

# Talking Points Memo

## Health Care Reform - Six Months Later



By [Peter Dreier](#) - September 23, 2010, 1:16AM

Without doubt, history books will remember the sweeping health care reform law passed exactly six months ago as a major historic milestone and President Barack Obama's most significant achievement. But the reform bill hasn't yet won the hearts and minds of most Americans, who don't understand it, or who, depending on their political views, think that it doesn't go far enough, or goes too far.

Lots of reporters and pundits - all of whom, of course, have good, employer-provided health insurance plans - now say that Obama invested too much political capital getting the Affordable Care Act through Congress when he should have been concentrating on fixing the economy. Some House and Senate Democrats are worried that their support for reform will hurt their re-election chances in November. Even Obama has been gun-shy about hyping the law as he travels around the country giving speeches and trying to help Democrats keep their majority in Congress.

So before exploring why Obama can't seem to catch a break on his most important achievement, let's look at what he actually accomplished.

As of today, insurance companies can no longer deny insurance to children with pre-existing conditions--the young people who are ill and need insurance the most. As many as 5 million children fall in this category.

As of today, insurance companies can no longer drop people from coverage when they get sick because they made clerical mistakes on their applications.

As of today, insurance companies will no longer be allowed to drop children from their parents' health insurance plans after they reach 21 or graduate from college, unless they are offered coverage at work. About 1.6 million young adults between 21 and 26 will go onto their parents' policies.

As of today, insurance companies will be prohibited from placing lifetime caps on health coverage.

As of today, insurance companies will be restricted in their use of annual limits on coverage and will be banned completely in 2014.

As of today, insurance companies are required to cover recommended preventive services with no out-of-pocket cost for patients and with preventive services exempt from deductibles.

As of today, employer-sponsored health plans can no longer establishing any eligibility rules for coverage that discriminate against lower- and middle-income employees.

Other parts of the law have already kicked in. For those without health insurance because of pre-existing conditions, the government created a high-risk pool to provide insurance until state-based health insurance exchanges are up and running in 2014. For 2010, the law provides tax credits of up to 35% of employer premium contributions for qualified small businesses that offer coverage to their employees - a provision that will increase to 50% in 2014.

For seniors, the new law eliminated co-payments for preventive services under Medicare and exempted preventive services from deductibles. And the law already protects the insurance coverage of early retirees (aged 55 to 64) by creating a temporary reinsurance program.

Some additional provisions will kick in next January 1. All health insurance plans must meet standards for the share of your premiums that are spent on patient care rather than profits and CEO pay and administration. The "medical loss ratio" floors require plans to spend 80% to 85% of premiums on medical services.

The new law also increases funding for Community Health Centers, which will double the number of patients served over the next five years. It increases funding for doctors and nurses providing basic care in their communities, and it holds insurance companies accountable for unreasonable rate hikes.

And beginning in 2014, insurance companies will no longer be allowed to discriminate against adults with pre-existing conditions, or require women to pay higher premiums than men for the same health coverage.

Is this everything that many Americans hoped for? No. The health-care-industry lobby -- particularly the insurance industry, drug companies, and the hospital chains -- chipped away at reform with all the political firepower they could muster. They forged an unholy alliance with the conservative echo chamber (Fox News, *The Wall Street Journal*, Rush Limbaugh, Glenn Beck, and the right-wing blogosphere), the Republican Party, and the Tea Party movement. Even some moderate Democrats were held hostage by medical-industry clout. In 2009 and 2010, the health care industry spent \$184 million in campaign contributions and \$1.05 billion on federal lobbying, hoping to thwart the reform of the nation's costly and inefficient health care system.

During the health reform debate, it appeared at times that the health care industry lobby would prevail, since almost every Republican and some Democrats seemed to cringe at the thought of offending their corporate donors. There were times when it looked as if Obama was wavering, concerned that he couldn't overcome the political muscle of the health industry lobby.

Fortunately, Health Care for America Now (HCAN) -- a broad coalition of more than a

thousand labor, consumer, civil-rights, anti-poverty, community, netroots, and religious groups -- [played a very important role](#) in rallying the base, smoking out the destructive role of the industry, and making it difficult politically for the administration to strike a premature compromise and indulge its fantasies of a bipartisan deal. HCAN and other grassroots activists drew public attention to the insurance industry's outrageous profits, abuse of consumers, and outsized political influence.

HCAN released reports about industry abuses, profits, and CEO compensation, held press conferences with consumers victimized by insurance company practices, and organized more than 200 increasingly feisty protest events in 46 states. On one day in September, for example, HCAN affiliates in Philadelphia, Minneapolis, and Indianapolis organized protest events at the homes of the CEOs of the three largest health-insurance corporations -- CIGNA, United Health, and WellPoint. A week later, HCAN staked out the scenes of the crime -- insurance-company headquarters in more than 50 cities -- armed with signs, personal stories, crime-scene tape, and chalk to tell the CEOs, "It's a crime to deny our care." In some cities, protesters engaged in nonviolent civil disobedience and were arrested.

All this activity kept health care reform on the front-burner and kept the momentum for reform alive, giving Obama and pro-reform Democrats in Congress more room for maneuver.

The law passed in March is not the end of the fight, but a steppingstone toward more comprehensive reform. For example, the medical loss ratio provisions need to be watched closely. Reform advocates think that Congress should put tough limits on drug prices, which are a major reason for rising health care costs. The bill left several million working Americans without insurance. And there is still a need for a "public option" to compete with the private insurance companies, hold them accountable, and give consumers a choice.

Most Americans, however, are still unsure what is in the health care bill passed six months ago. According to an Associated Press survey, "more than half of Americans mistakenly believe the overhaul will raise taxes for most people this year." About one-fourth of Americans still believe, wrongly, that the law sets up panels of bureaucrats - which Tea Party crusaders and their political allies called "death panels" -- to make decisions about seniors' care. A whopping 81% of respondents mistakenly believe that the nonpartisan Congressional Budget Office found that the legislation would increase the government's debt, when it actually found that it would reduce the federal deficit.

The public's misinformation about the law has undermined their support for the new legislation. According to the AP, 30% of respondents said they favored the law, 40% said they opposed it, and 30% were neutral. Among Democrats and independents, the more accurate their knowledge of the bill, the more they liked it.

Some of the public's uncertainty is Obama's fault. He's been a lousy salesman for his own product. But there's still time for him to go out into swing states and Congressional

districts and put a human face on this breakthrough legislation. In every city, suburban and small town, there are Americans who have benefited from this new law. Obama needs to give them a voice. Not statistics from politicians and policy experts, but ordinary people for whom the health care system was broken, and is now fixed. These are the people that Americans can identify with. They represent the tens of millions of Americans who the law helps, even if they don't yet know it.

Because the health care reform is so misunderstood, the Tea Party and its allies in the right-wing media and in Congress have been able to mislead the public about its specifics, and even use the bill as a weapon in their arsenal to defeat Democrats in November, even threatening to repeal the law if the GOP wins a majority in the House and Senate. This would be a tragedy. We can't allow the big insurance corporations, drug companies, hospital chains, and their right wing friends in Congress and on Fox News to hijack the most important piece of social legislation America has adopted in more than a generation.

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