

Health Care Reform and Public Health Policy

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One message we must remember from today's meeting is that health insurance matters. Studies have shown that without health insurance, mortality and morbidity rates are higher, and early detection is not seen. Public health policy directly links to prevention, and the hope is that as we try to insure another 30 million Americans, they will get early attention to prostate health to reduce morbidity and mortality. The approval of the Patient Protection and Affordable Care Act of 2010 was a landmark event. The ongoing effort to get some form of comprehensive health insurance in the U.S. has gone on for the past century. This legislation runs 2400 pages containing thousands of provisions. Coverage will be extended to 30 million uninsured people; the current uninsured rate is roughly 50 million individuals.

There are basically three major pillars in the current American health insurance regime: the commercial health insurance provision, which covers approximately 60% of people who get coverage through an employer; a smaller individual market; and Medicaid, which insures 60 million low income people, and Medicare, which covers primarily the elderly age 65+, about 45 million people, and disabled individuals. Despite changes to each of these pillars, it is not as though they were all ideal prior to the passage of health care reform. The commercial health insurance market has been under enormous stress; the number of people covered by employer plans has dropped. The individual small group market is inefficient and quite costly. And Medicaid and Medicare have associated stressors as well.

The most controversial aspect of this reform plan is the core provision of individual mandate. More younger and healthier folks have tended to leave the health insurance market, and given that the idea behind health insurance is that the less sick individuals help pay for the people who are more sick, the sicker people remained in the health insurance pools.

Two kinds of insurance exchanges will be created, one for individuals and one for small businesses. The idea is that a person will get the advantages of group purchase, to team with others and the private insurance companies that provide insurance through these exchanges to get a better buy. In looking at individual insurance, the exchange will have a color code with bronze, silver, gold, and platinum. Bronze is for those willing to have the insurance pay only 60% of costs; platinum covers 90% of costs but at a higher premium. It is projected that 24 million people will buy insurance through exchanges.

Medicaid is the second pillar in the health care reform program; this is the largest grant program in the U.S. People below 133% of poverty will be covered under Medicaid unless they have employer insurance. Medicaid has not to this point covered childless adults. Approximately 17 million people below 133% of poverty do not have insurance, and 70% of them are childless adults. Medicaid pays less than commercial insurers and less than Medicare; there is a concern that as we cover more people under Medicaid, additional stresses will fall upon the hospital system. There is a provision for primary care providers to be paid at better rates than they have heretofore by Medicaid program in many states.

The main benefit to recipients of Medicare, as the third pillar in the health care system, is that the doughnut hole with prescription drugs gets filled. Medicare is looked at as the vehicle for saving money and wringing out efficiencies. The so-called Advantage plans are heavily subsidized by the federal government; rates of payments for these plans will drop. There is concern over the regional variation in what Medicare spends; NJ is a high cost state in terms of Medicare cost per recipient. There is significant insurance industry regulation in this new program; NJ has been quite progressive in much of this regulation.

In summary, this legislation is the end of the beginning. An enormous amount of work needs to be done; no one should think that this is the solution. We face the real challenges of economic sustainability, given health care cost increases and government deficit and debt, as well as political durability, given the intense partisan polarization in passage of this law. Whether this reform actually gets anywhere near the target goal of covering 30 million remains an open question.