

Health Care Reform

As the documentary *Sick Around America* explained, the United States has a mixed system of private, employer-provided health care insurance and public, government-provided health care insurance. The health care system in the U.S. is described as a “patchwork” of different programs. The U.S. is the only advanced industrial nation without universal access to health care. The Patient Protection and Affordable Care Act (Obamacare), signed into law in 2010, aimed to *increase access* to health insurance and *decrease the cost* of health care through expanding both the private and public markets. Even the ACA does not provide universal coverage to all citizens.

Because many people get their health care insurance through their employer, the benefits and costs are highly unequal. Some employees pay nothing for their benefits, while others pay significant premiums each month. Because there are so many different providers and plans, the administrative costs for the overall health care system are much higher than in other countries. If someone loses their job, they also lose their health care insurance. Those whose job does not provide health care insurance must purchase it on the private market, which can refuse to cover individuals with pre-existing conditions. Small businesses find it difficult to provide health care insurance because its risk pool (number of employees) is not large enough to make it affordable. All of these problems were highlighted in *Sick Around America* and provide the background information necessary to understand what the ACA was designed to accomplish. While the legislation as a whole remains unpopular, the specific provisions that address the aforementioned problems are quite popular.

Major provisions of the Patient Protection and Affordable Care Act

-The “exchanges” are new health care marketplaces in each state that pool small businesses and individuals together in order to make insurance more affordable. Each state had the choice to create its own exchange or allow the federal government to create it. The healthcare.gov website serves the state exchanges created by the federal government and it had many problems when it first launched, which further eroded confidence in the new law.

-Subsidies for the lower and middle class make health insurance plans on the new exchanges more affordable. The subsidies are paid for by a small tax increase on those making over \$200,000 a year. The Supreme Court ruled that the subsidies are constitutional in exchanges created by the states or by the federal government.

-The expansion of Medicaid is designed to fill in coverage gaps. The Supreme Court ruled that mandating Medicaid expansion was unconstitutional and many states with Republican governors and legislatures have not expanded Medicaid. Over 1 million Texans would receive health care insurance if Texas expanded Medicaid.

-The “individual mandate” requires everyone to purchase insurance in order to enable insurance companies to cover those with pre-existing conditions (expensive patients). The Supreme Court ruled that the “individual mandate” was constitutional as a tax. It remains to be seen how strictly the requirement will be enforced.

-Dependents (children) can now remain on their parent’s health care insurance until the age of 26, which has helped those transitioning from college to the workforce remain covered, especially with high rates of youth unemployment and underemployment during the Great Recession.

-The “employer mandate” requires small businesses with over 50 employees to begin offering health care insurance benefits. The mandate was delayed until 2015, and the House of Representatives began the process of suing President Obama for delaying the mandate. They argue that delaying it was an abuse of executive authority.

-The issue of being “under-insured” was tackled by requiring the most basic health care plan to meet specific requirements, which resulted in higher costs for those who previously had a plan with minimal benefits. President Obama’s pledge that “if you like your health care plan, you can keep it” turned out not to be true for those with minimalist plans and the website Politifact gave its annual “Lie of the Year” award to Obama’s quote.

The “Nine Lives” of Obamacare

The following were instances when it seemed health care reform would not get accomplished or would be repealed or scaled back in some way.

1. The Great Recession: Barack Obama’s 2008 campaign promoted health care reform and universal coverage, but the severity of the economic downturn led many to expect that his administration would be unable to tackle health care reform. Instead, President Obama framed health care reform as a component of economic recovery and long-term fiscal stability.
2. Tea Party August: During the “August Recess” in 2009 many legislators were greeted with passionate protests in their districts. Town hall meetings were packed with constituents opposed to health care reform and it seemed that grassroots opposition to reform would prevent further action by Congress.
3. Scott Brown: The election of Scott Brown to the Senate in February 2010 (special election to fill Ted Kennedy’s seat) shifted the “balance of power” in the Senate. Brown’s election, as a Republican, removed the Democrats’ 60-vote supermajority (Republicans can now filibuster).
4. Supreme Court #1: A number of states challenged the “individual mandate” and Medicaid expansion as unconstitutional. The Supreme Court upheld the overall constitutionality of the Affordable Care Act, but ruled that Medicaid expansion could not be forced on the states (expansion became optional).
5. 2012 Election: Mitt Romney’s 2012 campaign platform included a promise to repeal “Obamacare” immediately, but Barack Obama was *re-elected* and the Democrats *gained seats* in the Senate and House.
6. 2013 Government Shutdown: The Republican-controlled House of Representatives attempted to de-fund the Affordable Care Act by insisting on a repeal of the law in exchange for passing a budget and keeping the government operational. The partial government shutdown began October 1, the same day that the ACA’s state health care exchanges opened for enrollment.
7. Healthcare.gov website launch: The website for enrolling in state exchanges created by the federal government had a disastrous launch and people were unable to access the site or successfully enroll. The event further eroded public support for the ACA and general confidence in government.
8. Supreme Court #2: An interest group opposed to the Affordable Care Act argued that the federal tax subsidies for people on the “exchanges” were unconstitutional. SCOTUS disagreed.