

Health Insurance Exchanges – Top Ten Terribles

1. Higher Premiums – The higher cost of coverage may be unaffordable for many, even with federal taxpayer-funded premium subsidies. Higher premiums are expected because the ACA-mandated coverage is richer in benefits than most policies, underwriting based on health status is not allowed, plans must cover patients with pre-existing conditions, and Obamacare imposed various taxes and costly regulatory requirements such as limits on copayments and deductibles, as well as the Minimum Loss Ratio requirement.
2. Limited Choice of Providers – Many health plans offering coverage on the Exchanges are expected to offer a limited choice of doctors, clinics and hospitals, called “narrow networks.” Many people are expected to choose narrow-network plans because the cost will be less.
3. Privacy Intrusions – The federal government collects data on individuals, employers and navigators from application forms, state databases, health plans and other sources to track and store (in the new “Health Insurance Exchange Program” System of Records) data on household income, tax status, employment, family status, health, citizenship, incarceration and more.
4. No private insurance – Exchange coverage is “medicaid for the middle class.” It’s a “second Medicaid program,” according to Douglas Holtz-Eakin, former director of the Congressional Budget Office.
(<http://reut.rs/Yqzugl>)
5. IRS Enforcement – Individuals are unaware of Exchange complexities, such as the possibility of expensive repayments to IRS (“clawbacks”) and the ongoing need to check-in with the IRS if a patient’s financial or family status changes. Notably, **Sarah Ingram**, who was in charge of the IRS’s exempt organization division when it targeted conservative organizations, is now the director of the IRS’ Affordable Care Act office and in charge of Obamacare enforcement.
6. Conscientious Objections Dismissed – HHS has mandated contraception coverage, including sterilization and abortifacient drugs, as an “essential health benefit” regardless of conscientious objections. Two national plans are mandated for all government Exchanges, but only one is required to *not* offer abortion-related coverage.
7. Federal Application – A complex 21-page hardcopy federal application for Exchange coverage – now broken up into three similarly complex hardcopy forms for different types of situations and individuals – must be filed with the federal government. The online version is 61 pages including instructions.
8. Limited Choice of Coverage – All Exchange coverage options are HMO-like managed care plans offering federally approved “qualified health plan” policies. Catastrophic major medical plans – true insurance – have been outlawed by Obamacare except for individuals age 29 and younger.
9. State Control Board – A state governing board of political appointees will implement Obamacare in states that choose to fund and operate a “state-based exchange” – a state arm of the ACA’s national Exchange system. The board will decide which health plans are available, link state data systems to the Federal Data Hub, and coordinate ACA implementation with federal officials.
10. Employer Penalties & Medicaid for Employees – States with a state-based Exchange enable imposition of penalties on employers for failure to offer health insurance, or failure to offer “minimum essential coverage” as defined in the Affordable Care Act. No state-based exchange. No penalties. In addition, Exchanges encourage employers to drop private coverage, sending workers to enroll “medicaid for the middle class” in the government Exchange. Small businesses are given the opportunity in 2014. Large employers can enroll employees starting in 2017.