

Obamacare Travails

by Bill Menke, November 19, 2013

My friend Nancy¹, a woman in her late twenties, asked me to help with her health insurance, and especially with the web-sites that are the point of entry to Obamacare.

A couple of years ago, Nancy purchased a catastrophic policy from Anthem / Empire Blue Cross Blue Shield², getting it from a web-based agency called ehealthinsurance.com. At \$182 per month, it was the cheapest policy she could find, but since it had a very high deductible, it protected her only against the very large bills that she would incur if she had a major illness or accident. On October 31, 2013, Nancy received an email from ehealthinsurance.com that said:

Your current health benefit plan can no longer be offered as of January 1, 2014. Anthem has suggested a new health benefit plan for your consideration, offered by Anthem Blue Cross. Anthem is suggesting it because it includes the requirements of the new Affordable Care Act (ACA) laws and provides you with the health benefits you have come to count on by being an Anthem member. This plan will include coverage for doctors' visits, prescription drug coverage, emergency care and more. If you do not make an election by December 15, 2013 to move to a different health benefit plan, Anthem will automatically move you to the suggested plan.

The email did not specify how much the suggested new plan would cost, or how she could elect a different one. I suggested that she call ehealthinsurance.com's customer service number. They merely referred her to Anthem.

Nancy has a web-based account at Anthem, so I suggested that she sign on and check whether the site provided any information. Nancy soon discovered that it has a "What does health care reform mean to you?" section, but that it contains only generic information of the sort you might find in a magazine article, and not anything specific to her policy. It also has a message center through which she could submit questions about her policy. Unfortunately, she did not receive a reply in the three or four the days she waited for one.

A few days later, a letter from Empire Blue Cross Blue Shield arrived in the mail. It was dated October 24, so actually it predated the original email; the Post Office just took its time delivering it. It provided the critical information she had originally sought:

To make things easy for you, we will move you right into a new plan, Essential GuidedAccess w/CDental cdce. We've chosen this plan because it meets the new requirements of the law. ... With this plan change, your new monthly premium will be \$456.87 ... You can check out a complete list of benefits at sbc.empireblue.com/dps/CCD0SVC³.

So, the suggested insurance was about *two and a half times* more expensive than the old. In all fairness, the policy probably has more benefits, too, but Nancy was not able to learn anything about them, for the URL mentioned in the letter returned only a “Your Summary of Coverage and Benefits is not available at this time ...” message.

In any case, Nancy cannot afford the suggested new premium, so she turned to Obamacare's www.healthcare.gov site. It merely redirected her to New York's site, nystateofhealth.ny.gov. That site requires you to create an account before you can access useful information, so Nancy filled out several pages of web forms, with information that included her name, email, home phone, cell phone, mailing address, social security number, date of birth, sex, ethnicity, pregnancy status, tobacco usage and so forth. Unfortunately, she typed in her social wrong, misremembering the order of two digits, and the system was not able to verify her identity. She paged back to correct the error, but found that she couldn't; her incorrect social was now a permanent feature of her account.

I suggested that she call the help line. The agent very apologetically explained that no, the error in the social security number could not be corrected, but that she was free to create a new account, and she could even use the same email. Phew! So she filled in the forms again, answered a set of security questions⁴ correctly, and was rewarded by a list of available policies. She was very relieved to find several catastrophic policies whose price were just five to ten dollars more than the \$182 per month that she was paying for her current policy – *including one from Empire*

Blue Cross Blue Shield. I do not know why they did not mention this policy in their letter.

Nancy, who has a very modest income, began to think, isn't Obamacare supposed to subsidize the insurance costs of low wage earners like me? The site didn't seem to be telling her whether she was eligible for a subsidy. I looked at her entries and couldn't tell why, so I urged her to call the help line again. The agent explained that she had neglected to check a box requesting financial assistance. It turns out the box is actually pretty big and in plain sight, but somehow it looked like instructions and not the form, proper, to both Nancy and me. After entering income information, which she had to get off of her 2012 Federal Tax form, the site told her that she was eligible for Medicaid, that she should expect an application form in the mail, and that if it didn't arrive by December 15, she should give them a call. No alternative to Medicaid was provided.

I'm sure that many people would be delighted to know that they were eligible for Medicaid, but Nancy was disappointed that it was her only option. She feels Medicaid carries a social stigma and had hoped that she might be eligible for a subsidy on a commercial policy, even if it was only a catastrophic one. I would add that Nancy was not going to pay the premium out of her own salary, but instead expected her boyfriend, who was better off than she, to foot the bill. I don't know for sure what the boyfriend thought. Their relationship is long-term, so perhaps he feels that a catastrophic policy protected *him* from the possibility of huge medical expenses.

Nancy made an abortive experiment to increase her projected 2014 income, to try to discern at what income level (if any) the site might provide the kind of subsidies that she was seeking. But it asked for names of employers and other information that she didn't want to fudge. She didn't want to lie, but only be optimistic about what she might earn in the future. So she gave up on that approach.

Nancy then decided to examine the no-subsidy route again, but found that she could not uncheck the box requesting financial assistance. Here, I think she made a mistake, for I later found that it does uncheck if you click very slowly and

carefully. A minor software error must require the cursor to be too exactly positioned. Nancy took an alternative route, and opened yet a third account.

The two similarly-priced catastrophic plans, one from Empire and the other from Fidelis, were still there. The Empire plan was rated at a quality of two-stars (out of a maximum of four) and the Fidelis at three, so we spent time looking at the details trying to discern the reason for the difference. Unfortunately, although the web site provided quite a lot a detail about each policy, it does not seem to have a feature allowing a side-by-side comparison (a feature common in commercial sites). So we resorted to jotting down the details on paper. The most important details, such as the deductible, were the same for both plans. I believe that this standardization is imposed by the Affordable Care Act; in my opinion, it is a virtue. We could find only two differences: the Empire plan charges a co-pay of \$40 per primary care physician visit, once the \$6,350 deductible is exceeded, whereas the Fidelis plan charges none; and the Empire plan requires a single \$1000 co-pay for psychiatric care, once the deductible is exceeded, whereas the Fidelis plan requires none. So the Fidelis plan does seem superior, though to me the difference is not so great to rate a “whole star”. A few \$40 co-pays, or even a single \$1000 co-pay, does not seem all that significant in the context of a medical bill that could easily exceed \$100,000.

When I last talked with her, Nancy was still mulling over whether to go with Medicaid or Fidelis.

Which would you choose?

¹Not her real name. I’ve disguised some other personal details, too.

²Sometimes this insurance company seems to be referred to as Anthem, and sometimes as Empire Blue Cross Blue Shield. I don’t know why.

³I guess the middle character in CCD0SVC is a zero, not an “oh”, but we tried it both ways, just in case. It’s certainly a poor choice of URL to include in a printed-on-paper letter!

⁴These questions are based on information NYS has on file about you. For example, you once lived on Oak St. What town is that in? Freeport, Nyack, Amsterdam, Buffalo or none of the above?