Obamacare enrollment deadline: Fines mount for failure to buy costly, barebones insurance

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Tuesday was the last day to choose a health plan under the Affordable Care Act (ACA) for coverage beginning January 1. Penalties for those who fail to obtain insurance coverage for 2016 will rise dramatically—more than sevenfold—compared to the first two years of the ACA.

The "individual mandate" of Obamacare, as the ACA is popularly known, requires people who are not insured through their employer or a government program to purchase coverage from private insurance companies on the health care exchanges set up under the legislation. Low-income individuals and families who qualify are eligible for modest subsidies to offset rising insurance premiums. Anyone who does not have coverage in at least nine months of 2016, and who does not qualify for an exemption, will face tax penalties.

The Obama administration is seeking to use the spiking penalties to browbeat those uninsured who did not buy coverage in the first two years of the ACA into purchasing plans in 2016. This coercion for the benefit of the insurance giants is yet another exposure of Obamacare, which aims to force people to buy coverage from for-profit insurers under financial threat. Meanwhile, people on the insurance exchanges are finding that the least expensive ACA plans come with massive deductibles, co-pays and other out-of-pocket costs.

Those exempt from the "individual mandate" penalty include undocumented immigrants (who do not qualify for ACA subsidies), those with incomes so low they do not file taxes, and some 5 million additional people with incomes below 138 percent of the poverty line who, under the ACA, are supposed to be covered by Medicaid, the federal program for the poor, but live in states that have refused to expand Medicaid eligibility. These millions are exempt from the penalty but remain uninsured.

For 2016, those who are uninsured and not exempt from the individual mandate will pay the *greater* of two amounts, as calculated by the Kaiser Family Foundation in a new analysis:

* A flat dollar amount equal to $685 per adult, plus $347.50 per child, up to a maximum of $2,085 for a family.

* Two-and-a-half percent of family income in excess of the 2015 income tax filing thresholds ($10,300 for a single person and $20,600 for a family).

The penalty cannot exceed the national average premium for "bronze" plans, the lowest level of coverage under the ACA. In 2015, this average annual premium was $2,484 for single coverage and $12,420 for a family with three or more children.

The maximum household penalty has risen more than sevenfold in three years: from $285 in 2014, to $975 in 2015, to $2,085 in 2016. Kaiser estimates that the average household penalty for those uninsured and eligible to enroll in an ACA plan will rise to $965 in 2016, up from $661 in 2015, a 47 percent hike.

Referring to the penalties, Kevin Counihan, CEO of the federal insurance exchange HealthCare.gov, told shots.net, "It got people's attention. And there seems to be more of a discussion in their head about whether it made sense to pay the penalty and not get something for it."

Last year, the Department of Health and Human Services allowed people who owed money because they didn't have insurance in 2014 to sign up for 2015 insurance during a special enrollment period. Counihan said the agency was offering no such reprieve for 2016. "We're not offering that this year," he said. "The deadline for enrollment is January 1. That's a solid deadline."

In early November, President Obama personally challenged 20 communities around the country to compete with one another to sign up the uninsured for the ACA. The metropolitan areas chosen have large pools of uninsured people. They include some of the most economically ravaged—Detroit, Philadelphia, Chicago, Milwaukee. Thus, communities hit by high unemployment and poverty are being deliberately targeted in an effort to boost Obamacare enrollment.

As of June 30, about 9.9 million people had obtained coverage through the federal and state marketplaces set up under the ACA. The Centers for Medicare and Medicaid Services (CMS) reported Monday that more people are simultaneously shopping on HealthCare.gov than at any time this year or last year.

They are finding increased premiums and coverage that is declining in quality, both from the standpoint of services offered and out-of-pocket costs. According to the government's own projections, ACA enrollees face on average a 7.5 percent premium rate increase in 2016. Other sources predict rate hikes in excess of 20 percent.

The average deductible for a bronze level plan in 2015 was $5,200. The *Fiscal Times* reported last month that bronze deductibles for 2016 will average over $5,700, a nearly 10 percent rise. The deductible must be paid in full before any health coverage kicks in, except for those services deemed "essential" by the ACA.

The Robert Wood Johnson Foundation found that the share of mid-tier, Silver level preferred health organizations, or PPOs, on the ACA marketplace with *no maximum* for out-of-pocket costs increased from 14 percent this year to 30 percent for 2016. These deductibles will force patients to forgo vital medical services for themselves and their families, resulting in needless suffering and even death due to undiagnosed and untreated conditions.

While premiums and deductibles continue to rise, the plans offered are steadily deteriorating in quality. The Robert Wood Johnson Foundation reported last month that PPOs, which provide health insurance that pays for both in-network and out-of-network health providers, are dwindling as an option on the Obamacare exchanges.

People shopping for insurance in the ACA "marketplace" are increasingly finding the offerings limited to health maintenance organizations (HMOs) and exclusive-provider organizations, both of which provide extremely limited coverage when patients want to visit an out-of-network health care provider.

The availability of PPOs on the HealthCare.gov exchange is expected to fall by 41 percent between 2015 and 2016. As of this year in New York City, no PPOs were offered either through Obamacare or on a private insurance exchange, but were available only through employer-provided coverage.

For a patient suffering from a debilitating disease, restriction to an HMO likely means he will no longer be able to visit a specialist, such as an oncologist or rheumatologist, with whom he has established a relationship over months or years. The impact is potentially life-threatening.

More than five years after Obama signed the legislation into law, and on the eve of its third year of operation, American working families turning to the Affordable Care Act for health care coverage—either out of desperation to find health coverage or under threat of financial penalties—are coming face to face with a health care abomination.

It is becoming increasingly clear to millions that all of Obama's claims—that the ACA would provide near-universal coverage, that "if you want to keep your plan, you can keep your plan" and "if you like your doctor, you can keep your doctor"—were lies. The aim of Obamacare is to restructure an already class-based delivery of health care even more in line with the interests of the corporations, particularly the private insurance companies and giant pharmaceuticals, while cutting costs for employers and the government.

At the same time, Obamacare prepares the way for the privatization of Social Security and Medicare and their transformation into voucher programs, and provides the impetus for an assault on employer-provided health insurance, the means by which about half of all Americans currently receive coverage.