

Health Reform Works for Us

The U.S. Supreme Court began hearing arguments on constitutional challenges to President Obama's health care reform, the Affordable Care Act (ACA), this week. The law was enacted two years ago, after decades of struggle by both Democratic and Republican administrations to find a way to provide health care coverage to millions of uninsured Americans while reining in costs.

The law is crucial because the current health care system was unsustainable. Here in New York State, premiums for employer sponsored insurance increased by 92 percent between 2000 and 2009, while median earnings rose by only 14 percent. There are about 2.6 million New Yorkers without health coverage.

Loss of Coverage

African-American New Yorkers have been especially hurt by the loss of health coverage. Many lost their health benefits when they lost their jobs in the recession. Many black low-wage employees cannot afford the premiums for employer sponsored benefits even if they are offered. And small businesses, which employ a large percentage of workers of color in New York City, have been dropping health benefits as they become too expensive.

Most people do not understand what is in the law and, more importantly, how it will affect them. Certainly, this is a major reason why many people are conflicted about it. For people who are already getting adequate health insurance through their employers, the law will change nothing. It was primarily created to extend coverage to most of the 50 million Americans who don't have health insurance.

Although some provisions won't go into effect until 2014, there are many reasons to celebrate the law now. For instance, insurance companies can no longer drop coverage for people who get sick. The new law has already begun to close the "donut hole" that caused many Medicare recipients to cut back on their prescription medicines.

For example, a rebate check from the ACA helped a retired nurse practitioner whose prescription drug coverage had hit the Medicare "donut hole," covering hundreds of dollars worth of medications that she had been struggling to pay for on a fixed income. More than five million Medicare beneficiaries have saved over \$3.2 billion already on prescription drugs because of the law.

The law will control insurance rate increases while still ensuring a choice of plans and doctors. In New York, insurance costs for small businesses are expected to go down by 22 percent and the price of insurance on the individual market by a whopping 66 percent. Small businesses can now provide insurance benefits to their employees aided by new tax credits. Private coverage for low and moderate income people will be subsidized. Eventually, most of the 50 million uninsured Americans will have access to affordable coverage.

So why is the law so controversial? Why do conservative politicians and interest groups hope that the Supreme Court will strike it down as an unconstitutional overreach by the federal government? The primary reason is that it mandates coverage, requiring that individuals carry insurance or pay a penalty.

Opponents argue that the individual mandate in the law is unprecedented. But so were Social Security, Medicare, and the Wagner Act (providing employees with the right to organize into labor unions). Congress has passed a number of “unprecedented” laws as the world changes.

Regulating Commerce

The fact remains that Congress has the power “to regulate commerce among the several states” (Article I, Section 8 of the U.S. Constitution). And those uncovered by health insurance are a part of interstate commerce. Uncompensated medical costs attributed to the uninsured add up of more than \$43 billion annually, adding about \$1,000 a year to the average cost of family health insurance.

The ACA will do more to promote equality of opportunity than any legislation since the Voting Rights Act of 1965. By doing so, it will help to strengthen the nation.

For the millions who will be able to afford coverage – and those who won’t be denied coverage – it will mean a healthier, stronger workforce. Low-wage workers will no longer be one paycheck away from catastrophe. Middle class workers with pre-existing conditions will no longer be forced into bankruptcy by the costs of medical care. Over 60 percent of personal bankruptcies nationally are directly attributable to the inability to pay for health care.

The ACA requires each state to establish an Ombuds Program to assist consumers in the challenges they face accessing health care or coverage. In New York State, the Community Service Society (CSS) supervises a group of 30 agencies in order to help level the playing field for individuals trying to get the coverage they’re entitled to.

Since November 2010, our network has provided counseling or education to more than 45,000 New Yorkers, including individual case assistance to 15,000. Some of the cases we’ve handled involve getting people insurance their entitled to under the ACA. CSS has put out a small booklet which describes some of the cases (Health Reform Works: How the Affordable Care Act is Already Making a Difference for New Yorkers), online at www.cssny.org/userimages/downloads/HealthReformWorks2012.pdf.

In response to the lawsuit, Judge Laurence H. Silberman of the District of Columbia Circuit Court of Appeals recently wrote in a majority opinion, “The right to be free from federal regulation is not absolute, and yields to the imperative that Congress is free to forge national solutions to national problems.” The judge, an appointee of President Reagan, pointed out that the fact that Congress never before issued an individual mandate to purchase something “seems to us a political judgment rather than a recognition of constitutional limitations.”

David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 168 years. The views expressed in this column are solely those of the writer. The Urban Agenda is available on CSS’s website: www.cssny.org.

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