on both sides are working to characterize it as either a brilliant triumph or a complete failure, the experiences of these two moms sum up the one thing families know for certain about this foray into health care reform: How well it works depends on where you live and your individual situation. Even people who live close to one another, like Thomas and Stephens, can have very different experiences with the Affordable Care Act.



Lindsey and Kirk Stephens play with their 11-month-old son Jack in their home on Thursday, March 20, 2014

Thomas, of Midvale, Utah, has four mostly grown children and works for a company that does not offer insurance. She tried to sign up in December and ran into glitches right away, including poor communication between agencies that were supposed to see if she was eligible for Medicaid. She wasn't, so she went back to the individual insurance marketplace, where she had to start over twice, including with a broker helping her. The problems, she said, delayed her coverage taking effect by more than a month.

Lindsey and Kirk Stephens of nearby Salt Lake City are among the so-called "young immortals" whose participation in the insurance marketplace is crucial if the Affordable Care Act (ACA) is to work. They and their peers are more likely than other groups not to buy insurance, citing youth

and good health as justification. Enough of them must buy, though, to spread cost and risk, or coverage will become very expensive for others.

Kirk has been on his parents' policy under a provision of Obamacare, but will lose that option soon when he turns 26. Lindsey, 28, had insurance until she stopped working to care for baby Jack and then could not afford other coverage. Jack is covered by the Children's Health Insurance Program. Last week, the Stephens found a policy on the federal insurance exchange at Healthcare.gov that's affordable because they'll get a subsidy. It provides good coverage and puts them on the same policy. The hunt wasn't so bad, Lindsey said, although it took her awhile to figure out the site and find what they needed.

On March 31, the first open-enrollment period closes. Although about 86 percent of Americans have health insurance, usually through employer plans, Medicare or Medicaid, millions of Americans are exploring new health coverage options — some frantically, since those who have not arranged coverage by the deadline face moderate tax penalties. Figuring it out is complicated because the rules have exemptions and deadlines that keep changing. An array of provisions, prices and subsidies determine whether individuals come out winners or losers — and examples of both clearly exist. There are also questions about how the new legislation both aids and inhibits further innovation in the health care sector, and cutting through the political posturing on both sides to get at the real effects is an ongoing challenge.

The goal of reform has been making health care accessible and affordable, said Len M. Nichols, a health economist at George Mason University. The attempt is possible now, where it failed in the 1990s, he noted, because "a critical mass of people in the (health care) system now agree we have to do this. Almost in spite of the government, it's moving forward. But the process has been embarrassing and unfortunate."

What's in it?

The law confuses people. Public opinion polls have found as many as a third of American adults don't know the "Affordable Care Act" and "Obamacare" are the same thing. Parts of the law have also changed or been delayed, adding to the confusion. Many appear not to know the ACA is law, perhaps confused by the debate that has raged since before it passed in 2010.

Still, families need to be aware of key provisions:

- The "individual mandate" requires people to buy insurance unless they qualify for one of 14 exemptions, such as being in jail or financial hardship. Fines for noncompliance grow each year.
- Requirements that employers provide insurance have been pushed back — employers with 100 or more full-time workers have until 2015 and those with 50-99 workers to 2016 — but individual workers must still obtain insurance. Experts predict many will choose the relatively small penalties this year over purchasing insurance, said Rachel

Reimann, ACA specialist for SelectHealth, which insures individuals in Idaho and Utah. Penalties may have to grow before some people choose insurance.

