

# HEALTH REFORM IN NEW YORK: Q&A

**This Q&A 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 the website of Health Care for All New York ([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 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 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 two open enrollment periods under the law (2013-14 and 2014-15) have been a great success. Over 17 million had enrolled nationally as of 2015. In New York alone, over 2.5 million applications had been filed with the NY State of Health Marketplace (NYSOH) as of 2015. We are looking forward to getting even more people the coverage they need during the third round of open enrollment, which began on November 1, 2015.

**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 to 90 percent of those who had enrolled in marketplaces (exchanges) like NY State of Health had made their first premium payments. U.S. Department of Health and Human Services (HHS) reported that as of February 22, 2015, about 11.7 million Americans had selected plans, and as of March 31, 2015, about 10.2 million had paid for their coverage.

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## Q. Will the ACA increase premiums?

A. Overall, health care reform has produced significant savings for consumers. The approved 2016 rates that New Yorkers purchased through NYSOH are nearly 50 percent lower on average than the rates consumers paid before the establishment of NYSOH, even before you adjust for inflation or factor in the financial assistance that many consumers get to purchase health coverage.

Given the ACA's strong rules to ensure health plan quality, now consumers also can be confident they are getting the coverage they paid for. And because of the ACA, the overwhelming majority of consumers can get financial assistance to help cover the costs of buying 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. This process has significantly helped consumers: the 2016 rate increases DFS approved were on average 3.3 percent less than insurers requested.

## Q. How will the ACA affect jobs?

A. A November 2015 analysis by Jared Bernstein, an economist at the Center on Budget and Policy priorities concluded that monthly job growth in the health care sector has risen sharply since January 2014, when marketplaces established under the ACA began operations. This analysis is consistent with earlier predictions 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 would create some new jobs. And Bernstein's analysis indicated that states with bigger gains in health coverage experienced stronger, rather than weaker, job growth. Bernstein concluded that there's "no case that the ACA is a job killer."

## 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 were mandated to provide health coverage beginning in 2015, but 96 percent already did so, 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: well over four of five of those who have enrolled in NY State of Health have 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.