Curbside Consult: The State of Obamacare (Part 3)

Harold Pollack: Now what are some things … we should probably wrap up soon, but what are some things that we should be looking for as the year moves on or that you’re looking for to know that things are going well? Over the next six months, what are some things that you might be looking for?

Jonathan Cohn: Things that [inaudible 00:57:02]. We want to see signs that the number of uninsured is coming down. That’s not so easy to do, but doing the Gallup surveys on this is a pretty good, you know, Gallup polls this question in their surveys, and that will probably be our first leading indicator of that, so we’ll want to see that. It’s going to be awhile before we have the information about access to care and can process it.

You know, with Massachusetts, it took about two years to get any information. The Urban Institute was studying it, and we got data later, right, and we saw very clear evidence people got better access to care, fewer cost hardships. It wasn’t a huge difference, but it was significant, and that’s what you want to look for.

Harold Pollack: Of course, Massachusetts was starting from the people already had pretty good access to care, a relatively small number of the uninsured, so we would love to see more movement, of course, but it will take a little bit to see that. Okay.

Jonathan Cohn: Yes. Obviously, you don’t want to mention anecdotes bad or good, but you know, pay attention to the anecdotes, but it’s good to hear … I will say anecdotally, and I don’t just mean for the media, I mean just in my own little world, people who I know, October and November I heard a lot of stories about people that weren’t happy with the plans. They were saying they couldn’t get on. They got cancellations.

That turned around a lot in December. I started hearing a lot of really good stories. I still heard a mix and I still now hear a mix, but I would say the balance [of stories I’ve heard 00:58:32] from people are better rather than worse. Now whatever, you know, everything’s second hand, I’m not investigating these, but whatever, you know? Pay attention to those. We’ll want to see I think some indicators … it’s a weird thing because again the insurance industry has its own agenda.

As someone who has a very … you know, I’m fairly skeptical a lot of the time of a lot of insurers. At the same time, they’re our leading indicator of how things are going. Are they freaking out? Are they not freaking out? Are they freaking out in ways that seem designed to push a political point or are they actually freaking out in ways that don’t? Are we hearing a lot about confusion, and problems, and people not starting out?

Are we getting … what are we doing from the social service agencies, from the clinics? I always find if you want to know for people who are uninsured what’s going on, clinics usually know, the community clinics. They’ve got ears to the ground, you know, legal services, people dealing with medical debt. Let’s see what they’re saying. They tend to be able to give you a reasonably good picture, so watching that, and then paying a lot of attention to different states.

Let’s see how different states are. Some of the states that are implementing this most aggressively are also monitoring things pretty aggressively. There’s a lot of good information we’re getting out of California about how things are going. That’s part of what they’re doing, so let’s see. Cover California. They’re transparent. They provide a lot of information, so I’ll just be watching California pretty closely because it’s also to me, California is a big state that is demographically similar enough to the country as a whole to give us a real picture better than say a place like Vermont, for example.
At the same time, California’s a place that wants this to work. I feel like that shows us how it can work even in a [complicated 01:00:32] place when they want it to work. To me, that sets a realistic bar for the rest of the country. I don’t expect every state to do as well because a lot of states don’t want to do it as well and aren’t prepared to because there are going to be places where things don’t go well, but it’s important to me to say, “All right, it does work here,” so then it becomes a question of is it possible to make it work there. I tend to think it usually is. If it can work in California, it should work pretty much everywhere else if they want to.

Harold Pollack: By the way, I’m just going to stop for one second just to tell people that I’m going to jump on a call that I’m just going to jump on in a few minutes, so I’m just telling them that the time is coming. One thing that I also am looking for is basically as we get towards March to see when things start to be real, okay, this is … we know how many people have really signed up, and then insurers start saying, “Well, this is what we can do for our premiums for 2015.”

At the moment, everything that’s happening now in the risk pool is really lead in and it doesn’t really matter, but it will matter as we start to get into March and insurers just have to make some decisions. If insurers really raise their premiums for 2015, then we know that they perceive a real issue. If they keep the premiums where they are now or in that ballpark, then we’ll know that they’re basically going to live with the kind of risk pools that they’re getting.

Jonathan Cohn: Yes, yes. The other big question here is we’re going to go through a wave of small businesses [cancelling 01:02:12] plans, and that’s going to be similar to the individual market. It will be interesting to see how that works. You know, the small business market was already much more regulated in most states, so moving from the old system to the new system is not nearly as dramatic as among people buying insurance on their own, and I think you’ve got a lot of small businesses out there.

Some of the changes are the same. The big one is going to be … I mean there are going to be small companies with really healthy people in them who some of them are going to discover that they’re now in a pool with companies that have older people, and they’re going to have to pay more. The flip side is you’re going to have the companies with the older people paying less. I think it will be a test.

Can the administration manage the transition a little better this time? Maybe a little talking to the insurance companies beforehand, “Okay, what exactly are you guys doing? What can we do so that people know their options right away?” That was a big part of the problem was people were finding out they were losing their plans and didn’t know what … some of that was technological, but how do we notify people?

The flip side is small businesses are a little more sophisticated in general. If you’re a small business operator, you deal with insurance, you have brokers. You’re a little more operating a little more knowledge than I think before, so they can do that. We’ll see what happens, but can they manage that better? Also, I think that’s a challenge for the media as well. Look, people … I think we’ve talked about this before.

There are real tradeoffs in this law. There are people who are going to end up paying more for insurance or getting less insurance, and there are some people who if you’re looking simply at they’re young and healthy, [inaudible 00:1:04:02], and that’s part of the tradeoff here. They’re giving up something. I might think they’re better off in the long run. They’re [getting the message 01:04:10], but they are giving up something, and that’s real and that needs to be acknowledged, and they’re not going to be happy about it, some of them.

Harold Pollack: So we all have to have a certain chastened and pragmatic perspective that takes into account that there’s going to be many different people having many different
consequences from this new law. Overall, the consequences are very likely to be positive, but they won’t be for every person and certainly for every anecdote. As we close out, I was wondering if you could just grab the picture behind you and show us what that is.

Jonathan Cohn: This is … let me get the window closed here. Here we go. This is … can you get that? Can you …

Harold Pollack: I backed up a little bit because there’s a reflection, but that’s one of my favorite pictures.

Jonathan Cohn: It is. This is a picture of the signing ceremony in 1965. This here is Lyndon Johnson. This is Harry Truman. This is when they signed the bill that created Medicare and Medicaid, which were created by the same law, also increased, as you know, also boosted payments in the Social Security system for the elderly. A great day.

One day I’ll frame the one that you and I saw for the signing of the Affordable Care Act, which was also I think a very important … will go down in history, I think, I hope. It’s a similar one, but that is a good memory for me so I always like to have that picture handy.

Harold Pollack: It’s a great reminder of just the fact that this is a long game. Medicare and Medicaid weren’t perfect in 1965 and actually took quite awhile for them, for many states to accept Medicaid. We’ll see how this goes. In any event, it’s been, as always, wonderful to talk to you. Thanks for much coming on Curbside Consult.

Jonathan Cohn: Any time. I love these Curbside Consults.