

Half a million low-income residents left without health insurance in Pennsylvania

Douglas Lyons
5 May 2014

Several hundred people protested outside the Pennsylvania state capitol last month against Governor Tom Corbett's refusal to expand the Medicaid program to include 500,000 low income and impoverished workers currently without any health insurance.

Corbett, a Republican, has refused to expand the Medicaid program to all adults making less than 138 percent of the Federal Poverty Level, which is pegged at \$27,000 a year for a family of three. Twenty-three other states have refused to expand the Medicaid program under the Affordable Care Act, leaving 5 million people without health insurance.

In Pennsylvania, Corbett submitted an alternative plan entitled "Healthy PA" to the federal government, in which the state would receive the federal money put aside for Medicaid, but would be exempt from many of the requirements governing the federal health care program for the poor. Corbett's plan would end Medicaid as an entitlement program and, like the Affordable Care Act, would purchase insurance from for-profit corporations. In addition, the plan would cut benefits and ration care for recipients, increase out-of-pocket costs, and institute a job-search requirement.

Working class and poor residents are the principal victims of this decision. Around 500,000 people would have had access to health care if the expansion had been accepted, but now they are stuck in limbo because they earn too much to qualify for traditional Medicaid but are denied subsidies to purchase coverage on Obamacare's expensive health exchanges.

These were the same targets when Corbett eliminated Pennsylvania's low-cost adultBasic insurance program in 2011. At the time the governor told recipients to buy insurance through Blue Cross, a private company, where premiums were 400 percent higher and fewer services were offered than adultBasic. In addition,

Corbett has placed bureaucratic hurdles in front of families receiving Medicaid, which advocates say has denied benefits to about 100,000 people throughout the state.

Currently Medicaid only covers adults with dependent children making less than 38 percent of the poverty level, or just \$7,421 a year for a family of three. Adults without children are not allowed to receive Medicaid no matter how little they earn. Obamacare only provides health insurance subsidies to those earning above the poverty level. This leaves an estimated 280,000 people in Pennsylvania without Medicaid or subsidies to buy health insurance.

In 2012, the US Supreme Court ruled that states did not have to expand Medicaid coverage. The Obama administration and the Democrats in Congress made no further provisions to provide coverage for this large group of people, even though Obama claimed the health care law would provide affordable health care for all.

Scott Rosenzweig of Allentown was one of those protesting in Harrisburg against Corbett's plan. He has diabetes and is confined to a wheelchair. He receives an inadequate Social Security disability check, which disqualifies him for medical assistance but isn't enough to purchase private coverage.

"I can't afford to get necessary medical treatments that I need. My fiancé passed away in December and couldn't afford to get treatments she needed for Hepatitis C, which would have prevented her from passing away," he told a local reporter.

A 56-year-old Pittsburgh woman, Shelagh Collins, falls into this Medicaid gap. Talking to the *Patriot-News*, she said a \$20,000 retirement account blocks her from receiving the expansion in Medicaid. Since the recession, she was laid off from her administrative

assistant job in Chicago and moved back to Pittsburgh to stay near her mother, but has been unable to find a good-paying full-time job to pay for private insurance. “Administrative assistants are nowadays a dime a dozen,” she said.

To add to her distress, Collins developed back trouble several years ago and has recently fallen and injured her hip. She travels to a medical clinic where she pays on a sliding scale, but doesn’t have the income to pay for some important services, such as physical therapy. All in all, this makes it even more difficult and painful to work or go job hunting. “If I had a heart attack I’d be screwed,” she added.

“Healthy PA” like Obamacare will further undermine health coverage. Depending on income, applicants will be deemed by the state eligible for Medicaid or will be asked to purchase the private insurance program.

Rationing care is the next step in the process. All recipients eligible for Medicaid will be screened to determine the status of an individual’s health, and thereafter will be placed in low-risk or high-risk health plans. Both plans will also require copayments for medical visits and procedures. Those of the Healthy PA plan won’t have access to certain medical procedures and checks because they are deemed “too healthy.” According to the state Department of Public Welfare, it “will use claims data where possible to assist in determine the appropriate benefit plan for current eligible individuals.”

Enrollees who are on the borderline could be stamped as healthy to save costs. What if “too healthy” people suddenly succumb to ill health or want more procedures and checks to be proactive or prevent a sickness? They will be at the mercy of the state and whatever decision it makes. It remains to be seen if a low-risk enrollee can quickly enroll into a high-risk plan for the sake of affording expensive treatments. In the end, the phrase “death panels” resurrects itself here, where the government is demanding the care be based on a “cost and benefit analysis.”

For those who don’t qualify for Medicaid, but do for the private insurance program, they can decide between two health plans, where there is a copayment obligation and sometimes a monthly premium. Premiums will range from \$25-35 a month depending on family size. If these premiums are not paid in a timely manner, rules state that a ban of up to nine months from using the

service will be imposed until premiums are adequately paid for. Therefore, working and poor people will have to decide whether to pay their monthly premiums to have access to health care or forgo it to pay other bills or purchase meals for their family.

All adults 21 through 64 years of age “who are able to work and working less than an average of 20 hours per week will be asked to engage in job training and employment-related activities as part of an integrated approach to improving their health and obtaining employment.” Participants working an average of less than 20 hours a week can register with JobGateway and participate in the “Encouraging Employment” program as a condition of possibly reducing the cost of coverage.

Corbett had originally proposed a mandatory work requirement for people applying for “Healthy PA,” but he reversed his decision in order to have a better chance for “Healthy PA” to pass federal approval. Now it is a voluntary one-year program, which potentially could be instituted in the future if it aids the state in shifting more people onto the private insurance program or completely off the state’s “Healthy PA” plan. For some low-wage workers, if their hours increase and they obtain employer-based health care, they might be spending more money on health care, since it will have higher premiums and out-of-pocket costs, especially if they are forced to get coverage on Obama’s regressive health care exchanges.

If approved by the Obama Administration, the Corbett plan could become a model for other states to cut Medicaid benefits to the low income and poor.

A home health worker protesting in Harrisburg, Eileen Warner of Erie, who also has multiple sclerosis, described to the media Corbett’s aim: “We see your Health PA for what it is, a way to make cuts on people like us.”



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact