Obamacare During the Pandemic: A Historical, Economic and Sociopolitical Evaluation of the Initial Response of the US Government

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Abstract. This review of literature is an account of the US government initial response to the 2020 outbreak. The Affordable Care Act was, more so than ever, put to the test in the Covid-19 era with questions about its efficiency in healthcare delivery in this unforeseen state of emergency. This paper opted for a combination of historical and analytical reviews of literature about the American healthcare system to showcase the sociopolitical and economic implications of the COVID-19 pandemic in the earliest months of the outbreak. This study enunciates the weaknesses of federal actions in dealing with the health crisis and the dilemma of the millions of Americans who belong to minority ethnic groups who awaited equity and fast action to protect them from the severe consequences of the pandemic and the resulting recession. This investigation concluded that the ACA which was once an ambitious and very promising health care reform is struggling today to keep up with the alarming growing numbers of the uninsured or under-insured vulnerable sections of the population that it was originally designed enacted to protect. The pandemic was a very important reminder that healthcare in America is in dire need for an overarching reform. This study is a needed document that explains how healthcare in America proved once more to fail millions of Americans in a very important turning point in the recent history of healthcare delivery.

Keywords. COVID-19 pandemic, Obamacare (ACA), equity, healthcare delivery, recession

1. Introduction
The COVID-19 pandemic has provoked urgent questions about public health in the USA. Despite its position as the world’s richest country, the USA’s medical care system remains an anachronism among other developed countries like neighboring Canada, the UK and Japan where citizens enjoy excellent yet very affordable health services. Contrary to that, Americans pay tons of money in healthcare. This is why employed Americans get healthcare and preventive care from their employees, and even this depends on many factors like age, gender, and past medical history. Hence, the huge number of workers who are losing jobs or job opportunities because of the Coronavirus outbreak must now seek insurance and coverage; an impossible quest for a person who just lost income.

Healthcare in America is a 2.7 trillion industry which makes it bigger than the entire economy of Italy. Apart from being too expensive for the people, American healthcare burdens
the economy with costs soaring to hundreds of billions of dollars. This fact is one of the main boosters of taxes that impose a serious financial pressure on Americans. To solve this intriguing problem, some analysts believe that free market capitalism is the solution because it encourages competition, creates more jobs and eventually will drive costs down. On the other hand, healthcare is regarded as a guaranteed right for human beings and should not be the responsibility of the citizen to pay for or worry about. Therefore, free access to health care is paid indirectly through taxes.

One of the most galvanising healthcare reforms in the history of the USA was the highly publicized and criticized Affordable Care Act, publicly known as Obamacare, signed by president Barack Obama in 2010. In 2020, Obamacare turns a decade old and although its plan of action has covered a bigger portion of the American population, questions about its affordability by low-income people, its sustainability by the American economy and prevalence of the public or the private sectors still arise. A decade of debate and countless repeal actions and criticisms might be put to rest as the USA faces its most severe health crisis in decades. The country’s health care is up for a tough challenge in balancing insurance coverage, an unstable economy, and thousands of job losses daily. The employed Americans get healthcare and preventive care from their employees. The future and durability of the ACA might be determined by its ability to sustain the enormous number of Americans who need insurance to cover the expenses of Covid-related health issues. The Democrats continue to support the expansion of the law hailing it as a savior for millions of Americans who would otherwise have been unable to cover their healthcare expenses during the pandemic; while the republicans rally to abolish it and replace it with a healthcare strategy that boosts the economy to make America “great again” with millions of its citizens unable to provide for their healthcare. What they deprecate is the potential of substantial damage to the already sinking economy. Ten years after it was first enacted, the ACA is hoping to expand coverage in the midst of a global pandemic and a ruthless economic recession, but the law is far from achieving its foremost goal of universal and affordable healthcare as millions are falling through the wholes of its defects.

2. Background of the ACA

The healthcare issue is very unique because it is personal. Everyone will, inevitably, need healthcare at some point in life which makes discussions about healthcare reform very emotional and confusing. Despite the large disagreement among the Americans and the decision makers concerning the most efficient and convenient ways to deliver healthcare, one area remains undisputed: The system is a mess. (Forbes and Ames, 2016). Throughout the 20th century and early 21st century the role of the national government in the provision, production, and delivery of healthcare has been a central political debate in the USA. The result is a century of patchwork that hindered the conception of a factual plan for a realistic reform to heal the ill system. The history of US healthcare reform is one of earnest strategies to broaden access to health care, and, ironically, earnest strategies to limit access (Morris et al., 2020).

In the 1960s Johnson’s administration advanced historical innovations in healthcare provision for the elderly and the needy with Medicare and Medicaid; which have been under periodic revision and expansion ever since. The extent of these programs establishes them as institutions built on entitlement run and administered by the federal government. Medicare and Medicaid were criticized heavily because they raised the costs of healthcare. It was only three decades later that another major healthcare reform was introduced with Clinton’s, bleak 1990s Welfare Reform policies.
Obama’s Patient Protection and Affordable Care Act targeted the expansion of coverage to include millions of Americans who are underinsured or uninsured. However, expansion of coverage and affordability are still a debatable cause and effect duo (Duque, 2020). This prominent healthcare reform took place when Barack Obama came into office in 2009 and set the complete reform of the American healthcare system as the main goal in his domestic policy. The task proved to be very challenging and Obama was very candid with the Americans inserting that the change will be efficient but gradual and may take another decade to give visible results. Obama’s plan was met by relentless criticism, notably by the republicans, but the well spoken and highly convincing president did not give in and succeeded in passing the ACA into law in 2010 for a gradual decade long plan of a better and cheaper healthcare for all.

Hence, his endeavour resulted in a 900 page act that was designed to change the healthcare system from within and cover the whole population so that no American citizen remains uninsured. Therefore, The Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act (Public Law 111-152) were signed by President Barack Obama on March 23rd, 2010 and March 30th, 2010 respectively. The new law was publicly named Obamacare, a name deridedly given by opponents, and received very mixed reviews; especially among the conservatives who seem to value the position of America as a world economic leader more so than the Americans’ health and wellbeing. Today, 10 years through the plan, health care in America is still not so “affordable”, the economy is still grappling with the unbelievable costs of the medical sector and millions of Americans are still uninsured. The ACA initiated unprecedented partisan rancor, legal challenges, political messaging, and citizen confusion. (Morris et al., 2020)

3. The Crisis of Coverage during the First Months of the Pandemic

The ACA’s safety net gave millions of Americans the chance for healthcare coverage. In 2010, the number of uninsured individuals was a staggering 46.5 million. This number decreased to a historic and unprecedented low of 27 million in 2016. This reassuring trend did not last long though and the number of the uninsured increased to 29.6 million in 2019. (Aaron-Dine et al. 2020) These statistics stress the instability that has been ailing the American health insurance coverage strategies over decades of reform attempts.

On a positive note, the ACA allowed states to expand Medicaid eligibility during the pandemic to nonelderly, childless adults with incomes below 138 percent of the FPL. The expansion was obligatory at first; however, in NFIB v. Sebelius, the Supreme Court ruled that states could opt not to expand Medicaid under the ACA. 38 states and the District of Columbia decided to expand. If Medicaid were to be expanded in the remaining states, two million uninsured individuals would become insured under the ACA. (Aaron-Dine et al. 2020) State and federal insurance marketplaces that the ACA made possible allow the uninsured Americans to get high quality coverage. The law offered tax subsidies to individuals and families who earn up to 400 percent of the federal poverty level (FPL) on a sliding scale based on income to help them pay for their premiums. During the exceptional enrollment periods, the ACA provided consumer protection plans to ensure that all Americans are able to obtain health coverage even if they do not fit in categories such people with pre-existing conditions. (www.aarp.org) Many adults will forgo their health insurance because they cannot afford the premiums despite attempts to subsidize costs. (Karpman, Zuckerman, and Peterson, 2020)

A lot of people who had no insurance previously can get one under the ACA during the pandemic. Although enrollment is open in a specific period of time each year under normal circumstances or for those who undergo life changing events, the ACA opened enrollment...
exceptionally for health insurance seekers in a number of states including those which run their own exchanges like New York, California, Maryland and DC. The ACA marketplace offers four types of special enrollment plans. Out-of-pocket costs depend on the chosen plan and the monthly premium:

- Bronze: Lowest monthly premium; highest out-of-pocket costs. Deductibles can be thousands of dollars a year.
- Silver: Moderate monthly premiums; moderate out-of-pocket costs.
- Gold: High monthly premiums; lower out-of-pocket costs; low deductibles.
- Platinum: Highest monthly premiums; lowest out-of-pocket costs; lowest deductibles.

The ACA marketplaces provide opportunities for the nongroup, or individual, market. Those are the individuals or families who do not have access to employer-provided health insurance or public programs such as Medicare and Medicaid.

The 2020 pandemic is exposing systemic weaknesses and holes in the healthcare system of the USA. As of July 16th, 2020, the United States had, approximately 26% of the world’s Covid-19 cases and 24% of its Covid-19 deaths with clustering of cases in major cities in New York, Michigan, California, and New Jersey (Kim et.al, 2020). These astonishing numbers confirm, once again, the country’s deep public health crisis (Blumenthal et al., 2020). Before the outbreak, 31 million persons were uninsured and more than 40 million were considered to be underinsured. Half of the Americans receive their health insurance coverage by their employers, which leaves more than 78 million people in America without access to adequate health insurance. By April, the rate of unemployment was officially announced to reach an estimated 14.7 percent without counting those who lost their jobs for unknown reasons; which would have increased the rate to 20 percent. Restaurants travel, and hospitality, and similar businesses will likely be affected by coronavirus for months or years to come. A widely available vaccine is the only hope for the revival of these industries. (Banthin et al., 2020). This is the highest unemployment rate since the Great Depression, a moment in the American history that the Americans remember with a lump in the throat.

**Figure 01**: Share of Parents Ages 18 to 64 Whose Families Lost Jobs, Work Hours, or Work-Related Income Because of the Coronavirus Outbreak, Overall and by Family Income and Race/Ethnicity, March/April 2020 (karpman, Gonzales and Kenny, 2020)
If the pandemic persists, the now temporary job losses may become permanent imposing more pressure on non-group marketplaces and premium subsidies. The projected rise in demand will inevitably lead to a breaking point. As a result, current early response relief programs CARES (the Coronavirus Aid, Relief, and Economic Security) Act and Families First Coronavirus Response Act, in addition to the Medicaid expansions under the ACA in a number of states will have to be revised or altered to strengthen the safety net for people at risk of losing all possible access to needed healthcare.

The following figure demonstrates COVID-19 job losses and entailed employer-provided insurance losses and overall consequences in the first three months of the outbreak.

**Figure 02:** Health Insurance Coverage among Adults Ages 18 to 64 in Medicaid Nonexpansion States, Overall and among Those in Families Losing Jobs Because of the Coronavirus Outbreak, March/April and May 2020 (Karpman, Zuckerman, and Peterson, 2020)

The expansion of Medicaid under the ACA to help vulnerable populations and minorities get affordable health insurance was a step that many states have taken to mitigate the damage caused by the pandemic. It is notable that having health insurance can motivate people to seek health care and get diagnosed, which in turn can substantially reduce infections and COVID-related complications and death rates due to early diagnosis and timely medical intervention. Nonetheless, insured individuals who have their healthcare expenses covered
might act irresponsibly or gather in big numbers in health facilities causing more exposure to the virus. Hence, whether expanding health insurance is a positive response to the pandemic or another factor that drives the case and death rates up is still ambiguous (Chakrabarti et al., 2020).

The massive Covid-related loss of jobs will inevitably cause more Americans to lose the health insurance they normally get from their employers, exceeding 20 million workers. A Commonwealth Fund survey showed that 40% of respondents lost their insurance because their spouse or partner became unemployed (Blumenthal et al., 2020). The workers who are lucky and did not lose their jobs may face cuts in their coverage because their employers are financially struggling in the aftermath of the pandemic.

The economic disturbance that resulted from the Covid-19 shutdown presents a real trial of the ACA and its safety net to protect the uninsured Americans. By design, the ACA protects against loss of income and access to employers sponsored insurance by two major subsidized coverage programs. These are the Medicaid expansion for people with low incomes, which is available in 35 states and the District of Columbia, and the ACA marketplaces, which offer premium tax credits to purchase private nongroup plans available nationwide (Banthin et al., 2020).

