

# The Affordable Care Act is here

## Florida a key to Obama's health care reform implementation

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Amy Lin, Deputy Policy & Organizing Director for Young Invincibles, speaks at a presentation outlining the Affordable Care Act. The presentation was held at the Florida State University on Sept. 19 by Young Invincibles in collaboration with FSU's Public Health Student Association and Florida CHAIN. / Michael Schwarz/Special to the Democrat

Raymond Isham last visited his doctor about three years ago. He paid the full bill with his own money, because he doesn't have health insurance. He was told to return in six months, to check for possible hypertension.

He hasn't been back.

"It's just not in the budget," Isham said. "There are things that have to be paid. The light bill has to be paid. The mortgage has to be paid. Car insurance has to be paid."

His six children have qualified for the state's Medicaid program, but Isham and his wife, Rosemary, have not. Because they can't afford health insurance, they pay out of their own pockets when they go to the doctor.

Starting Tuesday, millions of Americans are expected to start enrolling in health plans using new marketplaces created by the Affordable Care Act. Many of them will qualify for tax credits that will cover part of their premiums and make care more affordable.

For an estimated 1 million Floridians like the Ishams, health insurance may still be out of reach. The subsidies are available to people with incomes between one and four times the federal poverty level, creating a coverage gap for those who do not earn enough to qualify.

The way the law was designed, they would have been able to enroll in Medicaid, the safety-net program that covers many low-income children, pregnant women and people with disabilities.

But Florida, like more than 20 other states, has so far opted to not expand the state-federal program to people with incomes up to 138 percent of the federal poverty level —or less than \$32,500 a year for a family of four. Right now, most adults with children only qualify if they earn less than 22 percent of the poverty level.

Nearly one out of four Floridians currently lacks health insurance —one of the highest rates in the country. The state's size, its high number of uninsured residents and its importance in national politics have made it a battleground in the fierce debate over the new law.

Starting Tuesday, health care organizations and advocacy groups will be fanning out around the Big Bend and the nation to sign up as many people as possible using the new health insurance marketplaces.

Les Beitsch, associate dean for health affairs at Florida State University's College of Medicine, said the state's decision not to expand Medicaid puts poor people at risk.

"The potential benefits of the Affordable Care Act are not going to be fully realized because Medicaid has not been expanded, so that's a real hardship for people who suffer some of the most burdensome effects of disease," he said.

#### Getting the word out

Earlier this month, Catherine Oakar, a senior policy adviser at the U.S. Department of Health and Human Services, came to speak at FSU. She explained what the federal government hopes to accomplish starting Tuesday.

The Congressional Budget Office estimates that in the coming six months, 7 million people around the country will sign up for private health insurance using the new online marketplaces, also known as exchanges.

"Obviously, we have a huge opportunity before us, but a lot of people we really need to get the word out to," Oakar said. "They haven't had insurance before. They may not speak English as a first language. They may find the process confusing —and let's be honest, who doesn't?"

She called on members of her audience —many of them students in health-related majors —to join the national get-out-the-word effort.

Oakar said the federal government is targeting its enrollment efforts at young people, who are among those most likely to lack health insurance. In Florida, more than one out of three 18-to-34-year-olds is uninsured.

Beitsch said that insurance companies will be required to pay for preventive care and cover people with severe medical conditions who may have been denied in the past. Insuring more young, relatively healthy people will help keep them solvent.

People who do not obtain insurance are expected to face penalties starting next year, unless they fall into the coverage gap the Medicaid expansion was intended to close.

#### Coverage and competition

Less than a week before the marketplaces were set to open, the federal government announced that insurers were signing up in droves to take part in the new marketplaces. One participating company in four planned to write individual coverage for the first time in 2014.

Around the country, companies were charging lower rates than expected, fueled in part by increased competition. An estimated 95 percent of consumers shopping for coverage on the exchanges will be able to choose from health plans provided by two or more different insurers. In populous parts of Florida, like Miami-Dade County, as many as nine different companies are selling plans on the new marketplaces.

Residents of Leon, Gadsden, Jefferson and Wakulla Counties, however, are among the remaining 5 percent. Consumers shopping in the individual market will be able to choose plans from a single company.

<http://www.tallahassee.com/article/20130929/POLITICSPOLICY/309290026/The-Affordable-Care-Act-here>

Florida Blue (the brand name of Blue Cross and Blue Shield) is the only insurer offering individual coverage on the exchanges in 21 Florida counties, most of them in rural areas.

In counties across the Big Bend, it is offering 27 different coverage options —from catastrophic plans aimed at young adults that cover preventative care and expensive medical emergencies, to gold- and platinum-rated plans that offer more comprehensive coverage at higher premiums.

The state's Office of Insurance Regulation estimates a middle-of-the-road silver plan would cost a single 27-year-old in Leon County earning \$30,000 a year a total of \$2,844 in annual premiums, but that person could qualify for \$376 in subsidies to reduce the cost. People with lower incomes or more people in their families could receive larger subsidies.

