

Health Care Reform Update

ACAAI and AAAAI Joint Task Force on Health Care Reform

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Health care reform is a broad term that can encompass changes in health care in both public and private sectors. In the public arena, it can be at Federal, state or local levels. For the purpose of this update, I am restricting the definition to Federal reform efforts.

The future of the Affordable Care Act was much in doubt until June 28 2012. That was the day the Supreme Court, in a close and somewhat surprising decision, affirmed the right of the government to mandate that individuals buy health insurance. Chief Justice John Roberts found a way to justify that mandate as a tax, a position that the authors of the bill had tried hard to avoid. Nevertheless, the Act was found to be, in most respects, constitutional except for requiring the states to expand Medicaid to meet the ACA's provisions.

So, where does health care reform stand now?

A number of the provisions of the ACA are already in place and have met with popular approval, despite initial resistance to the measure as a whole. Community rating (whereby health insurance providers offer health insurance policies within a given territory at the same price to all persons without [medical underwriting](#), regardless of their health status), allowing dependent children to stay on their parents' insurance plans until age 26, eliminating disqualification on the basis of pre-existing conditions, have all been implemented. Insurance exchanges are in the process of being organized and approved in a number of states and the District of Columbia.

Increasing numbers of states are also signing on to an expansion of Medicaid to 133% of the Federal poverty line, largely financed by the Federal government, which will cover more than half the 30 million newly insured citizens. Twenty-two states have agreed to participate, seventeen others are deliberating. Eleven states, with Republican governors, have declined to participate, partly because of philosophical opposition to "Obamacare" and partly because of concern about the ultimate cost to the state government of Medicaid expansion (even though the Federal government will cover the total cost from 2014 through 2016 and 90% of the cost after that.) Nevertheless, as of this writing (February 9, 2013), some of that opposition seems to be crumbling with six Republican governors, including the conservative governor of Arizona, Jan Brewer, having recently signed on. Pressure to join has come from many small business owners who worry that, without this coverage, they will have to bear the burden of insuring their employees, especially if they have a lot of low-paid workers such as in fast food stores. All of the states will see a reduction in disproportionate share for hospital (DSH) funds as this care could have been covered by Medicaid.

Another area of opposition to implementation of the ACA has come from groups and individuals who object on religious grounds to the Act's requirement that employers pay

for reproductive services, which they consider in violation of their religious principles. The Obama administration has proposed a compromise. That compromise consists of having employees of objecting religious institutions covered instead by insurance companies without any premium being paid by the employer. Opponents believe that this is inadequate and also begs the question of individual employers having to pay for something they find morally objectionable. A number of lawsuits have been filed and will undoubtedly go forward until a final legal resolution is obtained.

Finally, concern continues about costs of the expansion of health insurance. Bob Doherty, Senior Vice President of Government Affairs and Public Policy of the American College of Physicians, in an excellent blog (see [ACPonline](#), "Curiouser and Curiouser" January 17, 2013), makes the strong case that one can conclude from current data, that: health care reform has increased the costs, decreased the costs or has had little impact on health care costs in the US. What is clear is that there has been a dramatic slowing of the rise in health care expenditures (if not in the price of health insurance) over the past three years. The reasons for this remain obscure and what role, if any, the ACA has played, is in the eye of the beholder.

This brief review has only discussed health care reform on the federal governmental level. Meanwhile, the private sector remains very active in promoting change in the health care system. This will likely be covered in a future article.