- The end of this enrollment period on March 31 is the last chance for new coverage until the next enrollment period unless a person has a qualifying life event, like birth of a child or a lost job. With five days to go, though, the Obama administration said it would allow those unable to complete enrollment by the deadline to apply for a brief extension. They must check a box on Healthcare.gov to show they tried to enroll before the deadline.
- The only factors that matter for setting rates are tobacco use, age and geography. Insurers can charge more for tobacco users and for being older, though both have proportional caps. They can no longer charge more because of gender. Insurers cannot ask about medical history, which is good news for the 50 million to 129 million non-elderly individuals that a 2011 Health and Human Services study said have pre-existing conditions.
- Families may qualify for subsidies to help pay. A sliding schedule tops out at 400 percent of the [poverty level](#), or \$94,200 for a family of four. Still, there is what Jason Stevenson of Utah Health Policy Project calls a “cruel joke” in the subsidies. The law was written expecting Medicaid expansion; the Supreme Court then said states could each decide, and only half have chosen to expand. In states that didn't, that means people making less than \$11,490 don't qualify for help, while those making a few dollars more get free insurance. States must decide how to fix that.
- Obamacare mandates 10 essential [benefits](#): ambulatory services, prescription drugs, emergency care, mental health services, hospitalization, rehabilitative and habilitative services, preventive and wellness care, laboratory services, pediatric care and maternal and newborn care.

“I don't think everyone has to be an expert or understand all the ins and outs of this, but they do need to be smart and look at resources and ask questions,” said SelectHealth spokeswoman Carrie Brown. It doesn't cost more, adds Reimann, to ask questions or use a broker or agent. The law also created two new types of helpers: navigators and certified application counselors who are tasked with helping individuals who ask for help to enroll for insurance.

“There's still some chaos,” said Judi Hilman, advocate and community engagement officer for Arches Health Plan. “We spend much of our time showing different groups the [subsidy calculator](#). Regardless of how they feel about the law, folks' eyes light up when they see how much help they can get buying insurance. Most people, when they stop and think about it, understand the importance of insurance.”

Winners, losers and keeping score

When the question of who loses or wins under health reform arises, conversations get animated — though not necessarily less confusing — for families trying to make actual health coverage decisions.

David Hogberg said that to keep track of losers under ACA, “you’d need a score card. But to keep track of winners, you’d need a search party.” Hogberg is a senior fellow at the National Center for Public Policy Research, a free-market conservative think tank. His list of possible winners includes those with pre-existing conditions who were previously priced out of coverage and “maybe hospitals with Medicaid expansion.” He thinks politicians might be able to use some of the subsidies as election talking points, although it’s not an electoral winner, he said.

His biggest worry, he said, is that a big expansion of government over any system tends to benefit politicians and those with political clout, something sick people usually lack.

Hogberg said the biggest losers in the individual markets are those who lost plans and can’t find one that isn’t far more expensive. Plans also may not include someone's preferred doctors and hospitals. Doctors are being pushed into bigger and bigger practices, which he said won’t be good news for sole practitioners.

Hogberg predicts that as businesses are required to provide insurance, some will try to keep more employees to 29 hours or less, as 30 is the threshold for providing coverage.

Jonathan Gruber, an economist at MIT, found three winners for every loser. Christopher Conover at Duke University found four losers for every winner.

Young people are winners as they get to stay on their parents’ coverage longer, said Alan Weil, executive director of the National Academy for State Health Policy, a nonprofit, nonpartisan, independent research and policy institute. But they should expect that once they’re off the parental policy, costs for the youngest and healthiest will be higher for them initially. As they grow older, they’ll reap the same benefit they are bestowing as younger people help lower prices for them.

“If you supported the law because you thought it would solve all your problems, it’s a disappointing result. If you opposed it because you thought all would find harm, you’re disappointed about that,” Weil added. “This is a more incremental law than most people think. We can all pull it apart into 1,000 pieces, but you have to keep it in perspective.”

The success of the ACA will hinge on the health distribution, not the age, of those who sign up. Nichols said it needs healthy people buying policies and not using too many services in order to balance those who are sicker. But those who are middle-aged and older are most likely to recognize how important health coverage is for their families.

Innovating for lower cost

Some shifts in the health care marketplace created by ACA are potentially friendly while others are hostile to innovations that could reduce overall cost of health care and make it more accessible to families, says a recent [report](#) from the Clayton Christensen Institute for Disruptive Innovation.

