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# DAILY NEWS

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## How health care 'reforms' will mess with your coverage

By Betsy Mccaughey

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Sen. Edward Kennedy's health proposal, the Affordable Health Choices Act, is now being marked up in committee, a first step toward a vote. Critics are mounting a battle against the bill's public insurance option.

But for patients, there's a bigger danger: a mandate that will limit your choice of health plans and restrict when you can see a specialist. You may be compelled to pay 10% or more of your income for insurance you don't want.

Let me address a few big questions you may have.

### **Does the bill require you to have health insurance?**

Yes. There is a lot of Washington double-talk in the bill - for example, it states, "No individual shall be compelled to enroll in a 'qualified' health plan" (sec. 3101).

But if you file a tax return and fail to attach proof of your qualifying health plan, the IRS, in coordination with the expanded federal office on electronic medical records and a new state bureaucracy called a Gateway, will find you, notify you of your default and fine you (sec. 59).

How big a fine? That's left up to the secretary of health and human services, but it will be big enough to "... accomplish the goal of enhancing participation."

Of course, people on Medicare, Medicaid and other government programs are exempt. But the outrage is that members of Congress are exempting themselves (sec. 3116).

### **What is a "qualified" health plan?**

The bill doesn't detail what this term means, but the language suggests you will be limited to a managed-care-style plan. Patients will have their care coordinated in a "medical home" - this decade's term for your primary care provider - and will not be

allowed to see a specialist or get a test whenever they want to. Their care will be "coordinated." Doctors will be paid with "incentives" or hit with penalties to encourage cost-effective care.

One such method is capitation, which means doctors get paid a flat fee per month per patient. With capitation, the fewer tests and referrals you're allowed, the more your doctor makes (sec. 2707).

### **How much will a "qualified" plan cost?**

There are no prices in the bill, but it does make clear that there will be sliding-scale subsidies for individuals buying plans and temporary subsidies for small businesses covering workers.

The bill says a family of four with a household income of \$110,250 will not have to lay out more than 10% of its modified adjusted gross income (sec. 3111). Ten percent is a lot, but you might have to pay even more. Senators are looking for ways to trim costs, including allowing only families in lower-income groups to get subsidies.

### **Will this plan affect you if you get your health insurance from a large company?**

Yes. The bill leaves blank precisely what employers' obligations will be (sec. 163), but you will need to prove that you are enrolled in a "qualified" plan.

Negotiations in the coming days will determine whether your employer must contribute to the cost of that plan and what the tax treatment will be.

### **What about the "public plan" everyone is discussing?**

The bill mentions that there will be a public plan, but offers no details (sec. 3101 and 3116). The importance of the public plan has been exaggerated. Its opponents warn that the public option will drive out private insurance, but that will happen anyway. The bill gives the health and human services secretary power to limit profit margins, which makes it iffy how long insurance companies will be able to survive (sec. 2704).

That's another reason President Obama's promise yesterday that he's "not going to mess" with your plan is unconvincing. No one likes insurance companies, but the indications are that faceless bureaucrats in Washington will be even stingier when it comes to doling out your medical care.

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