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# FROM THE INSIDE: A Professional Project Comparing How the Insurance Industry and Mass Media Portray the Patient Protection and Affordable Care Act

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**FROM THE INSIDE:**

**Comparing How the Insurance Industry and Mass Media Portray the Patient Protection and Affordable Care Act**

Americans, whether they work in the health care industry or not, have a variety of sources available to them to learn about the Patient Protection and Affordable Care Act (ACA). Newspapers, magazines, television advertising or broadcast news, industry mailings, friends, family and neighbors all offer explanations and opinions on components of the health care act. For the purposes of this project, I focused on three national newspapers and three of the most widely read industry journals.

I set out to assess coverage of the ACA in three nationally-distributed newspapers with the highest circulation: *New York Times*, *USA Today* and *Wall Street Journal* and to compare their coverage with that of the three of the most widely read health care trade publications among the top health insurance companies in the United States: *Modern Healthcare*, *Managed Care*, and *American Journal of Managed Care*. I polled the Communications or Media Relations departments of the largest health care insurers—Aetna, Blue Cross Blue Shield, Cigna, and Humana— to determine their top trade publications by subscription.

I extracted every article published between March 1, 2013, and Oct. 1, 2013, that mentioned the ACA in those six publications for a total of 436 articles. I chose those dates because the three-year anniversary of the 2010 Affordable Care Act occurred in March and the state, federal and partnership exchanges were scheduled to open for individuals' enrollment at the beginning of October this year.

I set up the project as a four-part, long-form health care trade publication series that is targeted to a professional audience with moderate to extensive healthcare industry knowledge.

- Part One provides background on the act and a brief overview.
- Part Two examines coverage of ACA provisions in mass media versus health care trade publications, identifies the top and bottom five ACA provisions by the frequency in which they appeared in the articles examined and discusses the top five in-depth.
- Part Three further discusses ACA coverage in the six publications by looking more closely at positive versus negative portrayals.
- Part Four examines the ACA's impact by focusing on who, according to the publications, wins and loses.

*Part One: Overview and Background*

Political battles distorted the health care reform law and averted the public's attention from the act's key provisions.

Several parts of the act have been revised, delayed or repealed. The ACA is complicated and its components are interconnected. It affects multiple groups of individuals and several industries, some of which have quite a bit at stake financially. Reports conflict across and within publications as to whether health insurance premium costs will be higher or lower for individuals and whether the health care system will be more or less affordable as a result of the ACA's implementation.

ACA coverage in three national newspapers with the highest circulation: *New York Times*, *USA Today* and *Wall Street Journal* was compared to three of the most widely read health care trade publications among top health insurance companies in the United States: *Modern Healthcare*, *Managed Care*, and *American Journal of Managed Care*. Facts across and within the six publications were inconsistent at times and the volume of staggering statistics, only a sampling of which is represented below, makes the ACA's implications somewhat difficult to determine.

Conflict, controversy and inconsistency amid health care act coverage have left the public progressively more confused about the ACA. Even figures on public knowledge of the health care law were inconsistent across mass media and trade publications.

For example, the *New York Times* reported that the new insurance options will be available for approximately 41 million people. The *Wall Street Journal* and *Managed Care*, a

health care trade publication distributed to managed care leaders, both reported that, starting next year, an additional 30 million Americans will be eligible for government-based health coverage as a result of the ACA. The *New York Times* further reported that 28 million people live in states that have opted not to operate the exchanges, letting the federal government run them instead. All three of the newspapers, as well as *Modern Healthcare*, consistently cited the Congressional Budget Office (CBO) prediction that 7 million people will buy private insurance through the exchanges, which are also referred to as marketplaces.

While 9 million people are expected to receive health insurance through Medicaid, as reported in the *New York Times*, 11 million Americans are slated to gain coverage either through the exchanges or Medicaid, according to *Modern Healthcare*. By 2014, *USA Today* said a government actuary expects another 21 million individuals will become insured, adding approximately \$100 billion to health care spending next year. The projection quoted in *USA Today* that as many as 27 million Americans will gain coverage under the health care law starting this fall was inconsistent with figures reported in the *Wall Street Journal* and *New York Times*.

The *American Journal of Managed Care*, a peer-reviewed journal distributed to managed care physicians, clinical decision makers and healthcare professionals, expects that there will be more than 24 million new enrollees on the state and federal exchanges by 2021. According to *Modern Healthcare*, the CBO predicted that 25 million Americans might purchase insurance coverage on the exchanges by 2023. Comparing the growth projections in the two publications indicates that only 1 million individuals will enroll within the two-year span between 2021 and 2023.

The *Wall Street Journal* reported that the CBO anticipates 7 million fewer people will be covered by employer-sponsored insurance in the next decade while individuals will increasingly receive coverage through Medicaid and government-run exchanges. By 2016, the number of people enrolled on individual markets is projected to grow to 35 million people.

Most of the publications agreed that many people were unaware or uninformed of the ACA's status, but reports in four of the six publications were inconsistent. The *New York Times* reported that 12 percent of Americans thought Congress repealed the law altogether, 7 percent believed the U.S. Supreme Court overturned it entirely, and 23 percent did not know enough to recite the law's main statutes, according to a May 2013 Kaiser Family Foundation poll. *Modern Healthcare*, the leading health care industry weekly publication among health care executives, the *New York Times* and *USA Today* reported high rates of confusion among the public. According to another May 2013 Kaiser Family Foundation poll survey the publications cited, 40 percent of Americans were unaware the ACA was still a law, believing the Supreme Court overturned it.

The *Wall Street Journal* published Gallup poll results in June 2013 that indicated 43 percent of uninsured Americans were unaware of the individual mandate, which means they must buy health insurance next year or pay fines.

The ACA is complex and evolving. Only 55 working days before the launch of online exchanges, the Obama administration published a 600-page final rule that employers, individuals and states were expected to follow to determine insurance eligibility for millions of Americans. According to *Modern Healthcare*, key regulatory details remained unanswered in the last months

before the ACA's major provisions launched: 32 rules still needed to be finalized in June this year.

Two of the newspapers and one trade publication said health-related spending is expected to rise. The *Wall Street Journal* reported that the federal government projects health care spending will comprise nearly one-fifth of the economy within the next eight years, an increase of nearly 20 percent from today. The ACA affects one-sixth of the current economy, a figure cited within *USA Today*. Projections in *Modern Healthcare* show that health spending will total \$3.1 trillion in 2014 and increase to \$5 trillion by 2022, and the *New York Times* anticipates expansion of insurance coverage will increase health care spending annually by hundreds of billions of dollars.

As reported by the *Wall Street Journal* and *USA Today*, the state of California has almost 6 million uninsured people and expects to enroll between 2.3 residents by 2017 and 5.3 million residents by an unspecified period of time. It is the largest insurance marketplace in the United States and is considered critical to the ACA's success.

The Obama administration was quoted in *USA Today*, the *New York Times* and *Wall Street Journal* as saying one-third of uninsured individuals and mostly those between 18 and 35 years old live in three states—California, Florida and Texas. The Department of Health and Human Services (HHS) was quoted in the *Wall Street Journal* as saying that there are 11.6 million people between 18 and 35 who are uninsured. Half of all uninsured individuals are non-white, one in four speak a language other than English, and three-fourths have a high school diploma or less education. The *New York Times* reported in California individuals eligible for its state exchange speak 13 languages and are spread across 163,000 square miles.

The *New York Times* reported that the ACA's sales tax on health insurance purchases will cost Americans \$8 billion in total over an unspecified period of time. *Modern Healthcare* projected that another provision of the ACA will cut \$700 billion in 2013 Medicare funds. Since the ACA's 2010 inception, however, the *New York Times* indicated Medicare premiums have decreased by 10 percent while enrollment increased 28 percent. As a result of the ACA, 25 percent of employers expect to discontinue health care coverage for retirees ages 65 and over in 2014 with the percentage rising to 44 percent the following year, according to the a Towers Watson survey cited in the *Wall Street Journal*, while *USA Today* estimated, based on CBO projections, that 2 million fewer individuals will receive employer-sponsored insurance next year.

For the typical American whose time is not devoted to studying the ACA, its provisions and their expected effects are lost in an information-saturated media environment.

