Latest Effort to Discriminate Against People With Preexisting Conditions

A new law in Iowa allows “health benefit plans” that don’t meet federal insurance requirements.

April 4, 2018 By Trent Straube

Attention anyone with a preexisting condition: Keep an eye on what’s happening in Iowa. Republicans there have just passed a health care law that gets around the requirements of the federal Affordable Care Act (ACA, or Obamacare).

Basically, as Slate explains, the law allows the Iowa Farm Bureau to sell health care coverage that is not called “insurance”—instead, it is labeled as “health benefit plans.” As such, these plans don’t have to comply with state and federal regulations, such as those affecting people who have preexisting medical conditions.

In fact, the Iowa law states that the benefit plans “sponsored by a nonprofit agricultural organization…shall be deemed not to be insurance,” reports The Washington Post.

Needless to say, these plans will not be sold on the Iowa Obamacare marketplace, which now includes only one insurance option—and that insurer says it will sue over the new law.

Remember that the big tax bill passed by Congress and the Trump Administration did away with the penalty for not having health insurance. (Obamacare included the individual mandate that everyone must have health insurance or pay a fine. This meant that, theoretically, all Americans, regardless of health status, would share health care costs.)

Health advocates worry that the Iowa law and efforts to end the individual mandate are taking us back to the pre-Obamacare days, when healthy people had substandard coverage and when insurance companies discriminated against anyone who actually needed health insurance.

In related news, Los Angeles Times blogger Michael Hiltzik recently wrote about the effects of eliminating the individual mandate, expanding short-term noncompliant policies and jacking up the cost of premiums. The headline reads: “The Stupidity of Trumpcare: Government Will Spend $33 Billion More to Cover 8.9 Fewer Americans, as Premiums Soar.”

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