NAPWA/TAEP HIV/AIDS POLICY REPORT

Obama's Proposed Health Plan: What It Means For You

January 1, 2009 By Carmel Shachar

Health care reform has been a major focus of the Obama campaign. Only time will tell whether he will make his proposal a reality. However, if implemented, his proposal could greatly expand the number of people, with or without HIV, who are insured.

One key point to understand about President Obama's plan is that he's modifying our current system, not building a new one. Most people will still get their health insurance from employers, and the tax incentives employers get for offering health insurance will remain in place. The new component for employers is a proposed "play or pay" mandate, meaning employers larger than a certain size will have to pay a fine if they don't provide health insurance. It doesn't mean much if a company is already providing a health insurance plan since it has already been "playing." However, many large low-wage employers will have to start offering health insurance or pay a fine.

Under the Obama plan, the money generated by the companies that choose to pay rather than provide health insurance to their employees will help fund the proposed National Health Plan (NHP). NHP will be based on the benefits available to federal employees—including members of Congress—and will be available to those without access to private insurance or government programs such as Medicare, Medicaid or State Children's Health Insurance Programs (SCHIP). NHP will be guaranteed to all comers, with no exclusions for pre-existing conditions and no change in premium charges because of health status—good news to those with HIV.

It's unclear how much NHP will cost, but Obama pledges that people who need financial assistance would receive an income-related subsidy. This could help make health insurance affordable for a lot of HIV-positive people who aren't given the option of affordable health insurance through their employers but who are not disabled or poor enough to qualify for Medicare or Medicaid.

NHP will be available, along with other private plans, through a newly created national Health Insurance Exchange (HIE). HIE is all about regulation; HIE plans would have to offer benefits that at least match those of NHP, meet quality and efficiency standards, issue every applicant a policy (guaranteed issue) and charge the same premium regardless of the enrollee's health status (community rating). Guaranteed issue and community ratings are two requirements that could really help HIV-positive people find health insurance, since it means that these plans must issue a

policy to an applicant with a pre-existing condition and won't be able to charge higher premiums despite the applicant having poor health.

The last key point of Obama's plan that will affect HIV-positive people is his reinsurance program. Currently, people who are seriously ill and have multiple chronic conditions account for a high proportion of the amount spent on health care. Obama proposes an employer's health plan to specifically cover these people, which would reimburse employers for some of the costs incurred by these catastrophically ill people. Basically, he's moving the cost of these patients from the employer to the government. This could be good news for HIV-positive people because it may encourage insurers to be less afraid of covering people who might need catastrophic level care.

In addition, Obama has promised to increase funding for programs such as Medicaid and Ryan White, to de-emphasize abstinence and emphasize condoms in HIV prevention efforts and to develop a national AIDS strategy. While it remains to be seen how much of Obama's plan will become reality, for people living with HIV and for the country in general, his proposal means significant improvements in access to health care—and a reason to be optimistic.

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