*Part Two: ACA Coverage in Mass Media Versus Health Care Trade Publications*

ACA coverage differed depending on whether it was written for the health care industry or general public, though significant overlap occurred in a majority of the provisions mentioned most often in the three nationally-distributed newspapers with the highest circulation: the *New York Times*, *USA Today* and the *Wall Street Journal* versus that of the three of the most widely read health care trade publications among the top insurance companies in the United States: *Modern Healthcare*, *Managed Care*, and *American Journal of Managed Care*. Readers might not be surprised to learn that ACA coverage in the mass media is somewhat different from that in health care industry trade journals. What might surprise them, though, is how similar it has been.

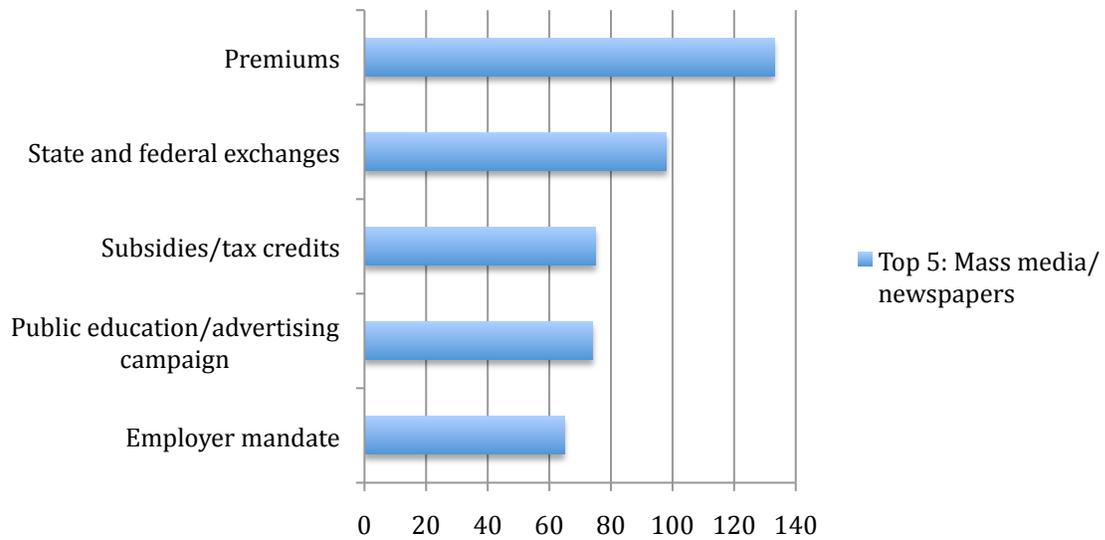
The top provision cited in both mass media and health care trade publications was the cost of health insurance premiums. This might have been the most frequently cited topic because people are primarily concerned with the financial implications of the ACA its effect on them. Public education efforts and advertising campaigns, as well as the state and federal exchanges, were two of the top five ACA provisions emphasized across both health care trade publications and newspapers. The pro-ACA public education campaign has lagged behind anti-ACA efforts in terms of funding and timeliness. Subsequently, many individuals were unaware of the ACA's scope and current status.

The state and federal exchanges, a central component of the health care law, were a key focus in the newspapers and trade publications, likely because of their significance, timeliness and relevance with the exchanges going live on Oct. 1. The health care publications diverged from mass media in their focus on Medicaid expansion and ACA funding as these topics significantly affect the health care industry, specifically hospitals. All entities in the health care

