

HEALTH CARE REFORM HAS STARTED! – See if you or yours might benefit

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The Affordable Care Act (ACA, a.k.a. Obamacare) has started, with seniors receiving \$250 rebate checks for their Medicare “donut-hole” costs, government cracking down on health-care fraud, state-run Pre-Existing Condition Insurance Plans now available for people who can’t get insurance elsewhere, and small businesses getting tax credits for providing employee health insurance. These benefits haven’t received much publicity and have been under-utilized so far.

Some very significant benefits took effect on September 23. They begin to bring to an end some of the worst abuses of the health insurance industry. They are:

1. Young adults can stay on a parent’s health insurance plan until they turn 26.
2. Free preventive care must be a part of new insurance plans. The plan must pay for things like mammograms and colonoscopies without charging you a deductible or co-pay.
3. It is illegal for insurance companies to cancel your insurance after you become sick. In the past they had often been happy to collect your premium, then find an excuse (like an error on your application) to cancel your policy once you got sick, so they didn’t have to pay out.
4. If you have a new plan, you can appeal insurance company claim denials through an independent decision-maker or through the insurance company. (In the past your only recourse to a company refusing to cover medical costs was to sue – something the companies knew most people couldn’t afford, so they got away with denying care.)
5. If you have a new plan, the insurance company can’t set lifetime limits on key benefits, such as hospital stays. (Whoops! Your intensive care treatment took a bit too long and you were cut off).
6. The law restricts an insurance company’s ability to set annual dollar limits on coverage for individual and group plans.

Later this year we will see the prohibition of insurance denial for children with pre-existing conditions and efforts to hold companies accountable for unreasonable rate hikes. Then starts the long process of building health care infrastructure, with support for primary care, community health centers and rural health care providers. State-based consumer assistance programs and disease prevention programs will gain momentum, ideally resulting in more *health* and less healthcare, and hopefully lower costs. For example, give a person a primary care doctor to treat the blood pressure or care for that cold and save a costly ER visit.

True to good entrepreneurial gouging form, the health insurance industry is working hard to subvert the intent of the Affordable Care Act. They propose quite imaginative number-crunching to circumvent the provision that they spend at least 80% of premiums on patient care (a novel concept!). Somehow they believe that administrative cost, like dealing with claim denial appeals, is patient care. They continue to deny new plans to anyone remotely likely to become ill and their exorbitant rates are not controlled with the new legislation (Exhibit A – Anthems’ attempt

to raise premium rates 39% earlier this year, when the CEO's salary had increased from 2008's \$8.1 million to \$13.1 million in 2009).

Medicare met vehement opposition when it passed in 1965. It has since required a lot of tweaking to get it reasonably 'right'. It may have been imperfect at the start, but just try to take away a senior's Medicare now. We have a start with the ACA, now we need to work out the bugs.

For more information, including provision timeline, go to www.healthcare.gov.