

NOW? WHAT?



Health Care Launch Stumbles and the Self-Employed Have Questions

By Katie Vlietstra

For nearly three years, millions of Americans have been patiently waiting for October 1, 2013, the day they could access and shop for affordable health care on a virtual platform known as the Exchange Marketplace. The marketplace is the key tenet of President Obama's signature domestic policy achievement, *Patient Protection and Affordable Care Act (PPACA)*, otherwise known as health care reform, ACA, or Obamacare.

To say the launch was a disaster would be putting it nicely, but for millions of Americans the issue still stands: how will they gain access to affordable health care insurance?

On March 23, 2010, President Obama signed into law sweeping changes to the American health care system, with the worthy goal of ensuring all Americans have access to affordable, comprehensive health insurance. For the 23 million self-employed Americans, of which roughly one third are currently uninsured, the ability to purchase health insurance remains elusive. Yet on first glance the health care reform law tackled some of the key areas of issue for the self-employed:

- Denial of insurance due to a pre-existing condition.
- Required minimum level of coverage for all plans, including essential health benefits.
- Access to free preventive care including mammograms, colonoscopies, wellness visits, gestational diabetes screening, HPV testing, STI counseling, HIV screening and counseling, FDA-approved contraceptive methods, breastfeeding support and supplies, and domestic violence screening and counseling.
- Cap on out-of-pocket expenses per calendar year.
- Premium assistance for qualified taxpayers between 100-400 percent of the federal poverty level.

These immediate market reforms, including the very popular 26-year-old dependent provision, gave the impression that good things were only to come as it related to health care reform and millions of Americans, many of which represent the self-employed small business community, patiently awaited October 1, 2013.

In July and August 2013, warning bells began sounding: key deadlines and final “rules” for implementing the Exchange Marketplace were either trickling out or being blown past entirely.

In a letter to congressional leaders, the NASE expressed concern over the lack of concrete information about premium costs and the Exchange Marketplace, which was hindering the ability for the self-employed to budget accordingly and make informed decisions as to the best options for themselves, their families, and their businesses.

Health insurance coverage is one of the largest expenditures of America’s smallest businesses and an economic decision for many that should be made based on accurate and timely information. The successful launch of the Exchange Marketplace remains key to the overall success of ensuring all Americans can access affordable and comprehensive health insurance.

An overwhelming sense of doom began to build, and many analysts/experts predicted that the Administration’s efforts to rush the launch of the Exchanges would ultimately lead to the failure of the key tenets of the Affordable Care Act, negatively impacting small business and our nation’s economy.

Further concern over the launch of the Exchange Marketplace was evident in the NASE’s September Member *Health Care Enrollment* survey, which showed that more than half (54 percent) of the 476 respondents haven’t decided if they will purchase health care on the Exchanges. In fact, 64 percent of respondents indicated they have yet to even visit the new HealthCare.gov website and 100 percent of those surveyed answered that price will be a deciding factor in their decision.

The concern was valid.

On October 1, 2013, the Exchange Marketplace launched with significant technological challenges, including inaccurate pricing, questionable data security, and an overall inability to manage the significant traffic (an estimated 26 million people visited the healthcare.gov website over a six-week period). While the Administration – including the President himself – acknowledged the technology challenges, a political tsunami hit the Department of Health and Human Services in the form of subpoenas to testify in front of key Congressional committees to explain the debacle.

In another unforeseen blow, as millions attempted to purchase health insurance through the Exchange Marketplace, millions of Americans began receiving cancellation letters of current health care plans. Nearly 5 million Americans who had health insurance plans since before the health care reform law and who believed those plans met the “Grandfathered Health Care” provision, found themselves unexpectedly being notified that they would be without health insurance effective January 1, 2014, forcing them to secure coverage in the Exchange Marketplace to meet the individual health care requirements as mandated by the law.



2013 Federal Poverty Guidelines

48 CONTIGUOUS STATES AND DC

NOTE: The 100% column shows the federal poverty level for each family size, and the percentage columns that follow represent income levels that are commonly used as guidelines for health programs.



Household Size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	15,510	20,628	23,265	31,020	46,530	62,040
3	19,530	25,975	29,295	39,060	58,590	78,120
4	23,550	31,322	35,325	47,100	70,650	94,200
5	27,570	36,668	41,355	55,140	82,710	110,280
6	31,590	42,015	47,385	63,180	94,770	126,360
7	35,610	47,361	53,415	71,220	106,830	142,440
8	39,630	52,708	59,445	79,260	118,890	158,520
For each additional person, add	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

SMALL GLIMMER OF HOPE

Affordability of health care remains the NASE's number-one legislative priority. In fact, we believe strongly that Congress should commit itself to working across the aisle to put forth common-sense solutions for a competitive health care market that allows individuals to pick and choose health care based on their needs, not what they can or can't afford.

To that point, the NASE has actively pursued Congress to enact legislation to allow for the permanent deduction of health care insurance for the self-employed, one of these easiest and quickest ways to bring equity to the health care market. Additionally, key reforms in Health Reimbursement Accounts (HRAs) to allow for employers to reimburse employees for related health care costs is another way that tools already in the market can be used to address coverage and affordability issues.

The NASE has loudly called on Congress to act now to protect the self-employed by demanding a one-year delay of the individual mandate penalty in order to provide the self-employed and all Americans more time to properly evaluate their health care options through the Exchange Marketplace and make the best decision for them, their families, and their businesses. ■

Katie Vlietstra is the NASE Director of Government Affairs and provides critical insight to policymakers on issues affecting our nation's self-employed. You can contact her at advocacy@NASE.org.

Self-Employed Health Insurance FACTS

- ✓ There are 23 million self-employed or micro-business owners in the United States representing 78 percent of the total small business community.
- ✓ Nearly 6.2 million self-employed or micro-business owners currently are without health insurance.
- ✓ 71 percent of self-employed or micro-business have gone uninsured at some point in their lives.
- ✓ In 2012, 84 percent of self-employed or micro-business owners indicated that rising health coverage costs have been detrimental not only to themselves and their families but also to their business over the past three year.



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