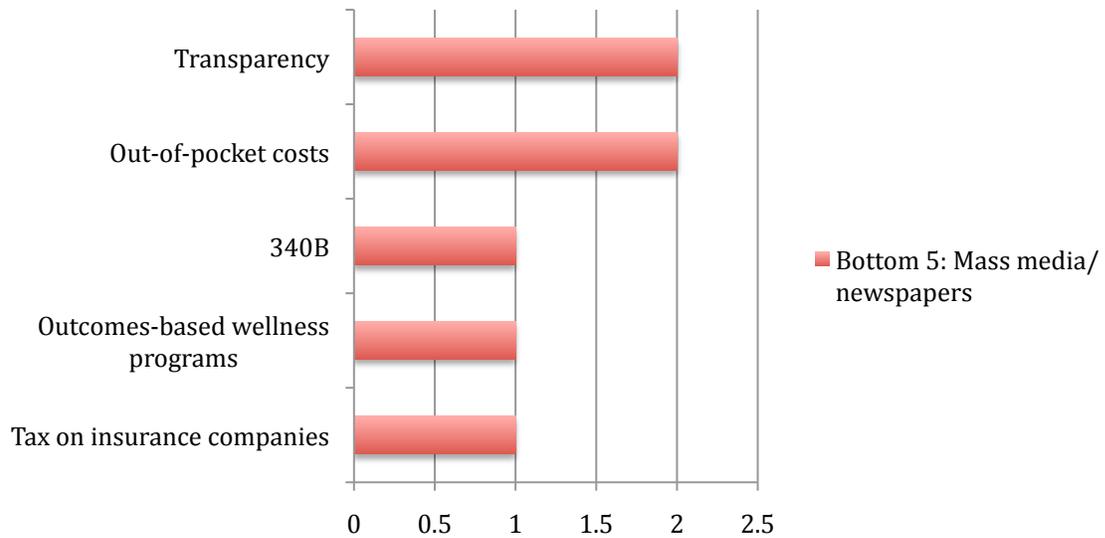
system are heavily vested in how they will be reimbursed and how much money they will receive which explains heightened coverage of these areas for an audience that is likely employed by the health care industry. Newspapers, on the other hand, emphasized the employer mandate, subsidies as two of their top five ACA-related provisions within the articles. Those items did not top the list for health care publications because they affect businesses and individuals to a much greater extent and are therefore not of immediate concern to the health care industry.

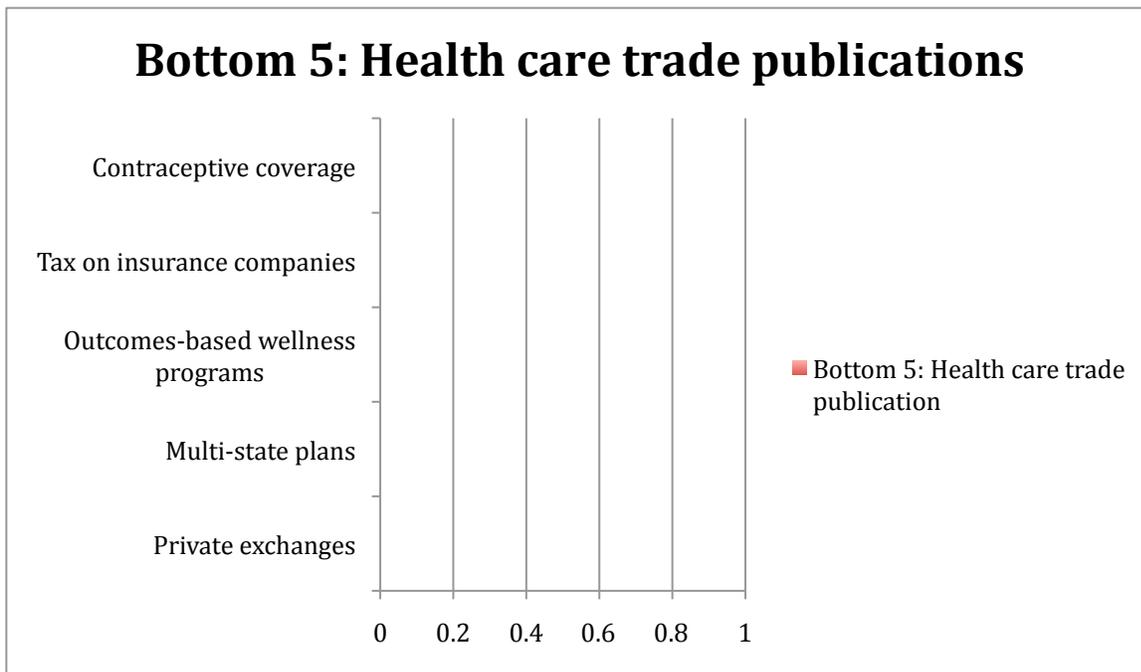
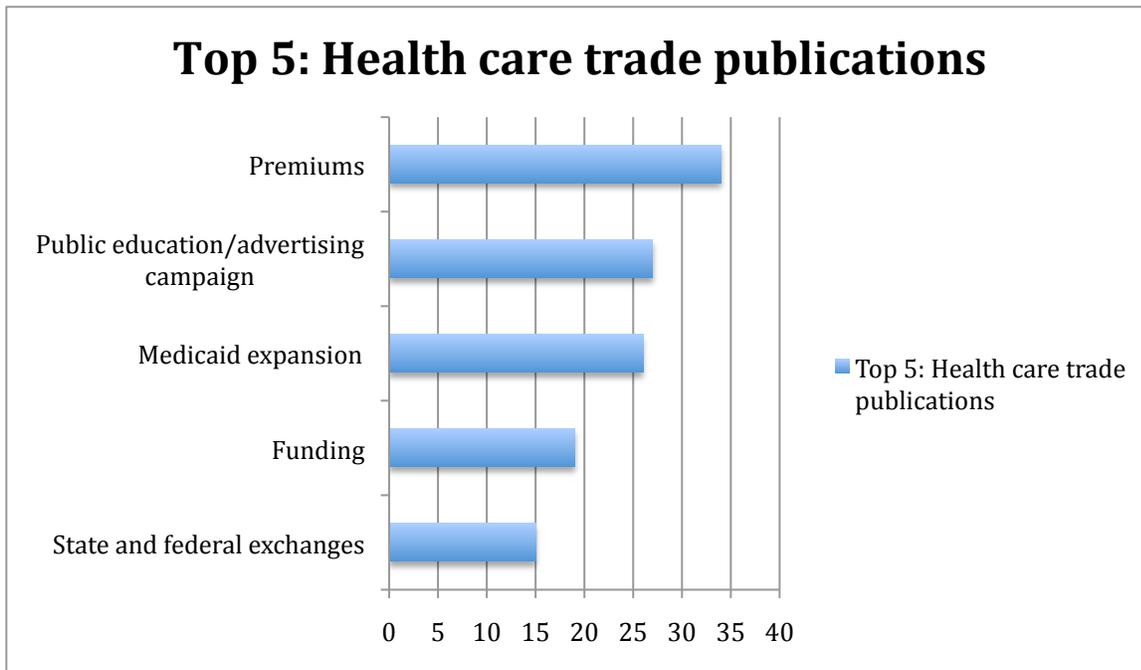
The following tables show the distribution of the ACA's top and bottom five provisions in the three newspapers and three trade publications and separately in the *New York Times*, *Wall Street Journal*, *USA Today*, *Modern Healthcare*, *Managed Care*, and *American Journal of Managed Care*. Tables that appear blank (Bottom 5: Health care trade publications, *Wall Street Journal*, *USA Today*, *Modern Healthcare*, *Managed Care*, and *American Journal of Managed Care*) reflect zero instances of the topic referenced and were intentionally unpopulated. The prevalence of key ACA provisions and the way in which they are discussed shape the extent to which the public understands and views the ACA.

