

It's the five-year anniversary of PPACA – has it helped?

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In 2010, Congress passed — and President Obama signed into law — the Patient Protection and Affordable Care Act (PPACA, also called Obamacare). Some of the provisions of the law took effect almost immediately. Other requirements have been implemented over time and are still being phased in.

So, after five years, can the PPACA be called a success? It depends on how you feel about the law, as well as how you measure success. Michael Stahl, Senior Vice President at HealthMarkets, feels that, while the implementation has been somewhat choppy in cases, overall the PPACA is a success.

More health care coverage for consumers

One of the biggest and most controversial portions of the law, the requirement for everyone to have health insurance coverage, is in its second year of implementation. Perhaps because of the penalties that come with the failure to obtain coverage, the number of uninsured has dropped. “Certainly, more people are insured now,” says Stahl. “From that standpoint, the law has been a success.”

Not only that, but those who were previously ineligible for health insurance coverage are now able to purchase coverage. “In the past, I’ve seen breast cancer survivors denied by every single carrier,” Stahl continues. “The law gets rid of denial for preconditions, so that breast cancer survivor can now get the coverage needed.”

According to the Department of Health and Human Services, the [rate of the uninsured has dropped from 20.3% in 2012-13 to 13.2%](#) now. As the penalty for being uninsured rises, more consumers are likely to choose to purchase plans.

Increased affordability

“If you look back prior to the PPACA, health insurance was for people who were healthy and could afford it,” says Stahl. “Now with subsidies, folks who previously couldn’t afford insurance can.”

Stahl says that subsidies can cover a large portion of the gross premium for consumers, making it possible for them to purchase insurance. Gross premiums average between \$5,000 and \$6,000 for many households, reports Stahl. “For someone making \$50,000 a year, spending that money on one item is a big deal,” he says.

Now, with subsidies, that same household might pay about \$1,200 a year or \$100 a month. That’s much more manageable for those who didn’t think they could afford health insurance. “It’s what people pay for cable TV and cell phones,” Stahl says.

However, not everyone sees the same benefits of increased affordability. “We’re talking about averages, here,” he points out. “Like anything in life, at the individual level some people are going to lose out.” He says that people who make more than 400% of the federal poverty level for their household size will feel more of the effects of premium increases.

Those premium increases might not be so bad, however. It’s true that premiums are still going up for health insurance. Premiums were going up before Obamacare, and there is no legislation that could completely stop premium increases. Since the passage of the PPACA, [according to one study](#), health insurance premiums have been rising at a slower rate.

Changing the process of obtaining health insurance coverage

The PPACA is also changing the process of obtaining health insurance coverage. “Small businesses — those with 50 employees or less — are changing how they handle health benefits,” says Stahl. He says that many of them are transitioning to a model that encourages employees to find health coverage on their own, facilitating their ability to shop the exchanges.

“Group coverage is on average more expensive than individual insurance,” Stahl points out. “By migrating employees to exchanges, these small businesses can save, and so can individuals. It’s a win for both parties, but it’s not being talked about enough.”

Many larger employers are moving toward [encouraging employees to enroll in high-deductible health plans](#) as well. This can mean lower premiums for many employees, but it also means higher out-of-pocket costs as well. While this movement can provide a break for some employees, the financial situations of others are not well-suited for high-deductible plans. All of this points to a trend that shifts the burden of health care costs from employers to employees.

Added complexity

While Stahl thinks that the PPACA is a win overall, he does acknowledge some of the downsides. "In some ways, the process is more complex than it was a few years ago," he says. "Tech glitches are still evident as well."

Stahl recommends getting some help if you are trying to navigate coverage through the new exchanges. "Most consumers have lives and jobs and are not health insurance experts," he says. "They need a little help getting through the process and looking at the market before making a decision. The good news is that a health insurance agent is completely free to the consumer."

In the end, even with the drawbacks, Stahl thinks that the PPACA has been a success. "Not every individual is benefitted for everything," he says. "But in terms with what I meet with day to day, I can attest that the PPACA is helping more people get better coverage at a better price."