

Green light for health care

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The idea of reforming America’s inefficient and economically discriminatory health-care system seems to spark what legal analyst Jeffrey Toobin calls “health-care derangement syndrome.” Opponents of the Affordable Care Act warn with wild inaccuracy that the new law will bring socialized medicine and other imagined threats to liberty.

The new law is widely controversial, but also widely misunderstood. With the ACA upheld by the Supreme Court, Americans have yet another chance to learn about what the law actually contains. Here are the key provisions:

1) The ACA allows people whose incomes are up to 133 percent of the federal poverty level to enroll in Medicaid, the government health program for the poor. This step potentially extends coverage to 17 million working people who otherwise can’t afford insurance. (That number is uncertain, since the Supreme Court ruled that states can opt out of the expansion.) These people are our neighbors who have to choose between buying food and visiting the doctor. These are also the people who often end up going to an emergency room for care rather than to a doctor—a practice that is medically inefficient and financially expensive.

2) The ACA prevents insurance companies from denying coverage because you have a preexisting condition (like cancer or clinical depression) and prevents them from dropping your coverage if you get sick. The ACA also allows young people to stay on a parent’s health plan until age 26. These provisions are overwhelmingly popular across the political spectrum. Insurance companies are willing to accept the cost of

these new regulations because—

3) The ACA requires those who don't have health insurance through an employer or government program to buy it. This mandate adds another 15 million people to the ranks of the insured. Government subsidies will help low- and middle-income families to buy insurance, keeping the cost to about 8 percent of income. Those who choose not to buy insurance will pay a penalty on their income tax, starting at about 1 percent of income and rising to 2.5 percent by 2016. If the only insurance plan you can find exceeds 8 percent of income, you are exempt from the penalty. The penalty is not onerous, but it is an inducement to purchase insurance. (Only 1 percent of residents in Massachusetts, where the mandate has been tried, end up paying the penalty).

The current health-care system is a cumbersome bureaucracy. If the ACA seems cumbersome as well, this is largely because the law protects the existing private insurance system while greatly expanding coverage. Imposing a government insurance program would be a far simpler solution, but it's politically impossible—and it's not what the ACA does.

The more people understand these realities, the more popular ACA will become. As for the critics of ACA, none of those calling vociferously for repeal have offered an alternative that adds the popular regulations and expands coverage by anything close to 32 million. More fundamentally, none of the critics have been able to explain why we should retain a system in which access to health care depends on level of income.