



# Debunking 5 Common ObamaCare Myths

Kate Rogers

October 01, 2013

With more than 20,000 pages of rules and regulations, the Affordable Care Act is confusing and is reforming the health-care industry as we know it. So it shouldn't come as a surprise that there are many misconceptions about the law, particularly as its insurance exchanges open for business Tuesday.

FOXBusiness.com rounded up a list of experts on the ACA to set the record straight on some of the biggest ObamaCare myths out there.

**Myth 1: Everyone needs to buy coverage through state and federally-run exchanges.** While those without coverage will likely purchase their coverage on these exchanges, Michael Tanner, senior fellow at the CATO Institute, says the majority of people will continue to receive coverage through their employers or via government programs like Medicare.

“The only people buying on these exchanges are those who are uninsured now and will have to buy individual plans for themselves,” Tanner says. “Or if their employer’s plan is unaffordable. The vast majority of people will continue to get insurance the same way they do today.”

**Myth 2: Insurance is free and health care is cheaper.** While subsidies will be available for those making up to 400% of the federal poverty level on the government’s exchanges, coverage is not going to be free, Tanner says.

“Subsidies will cover part of the premium, but you will still end up paying a premium for your insurance,” he says. “Depending on where you live, your age, and more—those premiums will be fairly high. Plus, if you get more expensive policies, you will have very high deductibles and copayments. This is not free care, it is simply the option to buy insurance.”

The Department of Health and Human Services released its pricing models last week, showing that on average, Americans will be paying \$328 a month for a mid-tier plan, before subsidies.

Yevgeniy Feyman, fellow at the Manhattan Institute, says many consumers wrongfully assume that because their insurance coverage is less expensive, that means the cost of care has also

declined. He says individuals become so detached from the actual real premium price due to subsidies and because someone else is helping pick up the tab.

“If you are a New Yorker paying over \$1,000 for premiums and see your costs drop to \$350, you may think your costs are dropping. But because more people are insured, and third parties are paying for care, that puts upward pressure on the actual prices in the health-care system.”

**Myth 3: The government supplies insurance.** While state and federally-run exchanges will be operated by the government, the actual insurance plans are being provided by individual insurance companies, says Tanner.

“This is not government insurance like Medicare or Medicaid,” he says. “This is heavily-regulated insurance—it’s not a free market. But it’s also not government- [provided] insurance.”

**Myth 4: I have to see a government doctor.** The ACA has a strict set of regulations that private insurers have to follow, says Devon Herrick, senior analyst at the National Center for Policy Analysis.

“The health insurance sold on the state or federal health insurance exchanges will come from private insurers who establish their own networks or providers,” he says. “These networks may or may not include your current physician. Some of the lower-cost exchange policies will have a narrow, or limited, network of doctors and hospitals.”

However, this doesn’t mean policyholders have to head to a government doctor to receive care, he says.

**Myth 5: My employer has to provide me coverage.** The mandate that required employers with at least 50 or more full-time workers to provide affordable coverage has been delayed a year to 2015. But Herrick says many may owners will instead opt to pay the fine of \$2,000 per worker, per year, because it’s cheaper.

In this case, workers would have to opt for coverage via their spouses or the ObamaCare exchanges, or pay their own penalty of \$95 per year.

“Many small firms in particular may find it is best to limit the size of their firm to 50 workers, or just pay the fine,” Herrick says.