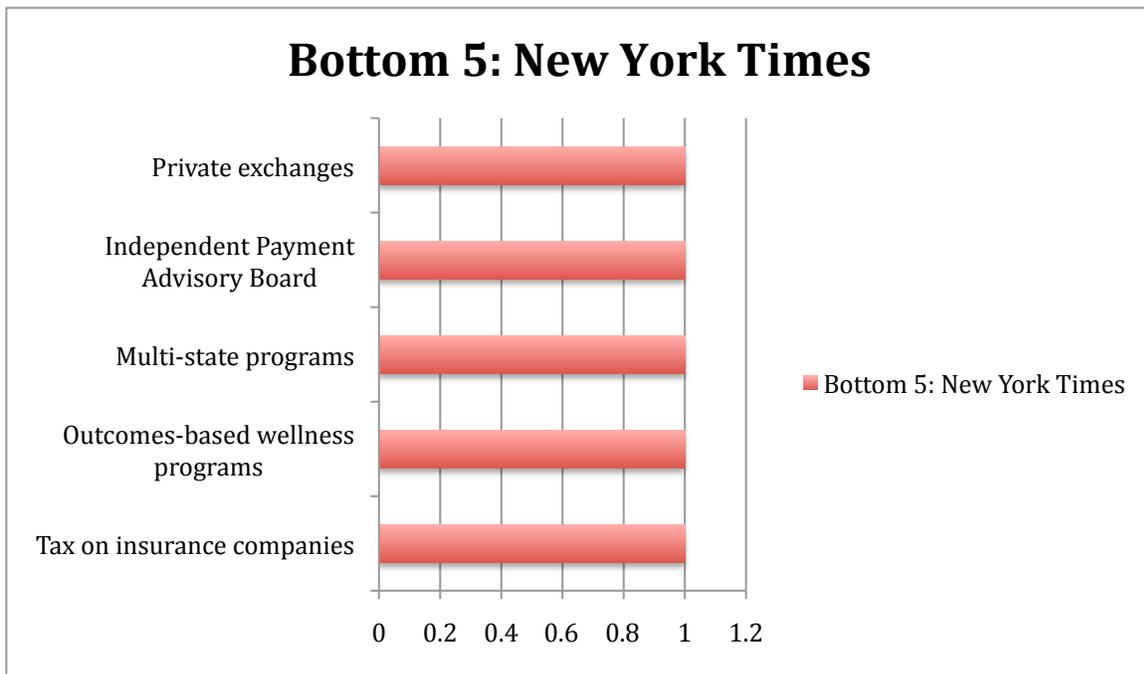
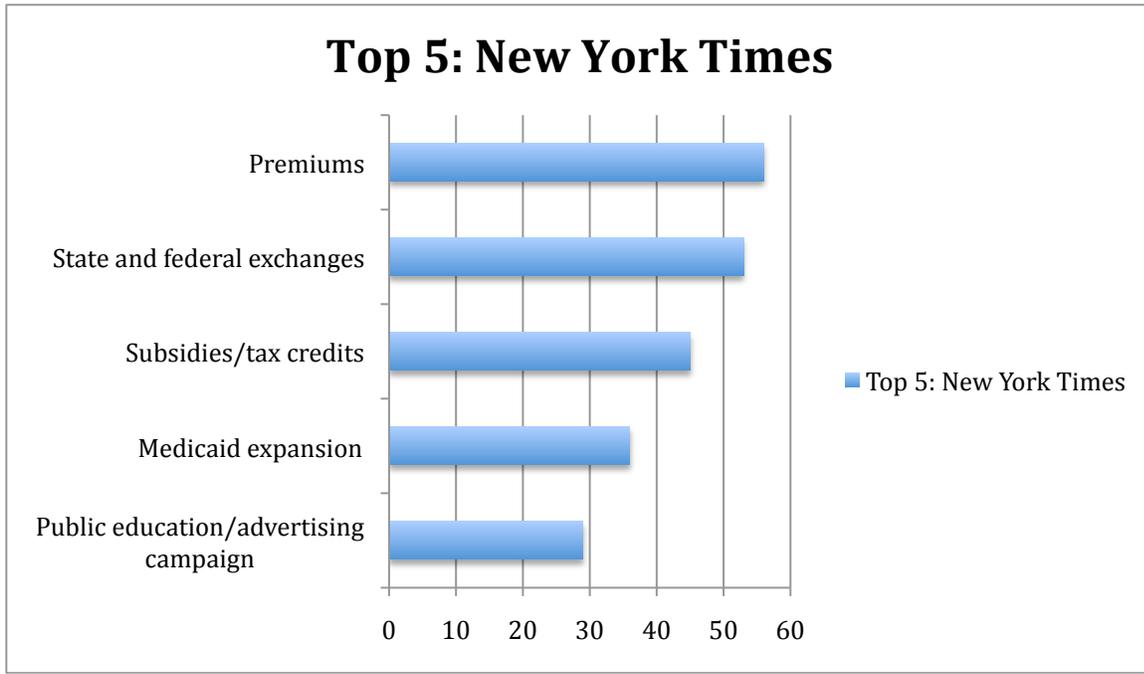
### Top 5: Mass media/newspapers

