

# Obama proposes “fix” to pro-corporate health care overhaul

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15 November 2013

Amidst sharply falling poll numbers and a growing political crisis for the administration, US president Barack Obama announced on Thursday a proposed “fix” to the Affordable Care Act (ACA).

In a hastily convened press conference, Obama sought to salvage his signature domestic policy initiative, which requires individuals to purchase health insurance from private companies on new exchanges or pay a penalty. The president said that the government will allow insurers to continue health insurance coverage next year for current policyholders that would otherwise be canceled under the new health care legislation.

Under the change, insurers will be allowed to offer health plans through 2014 that do not meet the requirements of the ACA. Obama has faced mounting criticism, as hundreds of thousands of people have received cancellation notices from their insurers, at odds with the president’s promise: “If you like your health plan, you can keep your health plan.”

Thursday’s announcement came on the eve of a vote on a Republican bill in the US House that would allow people to keep their plans and allow others to purchase new ones without the coverage required by what is commonly known as Obamacare.

Growing numbers of Democrats were reportedly prepared to back the Republican bill if the president did not make the administrative change. Others have said that they will still hold a vote in Congress on changes in order to signal their distance from the increasingly unpopular president.

In the hour-long, sometimes rambling White House press conference, Obama stated, “We fumbled the rollout on this health care bill.” The previous day, the administration had finally released enrollment figures for the health care exchanges, which were abysmal. In

its first month, the federal and state exchanges signed up only 106,185 people combined, falling far short of the 500,000 the administration had hoped to sign up in October.

At the federal web site HealthCare.gov, only 26,794 had been enrolled. The administration is still working to fix technical problems that have plagued the site since its October 1 launch. The government has estimated that it needs 7 million people to buy insurance on the exchanges during the first year of the ACA for the health overhaul to be viable. In particular, it needs young, healthier individuals to sign up and pay more for health insurance.

Under its new policy, the White House is stating that the ACA will not require insurers to upgrade existing coverage to include “essential benefits”—such as preventive care, maternity care, and prescription drug coverage—for those who are already covered by individual policies. While coverage for those who were enrolled before passage of the health care legislation in March 2010 had already been “grandfathered” in, the move will now extend this exemption to people who purchased insurance after this date.

As with the health care overhaul as a whole, the “fix” will be entirely subordinated to the profit interests of the insurance companies. Insurers have been opposed to any changes allowing or requiring them to continue individual insurance policies that have been canceled due to noncompliance with ACA requirements.

There is fear that mostly younger, healthier policyholders will chose this option, leaving the insurance exchanges with a pool of less healthy people who are more costly to insure. Insurers may well seize on the resultant instability to sharply raise premiums across the board.

“Changing the rules after health plans have already

met the requirements of the law could destabilize the market and result in higher premiums for consumers,” said Karen Ignagni, president and CEO of American’s Health Insurance Plans (AHIP), the major insurance trade group, following Obama’s announcement.

It is also not clear what prices insurers would charge for existing coverage continued through 2014, as approval has not been requested for these policies, which were supposed to be terminated by the end of this year.

The *New York Times* quoted a White House official who, when asked if insurers could increase their rates on these policies, said that question needed to be directed to insurers and state insurance commissioners. It is also possible that insurers could chose to renew policies in select markets, and not in others, basing these decisions on the profit to be made or lost through renewing them.

Obama’s apology last week on national television over his failed promise that people would be allowed to keep their current coverage has not reversed his administration’s sagging approval ratings. According to a Quinnipiac University poll released Tuesday, only 39 percent approve of how he is handing his job, while 54 disapprove, the president’s lowest approval rating since he took office.

Approval numbers for Obamacare are even more bleak, with only 19 percent of Americans saying they believe the quality of their health care will improve in the next year as a result of the ACA; 43 percent say it will get worse, while 33 percent say it will not affect them.

The bill sponsored by Rep. Fred Upton, Republican of Michigan and chairman of the Energy and Commerce Committee, would severely undercut the ACA by allowing Americans to keep their existing health coverage through 2014 without penalties. Although the bill would need to be signed by the president to become law, passage of such legislation with Democratic support would signal a challenge to his leadership among congressional Democrats who have until recently strongly backed his health care overhaul.

Another proposal, led by Senator Mary L. Landrieu, Democrat of Louisiana, would allow people to keep their current insurance permanently, but would supposedly “encourage” people to eventually switch to

coverage on the Obamacare exchanges. Her proposal is backed by about half a dozen other Democrats.

Behind the collapse in popular support for Obamacare and the disaster of the roll-out is the fact that, from the beginning, the overhaul had nothing to do with improving the health care system in the United States. As the WSWS warned, it was part of a scheme to slash costs for corporations and the government, transfer a greater burden onto the backs of workers, and strengthen the domination of private insurers over the whole system.

Even with this latest “fix,” individuals and families will be given the “opportunity” to retain coverage that the White House admits is substandard. If the insurance companies do choose to renew these policies, they will also be able to increase premiums as they see fit.

The change is one more exposure of Obama’s fraudulent claims that the health care overhaul will approach anything close to providing “universal” and “affordable” health care coverage for the vast majority of the US population.



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