

Demagoguery

Is health care in America a right or a privilege? If the Patient Protection and Affordable Care Act (PPACA) which is commonly called ObamaCare or the Affordable Care Act(ACA) is activated, there will be death panels that decide who will get health care. If this law is fully implemented, then it will bankrupt this country. If all the penalties for nonconformity are implemented, then employers will reduce the total number of full time employees to part time employees in order to reduce their head count to less than 50 full time employees or they will pay a penalty of \$2,000 per employee for non-coverage. All individuals will be required to purchase health care if not furnished by their employer or pay a fine. Are we frightened, yet?

Remember what Franklin Delano Roosevelt stated during his first inaugural address, "The only thing to fear is fear itself." One is usually either frightened of the unknown or is scared out of ignorance. So, let us eliminate some of the ambiguity in ObamaCare. This legislation was written and passed by the legislative branch to expand coverage to all Americans; and to enhance or to change many of the health care edicts that had existed since the passage of Medicare and Medicaid. They accomplished these goals by expanding the availability of health care and offering preventive care to more Americans. This was achieved by expanding coverage to all children up to age 26; prohibiting insurance companies from not offering or canceling your insurance due to a serious and complicated health condition; not forcing someone into personal bankruptcy due to health problems; and expanding the Medicaid program to more people. Since these enhancements and changes were going to increase the cost of health care, ObamaCare instituted several programs to cover some of the increased costs that related to these changes. They offered the states the opportunity to initiate their own health exchanges (check the *Connect for Health Colorado* website for a good example of these new exchanges) and make individuals more cognizant of the cost of their health care procedures and the inherent costs of their specific, health insurance policies. And if the states did not want to initiate their own, unique exchanges, then the Federal Government would make one available to everyone. These approaches would hopefully result in lowering the cost of health insurance by making it more competitive and by ensuring that all individuals could become aware of the different health plans and their respective costs.

Subsequently, the federal government increased some taxes to pay for these cost enhancements: 2.3% on medical devices, penalties begin in 2014 for individuals who do not obtain health care at \$95 per year or up to 1% of their income whichever is greater (this rate increases in the future), a Medicare payroll tax increase of .9% for individuals who have an earned income of more than \$200,000 and for married couples with an earned income over \$250,000, increased the unearned income tax (capital gains tax) 3.8% for those with \$200k earned income for individuals and \$250k earned income for families, \$63 fee on insurance plans until 2017, 40% excise tax on that portion of the employer-sponsored Health care premiums for individual premiums over \$10,200 and family premiums over \$27,500, and eliminated the federal government subsidy for the Medicare Advantage program. These new taxes and savings will not cover all the new enhancements. Other cost reduction programs will have to be tested, evaluated, and then implemented. Some have already been introduced on a limited basis. One of them being “bundling.” This is when a provider of health services is reimbursed on the basis of expected costs for a clinically-defined episode of care. Other areas of cost containment or reduction are: fragmentation of the health delivery system, lack of care coordination, and adopt widely recognized best medical practices. It is estimated that these previously mentioned items account for between 13 and 26 percent of national health expenditures in 2011 (Berwick and Hackbarth 2012).

The major employer in the United States is the small business owner. Let us look at how ObamaCare will affect this important employment sector. There are approximately 6 million small businesses in the United States. Of these 5.8 million have 50 or less employees; and they employ nearly 34 million workers. Also worth noting, approximately 96% of these firms already offer some form of health insurance for their employees. Importantly, ObamaCare exempts any employer with fewer than 50 employees. But, the PPACA offers an incentive for those small business employers that do not presently offer their employees health care. For 2014 and beyond small employers who purchase coverage through the new Health Insurance Exchanges can receive a *tax credit* for two years of up to 50% of their contribution. Additionally, tax-exempt small businesses meeting the above requirements are eligible for a *tax credit* of up to 35% of their contribution.

Health care is approximately 16% of our GDP. It is the sleeping elephant in the china shop. By all estimates, if nothing is done to change the present

accessibility, delivery, and cost of health care, it will bankrupt this great country. Like all other previously enacted programs of this complexity, i.e. Social Security and Medicare, their enactments were confronted with administrative hurdles and other roadblocks by both political parties before they became fully active. So do your homework. Read all that you can in order to be informed so that you can apprise your governmental representatives of your wishes. And let us not forget that each and every one of us is personally responsible for maintaining our health. So, let us all consume healthier foods, exercise more, and get an annual checkup. I hope that we can all agree that a healthier populace leads us to a more productive work force and a happier outcome for all. We must ensure that each individual and each employer initiate and support programs that guarantee that we obtain these favorable outcomes.

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