In a recent [post](#) on the institute's blog, executive director of health Ben Wanamaker observed, "In the noisy debate about whether the legislation is good or bad and whether to implement or repeal it, we think there's something missing: a rigorous but practical discussion of the innovation opportunities created by the legislation and the barriers to innovation it imposes." He's referring to "disruptive innovation," a term Christensen coined to explain how new ideas or technologies can change demand enough to transform whole industries. CD technology did it to 8-tracks; mobile phones did it to landlines.

According to the study, which Wanamaker co-wrote, "Today, with health care costs spiraling ever higher, the U.S. is in a health care crisis — and in dire need of disruptive innovations that could make quality care more affordable and accessible."

ACA policies that encourage such innovation include the rule that each person carries health insurance, "likely creating the need for new disruptive care delivery models at the low end of the market," as well as the rule that businesses with 50-plus full-time employees offer insurance benefits, the report found. Accountable care organizations, wellness programs and a Centers for Medicare and Medicaid Services Innovation Center may also lead to innovation.

Other parts of the ACA discourage disruptive innovation, including minimum coverage requirements and the creation of exchanges where people can go online and find their own insurance. That's "disruption-neutral." The regulations pit marketplace newcomers against established companies and create a baseline that discourages innovation. Cost sharing and Medicaid expansion are not disruption-friendly, the report says.

Politics aside

There are so many rumors and perspectives, some families told the Deseret News, that they're now simply confused. The situation isn't made easier by the personal stories freely — but not always accurately — shared by those who love Obamacare and those who hate it. [Factcheck.org](#) and reporters like [Glenn Kessler](#) at the Washington Post have been busily debunking stories or explaining overlooked nuances. Misrepresentations have originated on both sides of ACA.

That may not be surprising. An [Institute for Family Studies blog](#) recently noted a study published in the October [American Sociological Review](#): "The authors, Clem Brooks and Jeff Manza, found evidence of recent increases in political partisanship, particularly with respect to government social programs. That is, attitudes regarding social programs like the Affordable Care Act are formed more by existing attachments to either the Republican or the Democratic party than anything else."

ACA has fans, detractors and folks just waiting for the dust to clear. That may take awhile.

"This is not about whether Obama is an effective president or whether Congress and the president can get along. It's trying to make access to health care more fair, more affordable for

everybody — both the middle class that has it and worries about losing it and those who don't have it," said Nichols. He wonders whether people have forgotten the sometimes-painful road to implementing Medicare or its Part D prescription benefit.

Even Melanie Thomas and Lindsey Stephens won't know how happy they are with the coverage they purchased until they use it.

All over the nation, how well things work hinges in part on how states have set up their programs, UHPP's Stevenson said. Utah, for example, runs its own exchange for small businesses to get insurance, while the individual marketplace is handled by the federal government. Six health insurance companies have jumped in. Some states have one or two. Even in Utah's rural areas, people have dozens of plans to choose from; in Salt Lake County, there are 91. Such competitiveness drives down costs.

David Chase, director of the Small Business Majority in California, a national nonprofit small business advocacy organization, believes he sees a slight decrease in the degree to which health care costs are rising. Despite some glitches state by state, people are signing up. But the confusion is not helpful, he said, and there's a lot of misinformation that his organization tries to explain so people can make the right decisions for their families.

"I think we're probably a couple of years away from knowing how well it works," Chase said. "Websites are not all working correctly, provisions are being delayed. The health care law was a political compromise, an attempt to meet in the middle, and things are not perfect. What I'd like is for Congress to be a little more bipartisan."

Some are trying to cut through the political chatter. In a comprehensive guide called "[Understanding Obamacare](#)," Politico's David Nather summarizes some of the speculation about the ACA and provides a detailed look at the law's provisions. The Kaiser Family Foundation has created a frequently asked question [tool](#) that allows families to input their situations and ask how ACA will affect them. Retirees, divorcees, stepparents, single moms, those with jobs and those who want them are writing in by the hundreds.

Brown believes some people will determine for themselves whether they become winners or losers under ACA. The winners will be those who ask questions, attend forums or use a subsidy calculator to see if they can get help with the cost of coverage, she said. Whatever happens in the future, Brown said, the ACA is a law today, with real penalties and a deadline that's very nearly here.

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