Medical Xpress

US ready to usher in 'Obamacare'

January 1 2014, by Ivan Couronne

President Barack Obama's landmark health care reforms take effect on Wednesday, granting coverage to millions of previously uninsured Americans after nearly four years of bitter wrangling that has loomed large over the US political landscape.

Since the Affordable Care Act, or "Obamacare", was passed in 2010, the legislation has survived multiple repeal attempts by Republican lawmakers, a US Supreme Court hearing, and a disastrous rollout of the website set up to assist the launch of the legislation.

But as of January 1, 2014, it will be illegal for insurers to deny coverage because of pre-existing conditions or to limit the level of annual reimbursements for essential services—practices in the past which had left some patients facing financial ruin.

Under the Affordable Care Act, it will now be mandatory for any US resident to enroll in a health care plan.

Failure to do so will be punishable by a $95 fine, a figure that will rise to $695 in 2014.

The economic reasoning of the legislation is that if everyone contributes to the system the premiums paid by healthy people should offset the additional costs associated with the US citizens who are the most costly to insure.

In a significant first, the new legislation defines treatments that insurers

must cover. All insurance must now include cover for hospitalizations, including emergencies.

And preventative care—such as screenings for diabetes or cancer, vaccines or contraception—should also be fully reimbursed.

"The new law is transformational for our entire health care system," Health Secretary Kathleen Sebelius said Tuesday.

For the estimated 150 million Americans who are insured through their employers in the United States, where only the poorest and those over 65 are insured through Social Security, there will be little or no change.

However around 25 million people insured individually through private insurers without the benefit of group rates stand to benefit.

From now on, they will be able to browse and choose different plans from the federal government website Healthcare.gov, which is being used in 36 states.

Fourteen other states have created their own versions of the site.

The government has set a target enrolment figure of seven million people by the end of March 2014. So far 2.1 million individuals have signed up for insurance through the web portals.

The figure is way down on initial projections, something officials have blamed on the disastrous problems which paralyzed Healthcare.gov after its launch in October.

December witnessed a sharp acceleration in registrations as the system improved. Added to the 2.1 million who have registered are a further 3.9 million who are eligible for programs for the poor, including Medicaid.

The US government has not disclosed how many of the six million beneficiaries of the new system were previously uninsured—a key number that will determine the success of the reforms.

In total, around 50 million Americans are living without health insurance .

Observers are also waiting to see if young adults will enrol in the scheme, something which is crucial to its success.

Tony Carrk, of the left-leaning Center for American Progress think tank, said he expected young people would sign up as the March 31 deadline loomed.

"What we know from prior experiences with Massachusetts, the young people are most likely going to wait until March to sign up, toward the end," Carrk told AFP, referring to a universal health care plan introduced in 2006.

Despite the ushering in of the legislation on Wednesday, Republicans remain violently opposed to the reforms, which have led to higher premiums for some middle-class voters who are too well off to qualify for available tax credits. The issue is already looming large in the build-up to mid-term elections later in 2014.

Meanwhile, government officials acknowledge that the opening days of the new health care era could be marked by confusion in medical offices and hospitals with some policyholders still awaiting insurance cards and computer systems not yet fully operational.

"We have to work very hard to make sure the next few days go well," senior White House advisor Phil Schiliro said during Tuesday's conference call.

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