Months through the crisis, the federal government is still stumbling to deal with COVID-related loss of insurance coverage. Federally run ACA marketplaces of the states are working on providing the recently unemployed with coverage for subsidized plans that they have become eligible to. However, a lot of the people who are entitled to this eligibility do not know they are because of the lack of education in this aspect (Blumenthal et al., 2020). The federal government has not engaged in an effort to educate people about the way nongroup insurance plans work; this brings to the attention the fact that many Americans do not understand how their country’s healthcare system actually works. The American healthcare system is at its best a perplexing web of laws that burden the average American with uncertainty in the face of a global pandemic.

4. Health Disparities and Inequities

Social determinants of health play an important role in protecting the population from health hazards and their related consequences. These determinants consist, according to the WHO, of the conditions where people live and the mechanisms by which health services are provided. Vulnerable populations face harsh realities and deal with issues of housing, violence, transportation, food access, neighborhood and community economics that are only worsened by the outcomes of the pandemic. Additionally, preexisting comorbid conditions expose Americans from impoverished and socially challenged communities to a greater danger to contract the virus and infect others. (Farley et al. 2020), as shown in the following figure:

When alarming numbers of Covid-19 swept over the globe in March, 2020, especially in the US, the media and the public were quick to describe the pandemic as the “great equalizer”. The disease was a shared danger that could infect anyone anywhere and the boundaries of wealth, gender and ethnicity were blurred as everyone was threatened in the same way. The disease surpasses how old, wealthy, famous or prestigious you are as we are all at the same risk because of our collective lack of immunity to the novel virus. However, history has shown, on many occasions, that this is not the case and that the assumptions that COVID-19 has made us all equal are inaccurate. Disadvantaged minorities suffer more when pandemics hit. Records from the 2009 H1N1 and the 1918 Spanish Flu demonstrate how minority racial and ethnic groups had higher mortality and morbidity rates. Statistics and official reports from the epicenters of the COVID-19 outbreak in America are telling us the same story. For example, although Hispanics and blacks comprise only 29% of the population in New York, they make
up 34% and 28% of all COVID-related deaths, respectively. (Mein, 2020). There is no doubt that the Affordable Care Act has remarkably boosted insurance rates for all races and ethnicities since it was first enacted a decade ago; however, the COVID-19 pandemic is increasing concerns about the health outcomes for uninsured patients of color. (Rogers et al., 2020). Intersectional and interinstitutional hindrances to providing decent living conditions have caused chronic minority poverty over generations. Minorities are set to be disadvantaged across a wide variety of basic necessities such as quality education, good-paying jobs, affordable housing, safe neighborhoods, quality food, and health services. Thus, it is broadly assumed that growing up in a minority area is an important predictor of contracting and spreading the disease. (Duque, 2020) In this case, the scenario of severe health complications or death because of the absence or delay of due healthcare because of destitution becomes a strong probability.

The figures below as shown by Menifiel and Clark, 2020 demonstrate how black Americans and other ethnic minorities were disproportionately affected by the pandemic in the first few months of the pandemic.

**Table 01:** COVID-19 deaths in the United States per 100k by race (Feb 1–May 20, 2020)

<table>
<thead>
<tr>
<th>Race</th>
<th>COVID-19 deaths per 100,000</th>
<th>Ratio to all deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>50.3</td>
<td>1.94</td>
</tr>
<tr>
<td>Hispanic</td>
<td>22.9</td>
<td>0.88</td>
</tr>
<tr>
<td>Asian</td>
<td>22.7</td>
<td>0.88</td>
</tr>
<tr>
<td>White</td>
<td>20.7</td>
<td>0.80</td>
</tr>
<tr>
<td>All deaths</td>
<td>25.9</td>
<td>1.00</td>
</tr>
</tbody>
</table>

**Table 02:** African American COVID-19 deaths compared with White American deaths by US region (Feb 1–May 20, 2020)

<table>
<thead>
<tr>
<th>Region</th>
<th>Afr.Am. % pop in region</th>
<th>Afr.Am. % of COVID-19 deaths</th>
<th>Odds ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>22.5</td>
<td>10.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Midwest</td>
<td>10.6</td>
<td>23.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Northeast</td>
<td>15.7</td>
<td>16.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Southwest</td>
<td>10.5</td>
<td>10.0</td>
<td>0.9</td>
</tr>
<tr>
<td>West</td>
<td>2.4</td>
<td>4.8</td>
<td>1.5</td>
</tr>
<tr>
<td>US Pop.</td>
<td>12.5</td>
<td>23.0</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Unemployment is the direct result of the pandemic for millions in America, and minorities, ethnic groups and even women are the biggest losers. Apart from the loss of primary income, losing a job means losing access to employer-provided health insurance. The “Great Equalizer” is obviously not color blind and its impact on women emphasizes the issue of gender inequality in work conditions and privileges. Figure 05 illustrates the clear disparities in unemployment among the population with gaps counted in millions.
5. The ACA Against Economic and Political Challenges

