

Gruber outlines key upcoming moments in Affordable Care Act rollout

January 13 2014, by Peter Dizikes



Jonathan Gruber Credit: M. SCOTT BRAUER

Gruber, a health-care expert who worked with the Obama administration in developing the program, pointed to the March 31 enrollment deadline, when he expects large numbers of Americans to sign up for health insurance plans, as one good moment for evaluating the success of the act.

In Massachusetts, where a similar state-run plan has existed for several years, Gruber noted, a huge portion of enrollees registered for individual insurance on the state-run exchange, a portal to the plans in the market, just before the deadline arrived.

"If you look at the experience in Massachusetts, right before the deadline is when everyone signs up," said Gruber, a professor of economics at MIT. "So we'll see a lot of people [nationally] signing up right before March 31 ... and I think we're going to get probably on the order of 5 [million] to 7 million people in these exchanges." About 2 million people so far, Gruber noted, have signed up through exchanges or through Medicaid.

Additionally, Gruber said, the period around the end of May and beginning of June, when private insurers set their rates for the coming year, will be a telltale indicator of the plan's impact on the pocketbooks of Americans.

"If insurers come and say, "We're going to raise rates 5, 7, 8 percent, then that's a huge victory," Gruber asserted. "That's ... a typical annual growth in insurance premiums, it says it's basically a stable market." There is no legal limit on the extent to which insurers can raise rates, but increases of 10 percent or more are subject to review by government regulators.

Finally, he added, by late fall 2014, surveys should produce copious empirical data on the plan's rollout, helping policymakers understand how many previously uninsured people are signing up and how many are switching from employer-based programs to individual plans, among other questions.

"That's going to be the next big date to keep an eye on," Gruber said.

Bipartisan advocate

The Affordable Care Act mandates all uninsured Americans to acquire [health insurance](#) in the private markets, while providing subsidies and tax credits; it also expands Medicaid, the program to help poor citizens

afford [health care](#).

The implementation of the act has made near-constant headlines in recent months, largely because of glitches with healthcare.gov, the government website through which many Americans attempted to sign up for care starting on Oct. 1.

Gruber called those problems "an IT fiasco," but added that "it doesn't look like it's necessarily a long-term crisis for these exchanges"—although he acknowledged that many Americans have faced delays of six weeks or more in the enrollment process.

Gruber's talk, titled "Obamacare: Past, Present, and Future," was open to the public and delivered to an audience of about 120 people in MIT's Building 6. It was sponsored by the Department of Economics as part of its programming during MIT's Independent Activities Period, which runs between semesters.

Gruber, a longtime specialist in health-care research, worked with then-Massachusetts Gov. Mitt Romney on the development of the state's novel health-care program, and then consulted for the Obama administration about the similar federal plan; few other people have worked so closely with leaders in both major political parties on the issue.

"I am totally biased, I am about the least objective observer of this law you could find in the world," Gruber quipped about his advocacy of the Massachusetts program. "Nonetheless, if you look at the facts, I think it's been, by the objective facts, a success." He noted that about two-thirds of formerly uninsured residents are now covered, while premiums for individual insurance have dropped by about 50 percent. About two-thirds of Massachusetts residents support the system, according to polls.

Still on the table: Medicaid adoption—or rejection

Gruber also emphasized that states' adoption of Medicaid expansion is an important facet of the plan to monitor. The Affordable Care Act offers full federal funding of Medicaid (an expense that is normally split 50-50 between the federal government and the states) for three years, an amount that declines to about 90 percent thereafter. Yet governors in 26 states have declined to accept the funding, a stance made possible by a 2012 Supreme Court ruling—and one Gruber labeled as "political malpractice."

"There is no citizen in a state like Florida that is worse off if they expand Medicaid," Gruber suggested. "None. All of the [uninsured] get health insurance. Everyone else gets enormous federal stimulus injected into their economy." He added: "That's another thing to keep an eye on: How long are states going to hold out?"

Gruber also discussed what he sees as a vital part of health care in general: controlling future costs. The Affordable Care Act attempts to do this through a variety of measures, some of which attempt to evaluate the efficacy of care.

"Cost control is a ton harder than [expanding] coverage," Gruber observed. Overall health-care spending has increased from around 4 percent of the nation's GDP in 1950 to about 17 percent today. Gruber said the improved quality of health care in that time has probably made that increased spending a sound investment, but suggested that a similarly large increase over the next half-century would probably not be subsidized by U.S. taxpayers.

Still, Gruber argued, the value of the legislation can be seen in moral and practical terms, by limiting the catastrophic financial problems uninsured Americans have faced when dealing with serious illness: "We

joined the league of industrialized nations who guarantee our citizens cannot be bankrupted by medical costs," he said.

This story is republished courtesy of MIT News (web.mit.edu/newsoffice/), a popular site that covers news about MIT research, innovation and teaching.

Provided by Massachusetts Institute of Technology

Citation: Gruber outlines key upcoming moments in Affordable Care Act rollout (2014, January 13) retrieved 27 April 2024 from <https://medicalxpress.com/news/2014-01-gruber-outlines-key-upcoming-moments.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--