

Insurance changes cause confusion

Written by Kyle Arnoldy

There is no denying that health insurance in the United States is changing, but what remains foggy is to what extent the changes will ultimately affect how citizens receive health insurance and how companies will be able to provide their employees with coverage.

“It would be a different story if things didn’t change every week,” Colorado BW Insurance Agency sales manager Paula Carper said. “They set one deadline and then they change that. It has been kind of hard to keep up on all of the different things that are happening, to be honest with you.”

Carper’s sentiments were echoed by Sonia Hubbard, insurance agent for New York Life Insurance Company.

“It has been impossible for me to keep up with all of these changes and keep up with my financial services business to the point I have had to partner with Trustpoint Insurance out of Imperial, Neb., to handle my health care business,” Hubbard said.

Hubbard stated that the vast majority of those she has helped have had very negative feelings toward the new laws. While some don’t like being on Medicaid because they view it as taking handouts, almost all are worried and confused about how much it will cost them and where they will be able to get health care.

The Patient Protection and Affordable Care Act was passed by Congress and signed into law by President Barack Obama on March 23, 2010. The Supreme Court upheld the health care law on June 28, 2012. The health insurance marketplace opened Oct. 1, 2013, and will close March 31, 2014.

With an overarching mission of expanding affordability, quality and availability of insurance by opening the health insurance marketplace, many more Americans are expected to be able to acquire affordable insurance. Through the new laws, young adults are able to stay on their parents’ health plan until they are 26, and no one can be denied coverage or charged more because of a pre-existing condition.

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According to the Department of Health and Human Services, there are 656,461 Coloradans uninsured and eligible for coverage through the marketplace. Of Colorado's uninsured and eligible population, 90 percent may qualify for lower costs on coverage in the marketplace, including through Medicaid.

While the benefits of the new laws have certainly allowed more people to qualify for health insurance, with the number of people in the health insurance pool growing, many people are seeing the cost of their premiums spike. Some people have even received notice from their health care providers that their coverage will be canceled at the first of the year, even though to their understanding they believed they would be able to keep old policies if they were satisfied.

"I am not seeing healthy people coming in to get coverage, I am seeing those who have pre-existing conditions," Carper said. "As a state, how are we going to pay for this? That's my question. Someone is going to have to pay for it—it would be my guess we'll have increased taxes, but that is just a guess."

Carper added that many healthy people are choosing to accept the fine of \$95 for the first year to go without insurance because they will be able to get insurance after they get sick, as no pre-existing conditions can cause a denial of insurance. She estimated that there has been a dramatic decrease of healthy people signing up because of the new laws. Carper also pondered how the state is going to pay for the sick's health insurance if no healthy people are signing up.

Dr. Jeff Tharp, veterinarian at Holyoke Veterinary Service, recently lost his coverage through the American Veterinary Association Group and Health Life Insurance Trust, where he had been receiving health coverage for more than three decades. He found himself in the position many other veterinarians across the country are facing as they try to find a similar policy. It didn't take long for Tharp to realize that for the same services, he was going to have to pay a lot more.

"As all insurance has over the past decade, it had gone up a little bit every year but was still what I deemed reasonable," Tharp explained. "One of the first things I found out was that basically for the same coverage that I did have, going a different route ultimately is going to cost me more, potentially double my insurance cost. With what is being deemed affordable health care, the question becomes affordable for whom, because it is costing me more for the same

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product, basically.”

As premiums are based on income, Tharp said he essentially is paying more so that someone else can save money.

With the uncertainty of the laws, many businesses have had to change their approach to the way they deal with health care insurance. Many organizations are still waiting to hear from their insurance providers to determine the best route to take in these unfamiliar times.

Mike Neill, State Farm Insurance agent in Holyoke and Yuma, said the new laws have made it more difficult to write health insurance. He stated that he has been reducing the amount of new health care policies he handles. With the changes, Neill said he has concentrated his efforts on other lines of insurance.

John Ayoub, administrator at Melissa Memorial Hospital, stated that while MMH has no plans of dropping any employees from the health plan, there is a common fear that organizations are going to stop offering health insurance. With that in mind, Ayoub said MMH took a proactive approach to the topic. Recognizing there may be an increase in prices, the question became what could they do to keep premiums down.

“As an organization, we try to encourage ways to lead a healthy lifestyle,” Ayoub said. “We try to wear the same face internally as we do externally. When I talk about a healthy community, I don’t just mean outside the doors of the hospital; I want our people to be healthy as well.”

Encouraging employees to quit smoking and lose weight, providing the physical therapy gym for employee use and offering education through providers have all been approaches taken by the hospital.

From a personal standpoint, Ayoub noted that there is a misconception that all insurance is the same. He explained that there is a national trend away from defined benefits toward defined contributions. In the past, specific procedures such as a hip replacement may have been covered, now a percentage of that procedure will be covered.

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“I see that this is going to be more confusing for people,” Ayoub commented. “People are going to have to play a more integral role in their insurance.”

To help aid with the confusion, MMH is looking to add a financial adviser to the business department to help make the transition as easy as possible.

With the ever-changing insurance policies, more and more people are finding themselves in predicaments they never expected.

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