

# HEALTH REFORM IN NEW YORK: Q&A

This Q&A document provides responses to some of the persistent myths advocates commonly hear about the Affordable Care Act (ACA).

We can't cover everything in a short handout! Visit our web page ([hcfany.org](http://hcfany.org)) for basic facts about the ACA and health reform in New York.

## Q. Is the federal government overstepping its bounds with the ACA? Does the ACA represent a “government takeover” of the health care system?

A. Not at all. In fact, the law extends private coverage to millions of additional people. The NY State of Health (NYSOH) insurance marketplace ([nystateofhealth.ny.gov](http://nystateofhealth.ny.gov)) enables consumers and small businesses to pick a private health plan that's right for them, making shopping for coverage much simpler than before.

Even before health care reform, states regulated private health insurers in numerous ways, for example to make sure they had enough money to pay claims. The law adds to consumer protections against insurer abuses, like banning caps on the dollar amount of benefits an insurer will cover during a consumer's lifetime (called “lifetime limits”).

Historically, government programs have successfully provided health care coverage where the private health insurance market didn't meet the needs of certain consumers. For example, Medicare has provided quality health care coverage for seniors and people with disabilities for decades. The Affordable Care Act enhances important public programs like Medicaid and the Children's Health Insurance Program (called Child Health Plus in New York).

## Q. Are people having their care rationed or experiencing delays in receiving care?

A. No, in fact, the ACA provides new patient protections. Under the ACA, insurers can no longer ration coverage by setting annual or lifetime “benefit caps.” The law also sets minimum standards for health plan benefits, improving existing coverage for numerous Americans. Since the launch of the ACA, there have been very few reports of patients in the U.S. facing major delays in getting care due to the law.

## Q. Are people enrolling in coverage?

A: The first open enrollment period under the law (2013-14) was a great success. Over eight million enrolled nationally, significantly more than the Congressional Budget Office projected. In New York alone, 960,762 signed up during open enrollment, far more than originally predicted. We are looking forward to getting even more people the coverage they need during the next round of open enrollment.

## Q. Once enrolled, are people paying monthly premiums to maintain their coverage?

A. As of early May 2014, major health plans were reporting that 80 percent to 90 percent of those who had enrolled in exchanges like NY State of Health had made their first premium payments.

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## Q. Will the ACA increase premiums?

A. Overall, health care reform has produced significant savings for consumers. The approved 2014 rates that New Yorkers purchased through NYSOH are on average 53 percent lower compared to the rates consumers paid the previous year, when NYSOH was not in operation.

Given the ACA's strong rules to ensure health plan quality, now consumers can be confident they are getting the coverage they pay for. And because of the ACA, the overwhelming majority of consumers can get financial assistance to help cover the costs of buying health insurance.

Insurance rates have been skyrocketing for years, long before the ACA was enacted. Before the ACA, rates were jumping by double digits. While healthcare reform is helping to curb this trend, insurers are likely to continue to propose increasing rates to account for overall inflation in medical costs, regardless of other factors. Here in New York, a 2010 state law, buttressed by the ACA, now requires the Department of Financial Services (DFS) to review all proposed rate increases to determine if they are justified, and if not, roll them back. In September 2014, DFS announced that individual insurance rates for 2015 plans will continue to be 50 percent lower on average than before the creation of the NY State of Health.

## Q. How will the ACA affect jobs?

A. We simply don't yet have the data to know exactly how the ACA will affect overall employment numbers, according to the Washington Post "Fact Checker" feature. But we do know that given the need for new doctors and other providers and for other new positions in the health care industry like customer service and compliance staff, the ACA will create some new jobs.

Independent fact-checking services like Factcheck.org and PolitFact have refuted the claim of ACA opponents that the ACA will cause two million in job losses nationally. This claim is a misinterpretation of a prediction that two million people will voluntarily leave their jobs or reduce their hours to, for example, start their own business or begin a family. They are secure in giving up their employer-based health coverage because of the availability of low-cost coverage through marketplaces like NYSOH.

## Q: Are mandates on businesses in the ACA causing job losses?

A. Small businesses (50 employees or less) are not mandated to provide health coverage -- they get a tax break if they provide coverage -- so it's hard to see how the ACA would cause job losses in the small business sector. Businesses with over 50 full time employees will be mandated to provide health coverage beginning in 2015, but 96 percent already do so now, so this requirement will only affect a tiny sliver of the economy. And, with better access to health care coverage and care, employees will miss less work -- boosting company productivity.

## Q. Are people losing their existing coverage?

A. Health care reform is reducing the number of uninsured New Yorkers: four of five of those who enrolled in NY State of Health reported that they weren't insured at the time of applying. While some consumers may have to seek alternative plans because insurers voluntarily withdraw from the market (as they have done for years, including before the ACA), there are now more quality affordable coverage options than before -- through private plans, or through public plans like Medicaid and Child Health Plus, for those who qualify.