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5 myths about the Affordable Health Care Act

Julie Rovner Sep. 10, 2013

Let's face it: As a reporter, there's pretty much nothing you can write or broadcast about the Affordable Care Act that someone won't complain about. From its inception in 2009, the bill, and later, the law, has prompted more disagreement than any law in recent memory.

As a result, less than a month before the major part of the law is set to get underway, the public remains confused. The latest monthly tracking poll from the Kaiser Family Foundation finds that 44 percent of those polled are unsure if the Affordable Care Act is even still in force or whether maybe it's been repealed by Congress or overturned by the Supreme Court.

Part of the reason for that confusion is that the law is both large and complicated. Unless you're an expert in health care and tax policy and economics, it's pretty much impossible to understand everything about how all the moving parts fit together.

In fact, even if you are an expert, just about every day there's another twist that jumps up to surprise you. That's because the law lays a complicated structure on top of an already complicated health care system. "In fairness, how many people know how their own health insurance works?" Kaiser Foundation President and CEO Drew Altman said by phone.

But another reason for the confusion is that both supporters and opponents of the law have exaggerated and misrepresented things about the law. And reporters (including this one) have frequently fallen into some fairly easy traps that can be avoided. Here are the top five myths to avoid:

1: The law changes everything about the nation's health care system.

Actually, the law mostly just builds on the existing system, where the majority of people will continue to get private health insurance through their or a family member's job, or an existing government program like Medicare, Medicaid or the Department of Veterans Affairs.

A sizable minority of the population continues to support a "single payer" system (like our Medicare or the one in Canada) where tax dollars pay for care provided by private healthcare providers. But that has never mustered anywhere near majority support, nor have conservative proposals to scale back existing government involvement in the health care system, which has been substantial since the creation of

Medicare and Medicaid in the 1960s, and the addition of the Children's Health Insurance Program in the 1990s.

In fact, the Affordable Care Act is so un-sweeping in many ways it's not even projected to eliminate the problem of the uninsured. Even before the Supreme Court made the expansion of Medicaid under the law optional, the Congressional Budget Office estimated that when the law was fully implemented in 2022, about 10 percent of the population would remain uninsured; about 27 million people.

And despite the desire of many people to purchase insurance on the new health exchanges that are about to open for enrollment, they are in fact open only to those who currently purchase coverage in the individual market, those who are uninsured, and those who do not have an offer of affordable coverage at their workplace, along with small businesses. The CBO estimates that next year the exchanges will only enroll an estimated seven million people.

2. The law won't change anything if you already have insurance (AKA if you like what you have you can keep it)

This may be the most frustrating part of the story to cover right now. On the one hand, there are stories pretty much everywhere about employers cutting hours or cancelling coverage, and blaming it on the health law.

On the other hand, economists say that there's no evidence that that law has caused an upsurge in involuntary part-time employment on any macro level. (See in particular this exchange with Moody's Mark Zandi on CNBC).

But the fact is that for some substantial number of people, the president was wrong; if you like what you have, you may well not be able to keep it. It's just that sometimes that's because of the ACA and sometimes not.

For example, the law phases out certain types of insurance policies deemed to have insufficient coverage. People with those policies will have to buy better coverage that will also likely be more expensive. And in some cases, insurance companies may make business decisions that will force people out of policies they have and like.

But many of the changes now happening — including things like the UPS decision to end coverage for spouses who have access to other insurance — are the speeding up of trends that predated passage of the ACA. How much of that speeding up is due to the law and how much would have happened anyway is probably impossible to tease out.

"Employer coverage has been trending down for decades," Austin Frakt, a health economist from Boston University, said by phone. "It's just economics and rising health care costs."

3. The law is a government takeover of the healthcare system

Even after the law is fully implemented, “we will still be one of the most private-based health care systems in the world,” Aaron Carroll, a professor of pediatrics at Indiana University and a blogger at the Incidental Economist, said by phone.

Frakt, who is Carroll’s blogging colleague, agreed: “It’s the Heritage Plan and Mitt Romney passed it” (in Massachusetts when he was governor in 2006). “The biggest government expansion is the Medicaid expansion and it’s optional. We can just laugh this one right off the page.”

But Michael Cannon of the libertarian Cato Institute warns reporters not to take everything supporters of the law say at face value, particularly when they talk about “free” benefits like contraceptive coverage for women. “Nothing is free,” he told Poynter. “Someone is paying for it.”

4. You’ll be able to tell people how much their insurance will cost.

This is everyone’s top question: How much will I have to pay for insurance? And for the moment it remains pretty much unanswerable.

That’s partly because of the way the law is structured.

There are going to be 50 state exchanges, each with different regions within. On top of that, there are four separate “metal” categories for plan coverage (bronze, silver, gold, and platinum). Then premiums are adjusted for age and smoking status. Then, depending on your income, you may be eligible for a tax credit to defray part of the cost. It doesn’t take a rocket scientist to see that there are too many possibilities to generalize.

Right now most journalists have been covering studies looking at premiums in what’s still a minority of states that have released public figures. But while premiums in these early states have been lower than expected, many already had insurance markets that included people with pre-existing health conditions. Still, even after the Department of Health and Human Services releases information on the 30-plus exchanges it will be running, this is something that will remain difficult to generalize.

5. We know what impact the law is having on health spending.

Here’s pretty much what we know about health spending. It’s been growing at the slowest rate in the last half century — 3.9 percent in 2011. Here’s what we don’t know about health spending – why that is.

The Obama Administration would have you believe the Affordable Care Act is at least partly responsible. Most economists say that while there’s something other than the recession going on this time, it’s probably too soon for the health law to have had much of an impact.