

# Cancer patients snagged in health law's tangled paperwork

February 15 2016, by Ricardo Alonso-Zaldivar

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Walt Whitlow was under treatment for cancer when he got an unwelcome surprise.

His [financial assistance](#) under President Barack Obama's [health](#) care law got slashed. That meant his premium quadrupled and his deductible went from \$900 to \$4,600.

Hundreds of thousands of people lose subsidies under the [health law](#), or even their policies, when they get tangled in a web of paperwork problems involving income, citizenship and taxes. Some are dealing with serious illnesses like cancer. Advocates fear the problems, if left unresolved, could undermine the nation's historic gains in [health insurance](#).

Ana Granado was scheduled for reconstruction after [breast cancer surgery](#) when she was notified that her coverage would be canceled because of questions about her immigration status. Legal aid attorneys got that cleared up quickly, but Granado's financial assistance for her premiums was suspended.

Lynn Herrin got irritated when she had to pay \$700 to the IRS after it determined she got too big a tax credit for premiums under the health law.

Since she was also having trouble finding a doctor who accepted her insurance, Herrin canceled. It was a costly mistake. She was diagnosed

with oral and neck cancer and depleted her family savings to pay for treatment.

Not every case is as distressing, but coverage disruptions due to complex paperwork requirements seem commonplace in the health law's system of subsidized private insurance, which currently covers about 12.7 million people.

The government says about 470,000 people had coverage terminated through Sept. 30 last year because of unresolved documentation issues involving citizenship and immigration. During the same time, more than 1 million households had their financial assistance "adjusted" because of income discrepancies. Advocates say "adjusted" usually means the subsidies get eliminated.

"When people get that bill for a full-price plan, they panic and they cancel the insurance," said Elizabeth Colvin of Foundation Communities, an Austin nonprofit that serves low-income people. Some worry the problem could undermine the law's insurance markets, now in their third year.

"These problems can grow, and they can contribute to undermining consumer faith in the system, and that could lead to attrition," said Rachel Klein of Families USA, an advocacy group that supports the health law.

Pressured by a Republican-led Congress hostile to Obama's overhaul, the administration is highly sensitive to criticism that some people may be getting benefits they're not legally entitled to. But Health and Human Services Secretary Sylvia M. Burwell recently acknowledged the paperwork tangle is more likely to trap the innocent than fraudsters. The administration has made customer retention a priority, and Burwell said she's focused on making the system less challenging for consumers

eligible for benefits.

The next few months will tell whether improvements to the HealthCare.gov website in the 2016 sign-up season helped cut down on problems. The technology now alerts consumers to gaps in their applications that could later trigger documentation problems.

If there's a documentation issue, consumers have about three months to straighten things out. But Whitlow, a self-employed remodeling contractor from Volente, Texas, said he was blindsided.

He had requested that HealthCare.gov contact him by mail, but he found out his subsidy was slashed when his doctor's office called the family. Not only was he on the hook for the full, unsubsidized premium, but he also faced far higher copays and deductibles.

"It kind of blew my mind," said Whitlow. He said he had submitted bank statements to prove his income, but apparently that wasn't enough. His family chipped in to maintain his coverage while he got follow-up treatment for throat cancer.

"I was really impressed with the quality of care, but the paperwork was just unbelievable," said Whitlow. With help from Foundation Communities, the family appealed and eventually won.

Granado, a legal immigrant from Brazil, lives with her daughter in Charlotte, North Carolina. Under the health overhaul, legal immigrants are eligible for subsidized private coverage in the insurance exchanges.

With daughter Andreia Walker translating her Portuguese, Granado said the [health care law](#) saved her life by allowing her to get coverage after she was diagnosed with breast cancer. Under the law, insurers can no longer turn away patients who are sick. The family was billed more than

\$100,000 for treatment before Granado got insurance.

But the paperwork battle, first over her [immigration status](#) and then over her income, was "a huge stress," she said. The family spent hours on the phone with HealthCare.gov as Granado was preparing for reconstructive surgery. Her daughter said they would have been lost without representation from Legal Services of Southern Piedmont.

Herrin's experience is a cautionary tale about acting out of frustration with the new system.

Herrin, of Wimberley, Texas, had sold a family business after her husband's death and committed to living simply so she could do volunteer work. She signed up for health insurance in 2014 when it became a legal requirement. She was quoted a discounted premium, after tax credits.

But last year at tax time, Herrin said she found out she owed \$700 to the IRS—one of 1.8 million taxpayers who had to repay health insurance credits, an average of \$860 apiece.

Herrin canceled her policy in disgust, only to be diagnosed with cancer a few months later. She spent about \$70,000 in savings on treatment, but was able to sign up for a new policy that started in January.

"I ended up getting mad about it and just canceling, but I'm the one who screwed up," said Herrin. "It did make me mad that they quoted me an amount, and then I filled out my taxes and I owed. I don't think it is fair."

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