

New Year's launch of Obamacare: A health care counter-reform in action

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Insurance coverage under the Affordable Care Act (ACA) begins in the US on New Year's Day. Nearly four years after the health care legislation now popularly known as Obamacare was voted into law, individuals and families that have purchased insurance on the exchanges set up under the legislation will begin using it in visits to doctors, hospitals and emergency rooms, and to obtain prescription drugs and other treatments.

Few would dispute that the rollout of Obamacare has been rocky, at best. The October 1 launch of the HealthCare.gov web site was a technological disaster. Enrollment has not kept pace with White House expectations. Despite Barack Obama's promise—"If you like your health care plan, you can keep it"—some 4 million people have received cancellation notices from their insurers because their plans did not meet ACA standards.

But while media attention has focused on these snags in the implementation of health care overhaul, the fundamental problem with Obamacare is the character of the legislation itself. The ACA is not a government health insurance program and it has absolutely nothing in common with socialized medicine. The central component of the law—the "individual mandate"—requires individuals and families without insurance to purchase coverage from private insurance companies on the "marketplaces" set up under the law, or pay a penalty.

The more information that comes to light about the plans being offered through Obamacare demonstrates that, in their rapacious drive to increase profits, private insurance companies are not only charging steep premiums—some 30 percent higher than in the present individual market—but are peddling cut-rate policies with staggering out-of-pocket costs, which also limit

access to doctors and hospitals. Despite Obama's claim that the legislation heralds a new era in access to "near universal, quality health care," the plans people are *mandated by law to purchase* will actually have the effect of rationing access to medical care.

A recent Kaiser Health News (KHN) story exposes one of the shocks awaiting people who have purchased one of the least expensive "bronze" plans on the Obamacare exchanges. It turns out that many of these plans require the full deductible to be paid before it will cover many doctor visits. As the majority of these "affordable" plans carry deductibles in excess of \$5,000, this means that this amount must be spent out of pocket before any coverage even kicks in. As KHN notes, "Experts worry that some enrollees will be discouraged from seeing doctors if they have to pay the full charge, rather than simply a copayment."

These plans are fully compliant with Obamacare, which requires that bronze plans only cover 60 percent of the costs of a typical policyholder. KHN cites an analysis by eHealthinsurance.com, which found that in seven major US cities, "half of bronze plans on average require policyholders meet the deductible before insurers help with the cost of a doctor visit." If an appointment is not for a preventive service mandated by the ACA, a patient would be responsible for the full cost of the typical office visit, which can run \$65 to \$85, and much more for more complex visits.

Preventive services mandated by the ACA to be fully covered, with no co-pay, do not include treatment for an illness such as the flu, or for a minor injury such as a broken bone. Charges could also apply if such medical conditions are discovered and treated during a routine check-up. Many plans also offer limited coverage for some prescription drugs, and it is often next to impossible to determine which medications are

included in a plan's drug formulary.

It is easy to see how policyholders already struggling to pay their monthly health insurance premium would think twice about visiting the doctor, or how a parent might forgo his or her own care in the interest of saving for a doctor visit for a sick child. The end result is that people may either self-ration care out of economic necessity, or could pay out thousands of dollars without receiving a penny in compensation from the private insurers for uncovered visits. In other words, people will pay out of pocket for the privilege of having bare-bones coverage, and may come to the end of 2014 shy of meeting their deductible—when the process begins all over again.

The Obamacare patient experience beginning this January 1 is sure to be marked by more shocks and surprises. Due to technical problems at HealthCare.gov, it is still unclear how many people who signed up on the federal web site are actually enrolled for coverage. People will also have to navigate their plans to figure out if their doctors and hospitals are in their networks, and if their prescription drugs are covered. Doctors, hospitals and pharmacies will also see an influx of new patients, and will have to deal with the new ACA rules and regulations.

In the end, however, these problems related to the implementation of Obamacare are not fundamentally technical in nature, but go to the very substance of the legislation. As the *World Socialist Web Site* noted hours after the US Congress voted to approve the ACA on March 21, 2010: “It represents the opening shot in a sweeping attack on health care for working people.”

Everything that has been revealed about the health care bill since its passage has demonstrated that the ACA is, in fact, a counter-reform aimed at reducing and rationing care for the vast majority of ordinary Americans while boosting the profits of the private insurance companies and health care industry. The chaotic rollout of HealthCare.gov, and the continuous revelations of the sub-par coverage being offered in the least costly plans, highlights the anarchic workings of the healthcare-for-profit system that is the basis of Obamacare.

Some of the most important features of the Affordable Care Act revealed since its passage include:

- By the government's own estimate, legislation that pledged “near universal coverage” will leave an

estimated 31 million Americans uninsured by 2016, according to the Congressional Budget Office (CBO).

- Obamacare is undermining employer-sponsored health coverage. The CBO estimates that 6 million fewer people will receive employer-sponsored health insurance in 2016 compared to 2013. Employers are increasingly shifting to high-deductible, “consumer driven” coverage.

- The Affordable Care Act will slash more than \$700 billion from the Medicare program for seniors and the disabled over the next decade. Politicians of both big business parties look to Obamacare as a model for the gutting and privatization of Medicare and Social Security.

The experience of millions of Americans over the coming year—both those insured through ACA and those who are not—will inevitably bring the features of Obamacare more clearly into focus. It is of a piece with the entire pro-corporate agenda of the Obama administration. The same White House implementing the Affordable Care Act has just sanctioned the cutoff of 1.3 million long-term unemployed workers from benefits. As the WSWS wrote at the time of the health care bill's passage: “The claim that the health care overhaul is an oasis of progress in this desert of social reaction is simply a lie.”

The Obamacare catastrophe demonstrates the incompatibility of the private ownership of the means of production and the basic social rights of the working class. These include not only health care—but jobs, a future for young people and a secure retirement. It points to the necessity of placing the entire health care industry—the insurance and drug companies, the giant health care chains—on socialist foundations. The WSWS will continue its exposure of the Obamacare fraud in its first year in action in 2014.



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