The Next Big Challenge for the Affordable Care Act: Making Sure People Know About It

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The Affordable Care Act (ACA)—or ObamaCare as it's more widely known these day—was signed into law just over four years ago. What seemed like an interminable wait for the law's big insurance changes to kick in is now almost over.

Following a Supreme Court decision and a presidential election that could have stopped the law dead in its tracks, the ACA's first open enrollment period begins October 1 and coverage starts New Year's Day of 2014.

Like with any big law this complex—particularly one involving the health system, which encompasses 18 percent of the economy—policymakers and industry leaders have been keenly focused on a whole host of implementation steps. There has been no shortage of summits, roundtables, and Webinars, and a whole new sector of consultants has been created.

But, the biggest challenge is coming next: actually getting people enrolled.

With any new program or product, it takes time to penetrate the market. For example, when the Children's Health Insurance Program (CHIP) was created, fewer than one million children were enrolled in the first year of operation (1998). That number quickly ramped up to four million children within five years—driven in part by efforts to simplify the application process—and the program has widely been judged to be a success since then.[1]

However, the ACA faces some unique circumstances, including:

- The process leading to passage of the law was highly partisan and the public has been divided on it since then, largely along party lines.
- It is arguably one of the most complicated government programs created in decades, with significant changes in the rules for private insurance, the establishment of entirely new institutions (i.e., insurance exchanges), and an expansion in Medicaid, all interacting with a largely employer-based insurance system.
- While the Supreme Court's decision on the ACA in June 2012 allowed the law to go forward, it also made the expansion of Medicaid to everyone up to 138 percent of the poverty level optional for states. Even though the federal government will pay the full cost of the expansion at first and 90 percent over time, at least 20 states will not be expanding Medicaid for next year. This means that poor people in those states will have no new options for affordable coverage and will likely remain uninsured.

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As a result, official expectations for enrollment in the early years are appropriately modest.

For example, the Congressional Budget Office (CBO), Washington's budget scorekeeper, projects that in 2014, seven million people will get coverage through new health insurance exchanges (also known as "marketplaces"), and that Medicaid coverage will grow by eight million.[2] As a result, they estimate that 44 million Americans will remain uninsured next year.

CBO forecasts that enrollment in exchanges will almost quadruple to 26 million by 2017 and that the number of uninsured will drop to 29 million. However, low enrollment in the first year could have negative consequences for how well these aspects of the ACA legislation function and how the law is perceived.

Clearly low enrollment would mean that more Americans would remain uninsured, suffering the well-known consequences to their health and financial well-being. It also means that hospitals and other healthcare providers would see only modest relief in uncompensated care expenses.

Low enrollment could also lead to a perception that the ACA is somehow failing, especially combined with the inevitable technical glitches that will undoubtedly materialize in the early weeks of implementation. It would be inappropriate to judge the ultimate success of the law based on this early experience, but critics will likely take advantage of any apparent vulnerabilities given the political divisiveness surrounding the ACA.

Finally, low enrollment could make it more difficult for the ACA's insurance market reforms to work effectively. People who buy insurance on their own today are generally subject to "medical underwriting," meaning that they can be denied coverage altogether or charged a higher premium if they have pre-existing health conditions. Starting next year, everyone will be guaranteed access to private insurance regardless of their health. It is highly likely that sick (and expensive) individuals will be first in the door to buy insurance that has previously been unavailable to them. The question is, will the young and healthy buy coverage as well to balance out the insurance risk pool?

There will be carrots (i.e., substantial tax credits for low- and middle-income people buying into insurance exchanges to make coverage more affordable) and sticks (i.e., the so-called "individual mandate") to draw the young and healthy into the insurance system.

But, it will also take sustained outreach and consumer assistance to educate people about their options, encourage them to get insured, and help them navigate the eligibility process. People are starting off quite confused. For example, a recent poll

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1 CHIP Enrollment: June 2011 Data Snapshot, The Henry J. Kaiser Family Foundation, June 1, 2012. Available at http://kff.org/medicaid/issue-brief/chip-enrollment-june-2011-data-snapshot/.

2 Effects of the Affordable Care Act on Health Insurance Coverage, Congressional Budget Office, February 2013. Available at www.cbo.gov/publication/43900.

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from the Kaiser Family Foundation found that about four in 10 Americans were even unaware that the ACA is still the law of the land.[3] In addition, half the public (and 58 percent of the uninsured) said they did not have enough information about the law to understand how it will impact their own family.

Seventeen states and the District of Columbia have chosen to create their own health insurance exchanges under the ACA, and the law provided for federal grants to aid in their development and operation through 2014. These grant funds—along with ongoing financing through fees and other sources—will support significant outreach mass media campaigns and consumer assistance through hotlines and community-based navigators and application assisters. In some states, such as California, private foundations like The California Endowment have made major commitments to support enrollment efforts.

On the other hand, in over half the country, as provided for in the law, the federal government will be stepping in to operate the exchanges (which will be called the "Health Insurance Marketplace"). The insurance market protections for people with pre-existing conditions and tax credits to make coverage more affordable will still apply. However, because Congress has not appropriated any dedicated funds for the federal exchange, it will have fewer resources for outreach and consumer support.

As a result, private efforts—by community organizations, volunteers, providers, employers, and others—will be key to getting the message out to consumers, especially the so-called "young invincibles" who may not feel like they need insurance. Many of these efforts will be supported by private foundations.

Hospital and health system board members, in particular, have an important role to play here. They can encourage their organizations to assist patients with enrollment wherever possible, provide resources to community-based organizations serving hard-to-reach populations, and communicate the importance of getting insured through the media and other channels as trusted members of their communities.

People will no doubt continue to disagree about whether the ACA is the right or wrong approach. But, so long as it is the law of the land, it only makes sense that people should understand what the law does and how it will affect them.

The Governance Institute thanks Larry Levitt, senior vice president for special initiatives, The Henry J. Kaiser Family Foundation, for contributing this article. He can be reached at LarryL@kff.org.

3 Kaiser Health Tracking Poll: April 2013, The Henry J. Kaiser Family Foundation, April 30, 2012. Available at http://kff.org/report-section/chartpack-april-2013-tracking/.