

Is US health-care reform on track for 2014?

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Health policy experts weigh in on the fate of the Affordable Care Act.

(HealthDay)—At the heart of President Barack Obama's sweeping yet controversial health-reform law is the largest expansion of health insurance in decades, and it's set to take effect on Jan. 1, 2014. But some observers wonder whether it will get off the ground as scheduled.

The law requires most adults to purchase [health insurance](#) or face a penalty—the so-called individual mandate. It seeks to broaden [health insurance coverage](#) by:

- creating state health insurance exchanges where individuals can buy coverage on their own—in some cases, with federal subsidies;
- expanding Medicaid, the [government insurance](#) program for poorer Americans;
- and requiring all but the smallest employers, those with 50 or more workers, to offer health insurance or pay a fine.

But in a surprise announcement last week, the Obama administration delayed the employer mandate, granting companies another year—until 2015—to work through federal rules and reporting requirements.

Could the "individual mandate" be next? Is further upheaval in store?

"It does call into question, 'Is this just a one-time thing or the beginning of more delays and changes,'" said Steve Wojcik, vice president of public policy at the National Business Group on Health, in Washington, D.C.

With the 2014 deadline fast approaching and a lack of definitive guidance from the federal government on implementing some parts of the law, the Affordable Care Act—dubbed "Obamacare"—remains a work in progress.

"I'm actually in the middle of still reading proposed regulations for exchanges," said Cristine Vogel, an associate director in the Chicago-based health-care practice of Navigant Consulting, Inc.

Timothy Jost, a professor at Washington and Lee University School of Law in Lexington, Va., said core parts of the law, including the exchanges and individual mandate, can operate without the employer mandate. "I think the train is still on track, although not moving as quickly as I would like," he said.

Half of states sit out Medicaid expansion

The Affordable Care Act faced its most significant challenge last year when the U.S. Supreme Court considered whether requiring most consumers to have health insurance, or pay a penalty, was constitutional. The high court upheld this individual mandate last June. But it also ruled that states could opt out of expanding Medicaid—the federal-state health

insurance program for the poor and disabled.

Expanding Medicaid to more low- and middle-income people is one of the ways the architects of the health-reform law envisioned reducing the ranks of the nation's uninsured by up to 30 million people.

Under the law, people making up to 138 percent of the federal poverty level may qualify for coverage under the Medicaid expansion. (That's as much as \$15,856 for an individual or \$32,499 for a family of four.)

So far, though, only 23 states and the District of Columbia plan to participate in the Medicaid expansion. The remaining states are mostly led by Republican governors who refuse to go along with expansion.

Low-income individuals in states that do not expand Medicaid eligibility will not be penalized for not having health coverage. But the poorest among them—people living below the poverty line—won't be able to access federally subsidized coverage through the state health exchanges, either. That leaves nearly 10 million of 15 million potentially eligible adults without coverage, according to a recent *Associated Press* analysis of Urban Institute data.

"This rips the heart out of health-care reform because it denies access to America's most vulnerable," said Lawrence Gostin, professor of global health law at Georgetown University School of Law.

Will the health exchanges open in time?

Another 24 million people will be enrolled in health plans through the state health insurance exchanges by 2023, according to a Congressional Budget Office estimate. The administration hopes to enroll 7 million people in the first year of eligibility.

Recently, though, Congress' Government Accountability Office reported that health officials are running behind schedule on many aspects of health exchange formation, including testing data systems that will be used to determine eligibility for coverage.

On Friday, the Obama administration published regulations scaling back the requirement that state health insurance exchanges, or marketplaces, verify consumers' income and health insurance status to obtain coverage under the law. Instead, the exchanges will rely more heavily on self-reported information until 2015, according to the *Washington Post*.

In a recent interview with *CNBC*, Todd Park, chief technology officer with the U.S. Department of Health and Human Services, said the state health insurance exchanges are "on track" and will be up and running on Oct. 1 for open enrollment.

Self-reporting will streamline the enrollment process, said Dan Schuyler, director of exchange technology at the Salt Lake City-based consulting firm Leavitt Partners. But, he added, "it also opens the door to deliberate fraud, abuse and unintentional eligibility errors."

Is Obamacare in trouble? Depends on whom you ask

Republican opponents of the Affordable Care Act assert that the Obama administration is playing politics by delaying provisions of the law, particularly the employer mandate, until after 2014 mid-term Congressional elections, *The Hill* reported.

By 2023, the law will reduce the number of people without health insurance by 25 million, still leaving 31 million uninsured, according to Congressional Budget Office (CBO) estimates.

House Budget Committee Chairman Paul Ryan (R-Wis.) wants the CBO

to reevaluate the estimate of the law's impact in light of the recent delays, according to *The Hill*.

Alden Bianchi, group leader of the law firm Mintz Levin's employee benefits practice in Boston, doesn't believe recent changes suggest the federal law's implementation is in trouble, as Republican opponents assert.

"The exchanges won't be perfect on Day One. The underlying electronic infrastructure that communicates among HHS (Health and Human Services) and the various state exchanges won't be up and running. But will people be able to get access to health care? Yeah, and that's really what exchanges are for," said Bianchi, who represented former Gov. Mitt Romney's administration for Massachusetts' 2006 [health reform](#) legislation.

David Smith, Leavitt Partners' director of payer services, downplayed the possibility that the White House would put the brakes on the state insurance exchanges or the individual mandate.

"Politically, the administration can't afford a delay of the more critical pieces of the [law](#) and will move mountains to implement them on time while managing expectations," he said.

More information: To learn more about the Affordable Care Act visit the [U.S. Department of Health and Human Services](#).

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