Joe Gregor, Florida Blue's vice president for consumer and exchange markets, said the company, which will offer plans in every Florida county, conducted market research on what insurance customers want. It found consumers wanted a range of options —varying types of networks, choices in coverage levels, terms and prices.

"They want to make that decision themselves, for their family and themselves, about what is best for them," Gregor said.

Most people with employer-sponsored insurance are expected to keep their coverage. However, if their employer coverage is considered inadequate or if they have to pay more than 9.5 percent of their income, they could qualify for subsidies on the new marketplaces.

U.S. Health and Human Services Secretary Kathleen Sebelius has made repeated trips to Florida since this summer. During her most recent visit, she assailed legislation passed earlier this year that removes the ability of state regulators to challenge rates set by new insurance plans offering coverage in the next two years.

Jim Bracher, the executive vice president of the Florida Association of Health Plans, said another provision of the federal law limits what health insurance companies can charge their customers.

If an insurer's "medical loss ratio" —the amount insurers spend on medical care, excluding costs like overhead and profit margins —falls below 80 or 85 percent, depending on the type of plan, the company has to refund the difference to consumers.

The provision is intended to keep insurers from raising rates out of proportion to rising health care costs.

"There's no reason that a company would want to charge rates that are too high if it knew it was going to have to turn around and refund rates it did collect," Bracher said. "That doesn't make sense at all."

Stiff-armed

Republican leaders in the state Legislature, who have opposed a wholesale expansion of Medicaid, have hoped that Sebelius' attention to Florida would make her agency willing to give them more flexibility to close the coverage gap that people like the Ishams have fallen into.

Joe Negron, the Senate appropriations chairman, has long favored efforts to subsidize private health insurance coverage for the poor, rather than funnel them into the traditional Medicaid program.

He was among the architects of a plan that would shift most of the state's existing Medicaid patients into private managed care programs. That plan won approval from the federal government and is expected to start running next month.

During the last legislative session, Negron, R-Stuart, proposed subsidizing insurance coverage for people who would have qualified for the expanded Medicaid program. He said his proposal would have given people who rely on the safety-net health care system more "sovereignty" over their health care decisions.

Both Negron and Senate President Don Gaetz have suggested they are interested in reworking the plan, and possibly scaling it back to win support in the House, which rejected it last year.

The federal government has agreed to fund similar plans in other states, if they agree to cover the entire population targeted by the Medicaid expansion.

"It would be wrong to conclude that the lack of an expansion decision during the 2013 legislative session means that Florida does not recognize unmet health care needs in this state or lacks a commitment to improvement," Gaetz wrote to Sebelius in June, noting that he expects "the debate to continue" in Florida.

Negron said Thursday that a full expansion of traditional Medicaid will probably remain a non-starter in the Legislature, and the federal government has shown few signs it would agree to pay for a partial expansion.

"We've really been stiff-armed by the federal government," he said. "Even though we're partners in financing Medicaid, they seem to want to dictate all the rules on how it's done, so I'm hopeful that things will change, but right now we haven't seen that increased flexibility."

Meanwhile, members of the House leadership have said they found more support for their position over the summer, as the federal government announced it would delay for one year a requirement that employers offer coverage to all their full-time employees.

"It's a train wreck," House Speaker Will Weatherford said during an appearance Friday morning on Fox and Friends. "They're delaying their own laws ... and now they want states, and they want all the American citizens to pay for this thing that they can't even implement with their own powers."

'Comes down to dollars'

Rep. Mia Jones, D-Jacksonville, is a special assistant to Mayor Alvin Brown, and is coordinating get-out-the-word efforts between insurance agents, health care providers and federally-funded navigators who will help people enroll in coverage.

She said that by not expanding Medicaid, Florida has left families like the Ishams stuck in a "doughnut hole" in the coverage the federal health care law was designed to create.

Expanding access to the health care system would make people less likely to show up in emergency rooms for expensive, uncompensated treatment.

"This continuum is shifting around the country," Jones said. "But right now Florida is stuck in time, and we're stuck in a time warp that's going to end up costing us greatly."

She said that with the exchanges opening in October, and a scramble underway to get people signed up by Dec. 15 so they can be covered by the start of next year, “this becomes real.”

That gives her hope that this year, lawmakers will hear from people who have fallen into the coverage gap, and start looking for ways to close it.

“I’m hoping that they’ve heard that message since they’ve been back to their districts, and they’ll come back to the table,” she said.

Raymond Isham’s old job, as an assistant manager at Sears, offered him health insurance, but his family could not afford the premiums. Now, he and his wife are both looking for new employment and paying for the health care they can afford.

His wife sees doctors at Bond Community Health Center to get treatment for a thyroid condition and fills her prescriptions at Wal-Mart.

He has come up with other ways to stave off the risk of hypertension — taking vitamins, improving his diet, exercising more. He found it was cheaper to scrounge up \$50 for a blood pressure monitor than to spend more than twice as much to visit his doctor.

“The bottom line is, it comes down to dollars,” he said.