

The letter from California – the healthcare reform act and its dental implications

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IN BRIEF

- Aids understanding of the intricate and somewhat fragmented nature of healthcare in the USA.
- Describes how 'Obamacare' may have helped to regulate medical health insurance in the USA.
- Explains how dental care ties in with medical care, particularly from the insurance standpoint in the USA.

The Patient Protection and Affordable Care Act, or Obamacare, is now providing medical and dental insurance for millions of Americans who never had it before and will bring real benefits to the American healthcare system over the next few years. This article discusses its provisions and shows how dentistry fits in.

The Patient Protection and Affordable Care Act was signed into law by President Obama in March 2010 and has been widely referred to as 'Obamacare'. Due to the structure of the US legislative process, it is extremely rare for the two houses of Congress (the Senate and the House of Representatives) and the President to be in alignment and therefore virtually every piece of legislation that comes out has to be a compromise. This is very unlike legislation in a parliamentary system, where the party in the majority generally gets its own way. Compromise was no exception for Obamacare, and in its original form it was much more wide-ranging with much broader coverage, which some would equate with 'socialised medicine'. Nevertheless, the form it took at the end of the day is an incredible step forward for American healthcare, and although it may be changed, it will not go away. In a sweep it changed some of the more objectionable things about private healthcare in the USA.

PRE-EXISTING CONDITIONS

Obamacare eliminated the concept of a pre-existing condition for which you could not obtain health insurance. This particular problem stopped many people getting insurance in the first place or changing their insurance. Since insurance normally goes with your employment, it meant that people were tied to a particular employer because of a health condition which had developed.

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LIFETIME PAYMENTS

Obamacare also stopped insurance companies placing a limit on lifetime payments. Many insurance companies set limits somewhere between \$1-3 million of lifetime coverage, and although for a 20-year-old this may seem more than adequate, by the time you get to 60 or 70 years old, you can easily spend that amount of money in the American healthcare system.

With the new act each state has what is called a health insurance exchange. This is a government run body through which private health insurance companies offer coverage to the public which complies with the terms of the act. At the present moment, 18 states (including California) and the District of Columbia run their own health insurance exchanges, while 32 states are currently allowing the federal government to do this for them. If you remember the problems with the computers when the plan was introduced, it was the federal government's computer running the healthcare for 32 states which broke down, whereas the 18 states that were running their own did much better. Currently in California ten private medical insurance companies have agreed to provide coverage through the health insurance exchange to individuals. This means that any individual can sign up for healthcare, making it possible at long last for the self-employed to obtain coverage at a reasonable cost. Although many people still get their health insurance through their business, there is a feeling that over the years employers may stop providing healthcare and will give their employees money to buy their own healthcare through the health insurance exchange so that they will have more choice in the level of coverage. Insurance obtained through the health insurance exchange is not cheap, but it is

comprehensive and the government subsidises it for the unemployed and low income individuals. There are deductibles (excess) and co-payments (eg you pay the first 10% up to a certain amount). Preventive care and contraception are free with insurance purchased through the health insurance exchange. The health insurance is totally free if you make less than \$16,243 per year and is subsidised to some extent if you earn less than 400% of the federal poverty level. Currently, this means that a single person starts to get some help if they earn less than \$47,080 per year, and a family of eight starts to get help paying the premium when they earn less than \$163,560. It is free for a family of eight with an income of less than \$56,428.

In order to make the plan work, it is essential that everybody participates. One problem has been the so-called 'invincibles'. These are fit and healthy people in their 20s and 30s who think they will live forever with no medical problems at all and elect to go without health insurance to save money. If they try to do this in the future, they will be penalised through their income tax so that it makes no sense to go without insurance. In this way it is hoped that virtually everybody in the USA will have health insurance of some kind. It is a bit of a patchwork and it is inevitable that people will fall through the cracks, the largest group probably being our undocumented residents (illegal immigrants). There are probably around 15 million in the USA who are not covered under this bill. As always, the wheels move slowly, but at least they move, but even so, it is probably better to stick with the NHS.

DENTAL IMPLICATIONS

Medical insurance has never covered dentistry, and for this there was separate

dental insurance. However, dental insurance is not true insurance but is more like 'pre-paid dental care'. It has an annual maximum that it will pay out and it covers preventive dentistry and simple restorative dentistry very well, but when it comes to more complex procedures such as crowns, bridges, and implants, its level of coverage is much less.

This is the opposite of medical insurance, which traditionally has not covered preventive care but has covered the high-end

expensive procedures which would otherwise have bankrupted a patient. In the USA the most common causes of bankruptcy are medical expenses and divorce. Under Obamacare families have to be offered dental insurance, but they do not need to take it.

The amounts of coverage, however, are very limited, being \$700 worth of dentistry per child per year, or \$1400 for a family. This is the minimum they can offer. They can offer more but the premiums rise.

It does mean, however, that for the first time the children in the United States, whose parents purchase medical insurance through the health insurance exchange, must be offered dental insurance. This is a major advance and there are hopes that it will help improve child dental health. In many states it is anticipated that there will be a much larger demand for dental care, particularly for children, and there is even a fear that the dental profession may not be able to cope with the demand. We will wait and see!