

In latest cave-in to big business

Obama grants waiver on limits to out-of-pocket health costs

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With the deadline for the full implementation of the Patient Protection and Affordable Care Act (ACA) now less than five months away, news came Tuesday that yet another consumer protection provision is being delayed. Federal officials have granted a one-year grace period for insurers to adhere to limits on the out-of-pocket costs of health care for individuals and families they insure.

Caps on out-of-pocket costs have been touted as a key component of the ACA, which President Obama pledged would guarantee affordable health care for virtually every American. However, Obama administration officials have now confirmed that, at least through 2014, many insurers will be allowed to set higher limits—or no limits at all—on deductibles, co-payments and other out-of-pocket costs to be paid by the insured.

As originally written, the health care bill stipulated that out-of-pocket costs could not exceed \$6,350 for an individual and \$12,700 for a family, sums that are already extremely burdensome for working class families. But, as the *New York Times* reported yesterday, a concession to insurers and employers had already been made in February of this year. It was noted on the Department of Labor's web site, but, according to the *Times*, "obscured in a maze of legal and bureaucratic language that went largely unnoticed."

The Labor Department web site's "FAQs About Affordable Care Act Implementation Part XII" reported that many group health plans will be able to apply separate out-of-pocket limits for different components of coverage. For instance, an individual could be required to pay \$6,350 out of pocket for doctor visits and hospital care, and another \$6,350 for prescription

drugs.

For all of 2014, in group plans that currently have no limits on out-of-pocket costs for prescription drugs, there will be no requirement that insurers impose any limit whatsoever on these costs. Under conditions where cancer and other life-saving drugs can cost tens or hundreds of thousands of dollars a year, many people will be plunged into massive debt or personal bankruptcy, or be forced to go without these medications.

In September 2009, lobbying before Congress for passage of the ACA, President Obama declared: "We will place a limit on how much you can be charged for out-of-pocket expenses because in the United States of America, no one should go broke because they get sick." It is clear that this is precisely what the victims of this latest opt-out of compliance provided by the government will face.

These waivers have been justified by the Obama administration on the most spurious of grounds. According to the *Times*, "federal officials said that many insurers and employers needed more time to comply because they used separate companies to help administer major medical coverage and drug benefits," and in many cases "companies have separate computer systems that cannot communicate with one another."

The public is expected to believe that in the more than three years since the ACA was signed into law—with full knowledge that the law was to become fully operational in 2014—major corporations and for-profit insurers have been unable to bring their bookkeeping and technology up to speed! The cynicism is both breathtaking and predictable.

From the beginning, the Obama health care

legislation has been tailored to the interests of large employers, private insurance companies and giant pharmaceuticals. All other considerations have been subordinated to the corporations' drive to cut their costs and boost their profits.

The Obama administration has complied with one demand after another from big business for waivers on the nominal protections for ordinary Americans contained in the Affordable Care Act. Just last month, the White House announced that it would delay until 2015 one of the central components of the law: the requirement that companies with 50 or more full-time employees provide insurance to those working 30 hours a week or more.

In a blog headlined "We're Listening to Businesses about the Health Care Law" posted July 2 on the White House web site, Obama senior adviser Valerie Jarrett wrote that for companies with more than 50 employees that "choose not to offer quality affordable coverage, we have provided *as much flexibility and transition time as possible* for you to move to providing affordable, quality coverage to your workers." (Emphasis added). In light of such assurances, there is no reason to take the administration's word that any of these waivers are temporary.

For working families and the poor, however, no such flexibility has been offered. The individual mandate—which requires individuals and families to obtain insurance coverage or pay a penalty—will be rolled out without delay beginning January 1, 2014. Those who are not insured through their employer or a program like Medicare or Medicaid will be required to purchase coverage on the insurance exchanges set up under the health care bill. Modest government subsidies will be provided for those who qualify. As a result, millions of cash-paying customers will be funneled to the private insurers who sell policies on the exchanges.

Businesses are strategizing on how to comply with the ACA regulations while paying as little as possible for insurance coverage for their employees. Because the law does not require companies to provide coverage to employees who work less than 30 hours a week, some employers are cutting workers' hours. Others are holding off on hiring full-time employees.

Another loophole in the ACA, sanctioned by White House officials, will allow companies to offer their employees bare-bones "skinny plans"—which provide

minimal services but may not cover hospitalizations or surgeries—and still be compliant with the law.

Examined from every angle, there is nothing remotely progressive about the Affordable Care Act. It will gouge the Medicare program, slashing \$700 billion from the program for the elderly and disabled. Private insurers will reap billions from the influx of new customers on the exchanges, and there will be little oversight on what they charge for premiums.

Legislation that Obama pledged would represent "another stone firmly laid in the foundation of the American Dream" has been increasingly exposed as a massive fraud perpetrated on the American population. The aim is to establish a class-based system of health care in which the vast majority of workers and their families receive inferior, cut-rate services, while the wealthy receive the best care money can buy.

The health care system cannot be "reformed" in the interests of ordinary Americans under conditions where it is dominated by corporations and subordinated to the drive for private profit. Universal, quality health care requires that profit be removed and the health care system placed on socialist foundations. The entire industry—insurance companies, the pharmaceuticals and health care chains—must be nationalized and transformed into public utilities under the democratic control of working people.



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