As the pandemic continues, it is hard to accurately determine the scope of the economic damage it has caused. However, the disease has significantly affected every single American business. Responding to the disease, the American healthcare system is dealing with an extraordinary period. Hospitals are projected to use their full capacity or increase it and elective and non-essential care is confronted with a reduction. The two main factors which have a direct influence on the financial costs of the disease are the testing and treatment of COVID-19 patients, and reduced medical services due to efforts to protect the capacity of the hospitals. (Rogers, Mills, and Kramer, 2020). Since the beginning of the pandemic, visits to primary care physicians and outpatient specialists have declined, and many hospitals have postponed or cancelled elective procedures. Meanwhile, some hospitals have seen a surge in patients and have had to expand capacity and purchase expensive personal protective equipment. (Cole, 2020)

An accurate evaluation of the viability of the ACA during the pandemic is still a premature endeavor due to two main factors. First, COVID-19 is still out there with no clear signs of an eminent resolution. Second, the Trump Administration has taken several steps that resulted in amendments and modifications that changed the initial plan of the ACA. For instance, a study by the Kaiser Family Foundation estimates that 2019 Marketplace premiums were 16 percent higher than they otherwise would be due to the Trump’s decisions. The ACA’s
cost-sharing subsidies were eliminated, and the individual mandate was repealed. Additionally, funding for the ACA’s Open Enrollment consumer outreach and enrollment educational activities was reduced from $100 million to $10 million. Another major reduction in the ACA funding was undertaken in the Navigator program from $63 million to $10 million. The result was a significant decline in new enrollment and insurance coverage under the Trump Administration. (Aaron-Dine et al. 2020)

The ACA remained irrepressible to the Trump administration which continued to undermine it and cause millions of Americans to lose invaluable chances to enroll in insurance offers that can work efficiently to help them get an otherwise unattainable medical care during the pandemic. Uninsured or underinsured people must consider the enormous medical expenses for diagnosis and treatment. One of the earliest responses of the Trump government to absorb the shock was the Families First Coronavirus Response Act signed into bill by Trump in March. The FFCR ensures that COVID-19 diagnostic testing is free but does not cover treatment. Hospitalization may oblige massive medical expenses. A patient may be charged tens of thousands of dollars for a few days in the ICU on ventilation, in addition to paying thousands of dollars in deductibles and copays. (Gee, Gaba, and Rapfogel, 2020) Despite ongoing attempts by the administration of Trump and the Republicans to countermand the ACA as unconstitutional and inefficient, its decisions during the Covid-19 crisis did not offer an impressive alternative to match the ferocity by which it censured Obamacare. Ironically, the FFCR’s treatment of the matter is very reminiscent of the ACA’s premise of providing affordable health care to protect the vulnerable sections of the American population.

6. Conclusion

The healthcare system of America with its large reforms, including the ACA, is meagerly understood by the people and impractically approached by the policymakers. What further complicates the situation of healthcare is the magnitude of the different components of the system. The latter includes the private sector and the public sector that work in collaboration with pharmaceutical and medical device companies, personnel including doctors and nurses, and facilities like hospitals, clinics and medical laboratories of research and institutes. However, the main provider of healthcare in America is the private sector, so most of the hospitals are run by private organizations.

The COVID-19 pandemic hit the economy harshly and caused irreversible health, emotional, and financial damage to millions of Americans. Hundreds of thousands died, a substantial number of survivors were left with chronic COVID-related ailments, and millions lost their jobs. The immediate response and emergency plans by the government to mitigate the impact of the disease were greatly flawed leaving millions of Americans either uninsured or underinsured. However, the current state of chaos and the lessons that COVID-19 taught America about the frailty of its economic and health strategies might become a blueprint for more balanced, realistic, and holistic reforms.

References
