Dawn of a Revolution in Health Care


The United States is embarking on a truly historic journey toward near-universal health care coverage this week. Starting Tuesday, the federal government will make it possible for millions of uninsured Americans who can’t get health insurance, or can’t afford it, to obtain coverage with the aid of government subsidies. It is a striking example of what government can do to help people in trouble.

The health care reform law, known as the Affordable Care Act, requires the creation in every state of new health insurance exchanges on which people can shop for health plans. Insurers selling plans on exchanges will have to provide a set of “essential benefits” and virtually anyone will be allowed to buy on exchanges (except undocumented immigrants), though few people who are covered by employer health plans or by public programs like Medicare and Medicaid are likely to switch.

For the first time last week, federal officials reported what health insurance will probably cost in the 36 states where the federal government will fully or partly run the exchanges. The prospects are promising. It looks as if most uninsured people, including young people whose participation is crucial, will be able to find very affordable coverage with the help of government subsidies.

The insurers will offer four levels of plans that will basically have the same essential services, but differ in the premiums charged and the amount of the bill that the insurance will pay. “Bronze” plans will pay 60 percent of an enrollee’s covered medical expenses; “silver,” 70 percent; “gold,” 80 percent; and “platinum,” 90 percent.

Federal subsidies will help enrollees pay for the premiums based on their incomes. A family of four with income between $23,550 and $31,400, will pay only 2 percent of that income for coverage, while a family of four with income between $70,650 and $94,200, will pay 9.5 percent.

Under the program, the federal government pays for the full cost of the premium — beyond the enrollee’s contribution — for the second-lowest-cost silver plan in a specific area, considered the “benchmark” plan. If people want to sign up for a cheaper bronze plan, they would pay a smaller contribution. If they want to buy a gold or platinum plan, they would have to pay more from their own pockets.

Thanks to the subsidies, more than half of the uninsured Americans may pay less than $100 a month per person for coverage.

For example, in Texas, after factoring in subsidies, an average 27-year-old with an income of $25,000 would pay $145 per month for the benchmark second-lowest-cost silver plan, $133 for the lowest-cost silver plan, and $83 for the lowest-cost bronze plan, according to federal health officials. A family of four in Texas with an income of $50,000 would pay $282, $239 and $57, for the same plans.
In states and cities where multiple insurers will be competing for business, prices will generally be lower than in states where one or two insurers are dominant. On average, individuals and families in the 36 states with federal exchanges will be able to choose from among 53 health plans offered by 8 different insurance companies in their local areas. About 95 percent of all people seeking coverage will have a choice of two or more insurance companies, although a few states or areas within states will be served by only one insurance company.

Some critics worry that the cheapest plans on the exchanges will keep their premiums low by restricting their networks of doctors and hospitals. But that is standard practice for health maintenance organizations, which already cover some 70 million Americans, more than a fifth of the nation’s population.

If customers want a broader network, they can pay more for a broader policy. Federal law requires that all networks have sufficient numbers and types of providers to ensure that services are accessible without unreasonable delay. Federal and state regulators will need to monitor the plans to make sure they comply.

The exchanges open for business Tuesday, but consumers have until mid-December to enroll in plans that will be effective in January 2014, and until March 31 to enroll in plans effective later in the year. A national program this ambitious is bound to have glitches at the beginning, but consumers have time to learn how the system works.

After decades of debate and bitter political battles, millions of uninsured Americans will soon be able to get health coverage they can afford, a right that has long been universal in other advanced nations.

Meet The New York Times’s Editorial Board »
Dawn of a Revolution in Health Care:


Name ______________________________________________

1. What does the Affordable Care Act require the creation of in every state?

2. Thirty-six states have something in common regarding the health care reform effort. What is it?

3. Why do you think the participation of young people in the program is described as “crucial”?

4. What will be the common factor among the four plan levels (bronze, silver, gold, platinum)?

5. How will the plans differ?

6. The benchmark plan means the federal government will pay the full premium cost (discounting the enrollee’s contribution) for what?

7. More than half of currently un-insured Americans will pay approximately how much a month for coverage?

8. In the 36 states with federal exchanges consumers will choose between approximately how many health plans? How many insurance companies will be competing for their business?

9. How do insurance companies compete with one another? (this information is not provided)

10. How many Americans are currently insured by health maintenance organizations?

11. The exchanges opened for business on Tuesday, October 1, 2013. When will the coverage begin?

12. How long did it take for millions of Americans to be provided health coverage they can afford according to the editorial?