

# Obamacare open enrollment: A widening health care disaster for workers

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*“All of Obama’s policies have been geared toward increasing social inequality. ... The claim that the health care overhaul is an oasis of progress in this desert of social reaction is simply a lie”*— World Socialist Web Site, March 22, 2010

Open enrollment for the Affordable Care Act (ACA) began November 1 for plans taking effect January 1. The coming year will be the third in which the ACA, signed into law by President Obama in March 2010, will be operational. The *World Socialist Web Site’s* assessment five years ago that the “reform” commonly known as Obamacare would usher in a frontal assault on the health care available to working people is being richly confirmed.

The ACA has nothing in common with universal health care. That was merely the slogan initially advanced to disguise a corporate-designed scheme to dramatically shift health care costs onto the working class.

The central component of the scheme, the “individual mandate,” requires that individuals and families without health insurance through their employer or a government program such as Medicare or Medicaid obtain insurance or pay a tax penalty. Low-income people can qualify for modest tax subsidies to go toward premiums.

The uninsured are required to purchase coverage from private, for-profit insurance companies on the health care “exchanges” set up under the law. This vastly increases the market for private insurance firms without placing any real restraints on the prices they charge—a formula for windfall profits.

By the government’s own forecast, enrollees will face a 7.5 percent average premium rate increase in 2016. Other sources project rate hikes in excess of 20 percent. A recent study showed that many insurers are requesting double-digit rate increases next year and state insurance commissions are approving them.

A frenzy of mergers in the health care industry will fuel further premium increases. In the space of a few weeks in

July, Aetna Inc. and Humana Inc. merged in a \$37 billion deal, and Anthem Inc. agreed to acquire Cigna Corp. for \$54 billion. As a result, the five largest health insurers in the US were consolidated into three.

Drug makers Allergan and Pfizer are in the advanced stages of talks to merge and form the world’s largest pharmaceutical company, valued at \$330 billion. The price of top brand name prescription drugs are already surging, having increased by 12.9 percent in 2013, the last year for which data is available.

Last week the giant drug store chain Walgreens announced a deal to take over one of its main competitors, Rite Aid, creating a mega-chain to compete with CVS for total domination of the market.

Premiums and drug costs are only one aspect of the burden to be borne by those purchasing coverage under the ACA. The average deductible for the lowest tier “bronze” plans on the exchanges was \$5,200 in 2015, and the prevalence of such “high-deductible” plans is sure to expand in 2016. This means that aside from mandated “essential services,” such as certain forms of wellness care and screenings, no medical care is covered until the entire deductible is paid out of pocket. Co-payments for doctor visits and other services are also required.

Research published in the current issue of the *Journal of the American Medical Association* looked at 135 health plans in 34 state marketplaces available during last year’s open enrollment period. The study found that as of April 2015, 18 plans in nine states lacked in-network specialists for at least one specialty. These included obstetricians/gynecologists, dermatologists, cardiologists, psychiatrists, oncologists, neurologists, endocrinologists, rheumatologists and pulmonologists.

What all of this means is that a substantial portion of the 12 million people who have purchased coverage on the health care exchanges will be forced to self-ration medical care due to economic necessity. Workers and their children will forego doctor visits, prescriptions for

life-saving medicines will go unfilled, needless suffering and deaths will occur.

This appalling state of affairs is not an unfortunate byproduct of the ACA. By design from its inception, the legislation has been crafted to cut costs for the government and corporations and boost the profits of the health insurers, pharmaceutical corporations and health care chains.

According to the big business parties and their corporate sponsors, Americans are living too long and health care costs are sucking up too much of the national wealth. There is a calculated drive to lower life expectancy for working people.

That is why the introduction of Obamacare has been accompanied by a concerted drive to restrict access to basic medical tests—that is, to ration health care for workers. In recent months, official bodies have called for reducing or delaying mammograms, pap smears, prostate tests and other standard screening procedures.

One indication of the catastrophic implications of the assault on health care is a recent study showing that since 1998, the death rate for middle-income white Americans age 45-54 has risen sharply, resulting in half a million deaths, comparable to the 650,000 Americans who have lost their lives from AIDS since 1981. Researchers point to suicides and substance abuse, driven by increasing financial stress, as the main contributing factors. The ACA will only increase the number of such tragedies.

The implications of Obamacare go far beyond those buying insurance on the ACA exchanges and extend to all segments of health care. The legislation is serving as a model for the assault on employer-sponsored health care coverage as well as the bedrock government-run programs Social Security and Medicare.

Today, approximately half of all Americans receive their health care coverage through their employers. Employer-paid health benefits was an important social gain wrested from the corporations by the struggles of workers in the aftermath of World War II and has been central in raising the living standards of working class families.

But the workings of Obamacare aim to destroy these gains. As Ezekiel Emanuel, a close ally of Obama and key architect of the ACA, predicted in 2009: “By 2025, few private-sector employers will still be providing health insurance.” These plans will give way to vouchers handed out to employees to purchase coverage on private exchanges, either those set up under the ACA or others.

In the current contract struggle of US autoworkers, the

drive by the auto companies and their union partners to dismantle the “cradle-to-grave” medical coverage won by autoworkers and retirees is in line with the Obama administration’s policy of shifting health care costs to workers.

The recent budget deal between Obama and congressional Republicans rolls back a significant provision in the ACA, the requirement that businesses with more than 200 workers automatically enroll their employees for health insurance. And while employers are basically absolved of responsibility for providing insurance, fines for individuals for not obtaining insurance will rise substantially in 2016—to \$695, or 2.5 percent of income, whichever is higher.

Paul Ryan, the newly elected speaker of the House of Representatives, has advocated transforming Medicare into a voucher program and partially privatizing Social Security. That he is now presented as a “moderate” unifying force by the ruling elite and the media is an indication of how far to the right the political establishment in America has veered. The foundations are already being laid for the dismantling of Medicare and Social Security.

As the real content of Obamacare becomes clear to millions of workers and middle class people, who suddenly discover that they cannot get access to drugs or doctors and standard medical procedures are no longer covered by their insurance plans, there will be an explosive growth of social opposition.

The third year of the Affordable Care Act is the occasion to call the reactionary legislation by its rightful name: a health care counterrevolution. The only rational and progressive solution to the health care crisis in America is to replace the privately owned and controlled system with socialized medicine, in which the health care industry is nationalized, restructured, and placed under the democratic control of a workers government. This will make possible the provision of quality health care for all as a basic social right.

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