

Staggering out-of-pocket costs shock consumers on Obamacare exchanges

By Kate Randall
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As the disastrous rollout of the Affordable Health Care (ACA) online exchanges drags into its eighth week, Americans are facing another rude shock about the health care overhaul known as Obamacare. The cheapest coverage sold on the online marketplaces comes with out-of-pocket costs in many cases totaling \$6,350 a year for an individual. Included in these costs are deductibles in some states topping \$5,000 for an individual and \$10,000 for a family, which must be paid in full before insurance coverage even kicks in.

The Obama administration is still dealing with the fallout over the cancellation of insurance policies for some four million Americans in the individual insurance market, putting the lie to the president's oft-repeated promise that "if you like your health care plan, you can keep your health care plan."

Last Thursday, President Obama announced an executive "fix" in an effort to address this problem, allowing insurers to continue coverage for a year for current policyholders whose insurance coverage would otherwise be canceled because it does not meet ACA standards. It is still unclear in many states whether insurers will reinstate the policies, and what they will charge for premiums if they do.

The staggering deductibles for the lowest-priced Obamacare insurance coverage, the so-called bronze plans, are shocking consumers shopping for coverage at the federal HealthCare.gov site and the sites set up by 14 states and the District of Columbia. A survey of seven states by HealthPocket found that the average medical deductible was \$4,509 for an individual, 26 percent higher than in the current individual market.

In California, the standard bronze plan offered on the state-run exchange site carries a \$5,000 deductible per person, a \$60 co-pay to see a doctor and a 30 percent coinsurance fee on hospital care. Blue Cross Blue

Shield's bronze plan in Rhode Island has a \$5,800 deductible, while in Missouri HealthCare.gov offers a bronze plan by Anthem Blue Cross with the maximum-allowable out-of-pocket costs: \$6,350.

The *Detroit Free Press* reports that in Southeast Michigan, deductibles in most of the 14 bronze plans listed at HealthCare.gov come with deductibles topping \$5,000 for an individual and \$10,000 to \$12,000 for a family. The *Free Press* quotes former police officer Alfred Goode, who is losing his retiree insurance in the Detroit bankruptcy and is being forced onto Obamacare. "I'm not a poor man, but I can't afford this," he said. "That's like another house note and a car note."

In the inferior bronze plans, private insurers are only required to cover 60 percent of medical costs, and to limit out-of-pocket costs to \$6,350 for an individual and \$12,700 for families. The policies must carry 10 "essential services," including preventive care and prescription drug coverage. It is clear that the insurance companies intend to pass on the costs of these required medical services to the consumer, pushing out-of-pocket costs to the limit of the law in order to maximize their profits. They will undoubtedly raise premiums if their profit goals are not achieved.

Under Obamacare, people without insurance coverage through their employer or a government program such as Medicare or Medicaid must obtain insurance or pay a penalty. Individuals and families that can only afford the "affordable" bronze plans will be saddled with huge out-of-pocket expenses if they face any significant health care event.

Many people with the inferior coverage will have no choice but to forgo needed medical care because they cannot afford to pay the deductible. A June 2013 HealthPocket survey asked the question: "Would a \$50

copayment affect how often you visit a doctor?"

Forty-one percent of respondents said that they would see the doctor less frequently, with rates highest for lower-income people.

In a visit last week to a Detroit community health center, Health and Human Services Secretary Kathleen Sebelius admitted that the cheapest plans through Obamacare offer only an empty shell of coverage masquerading as health insurance. "For most people," she said, "even if you don't have all of your day-to-day medical bills paid for, you have the protection that you won't go bankrupt if you get sick." Such cynical comments are cold comfort for millions now discovering they will have to either shell out thousands of dollars for a hospital stay, or to visit the doctor, or go without medical care altogether.

In addition to deductibles, private insurers are jacking up other out-of-pocket costs under Obamacare. In the HealthPocket study, copayments for doctor visits averaged \$41 for bronze plans, compared to \$28 in the current individual market. Coinsurance fees for doctor visits, where a percentage of costs is borne by the patient instead of a flat fee, average 13 percent higher in the bronze plans compared to the current market. Some plans carry coinsurance rates for doctor visits as high as 50 percent.

In the face of these exposures of staggeringly high out-of-pocket costs on Obamacare's cheapest plans, the Obama administration and its Democratic Party promoters continue to promote the ACA as a genuine social reform.

In an appearance Sunday on NBC's "Meet the Press" aimed at damage control over Obama's "if you like your plan, you can keep your plan" fiasco, House Minority Leader Nancy Pelosi piled one lie upon another. "We have to completely step back and see the bigger picture," she stated, adding, "The Affordable Care Act is right up there with Social Security, Medicare; affordable care for all Americans as a right, not a privilege."

Pelosi's lies aside, the Obama administration's health care overhaul has been designed to strip tens of millions of Americans of decent health care and to ration it along class lines. The Obamacare legislation has been largely authored by the insurance and health care industry to boost their profits by depriving people of doctor visits, medical tests and procedures.

The high out-of-pocket costs for bronze plans on the exchanges are one way this scheme will work in action to deprive millions of people of vitally needed medical care, resulting in needless hardship, suffering and deaths.

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