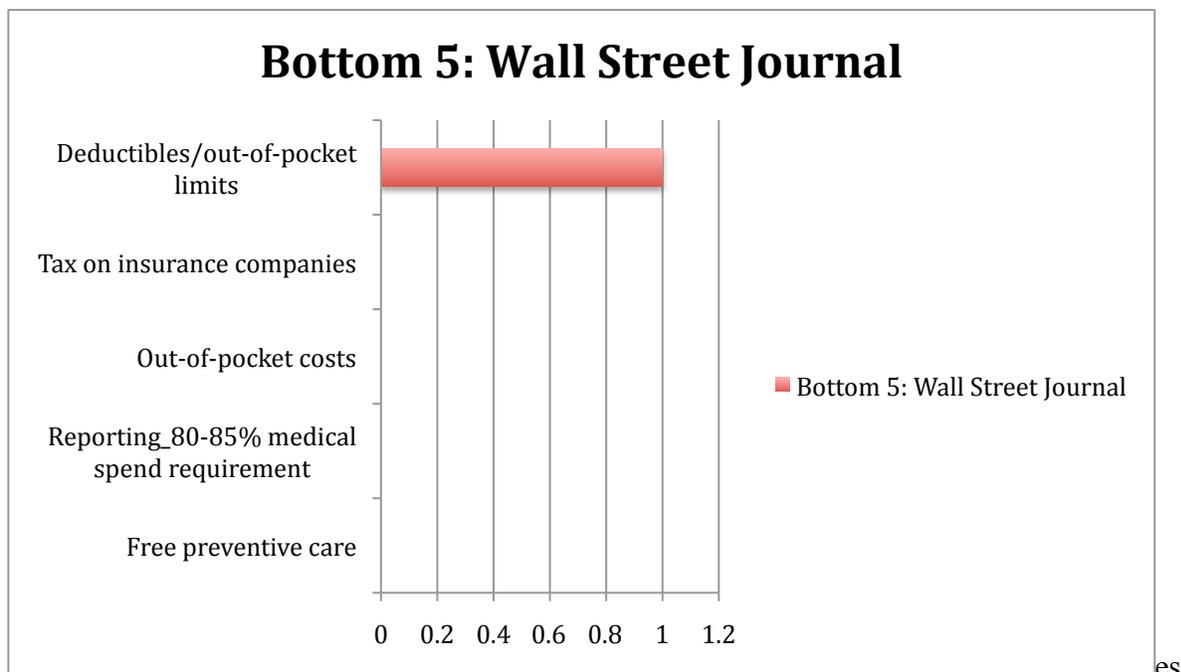
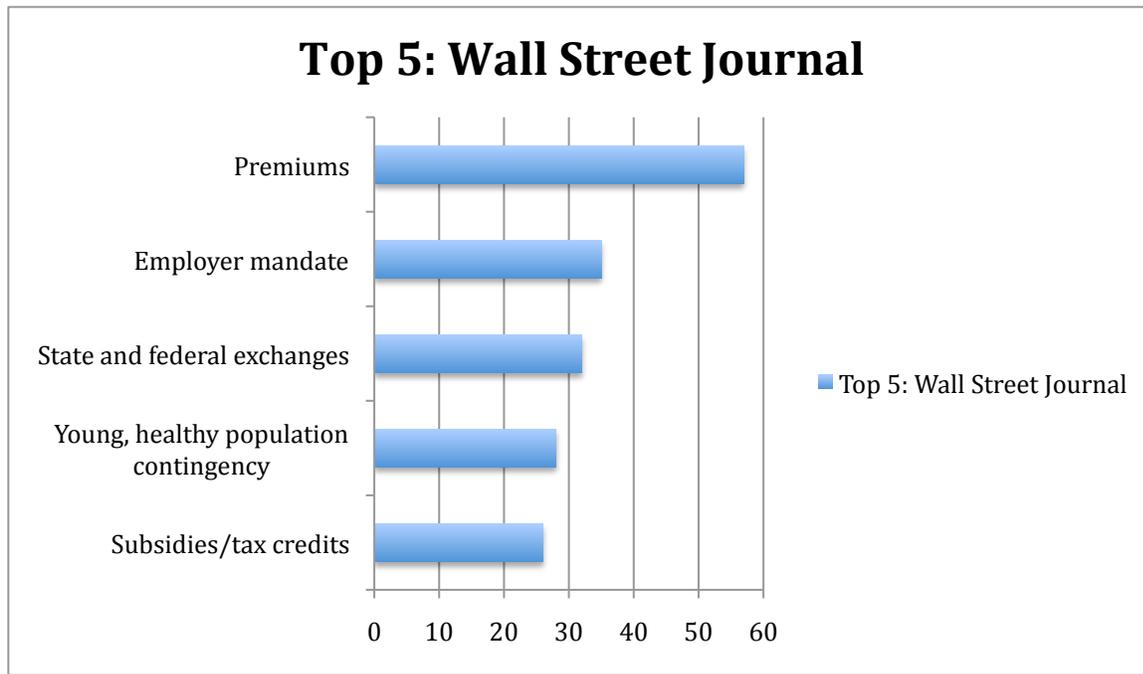


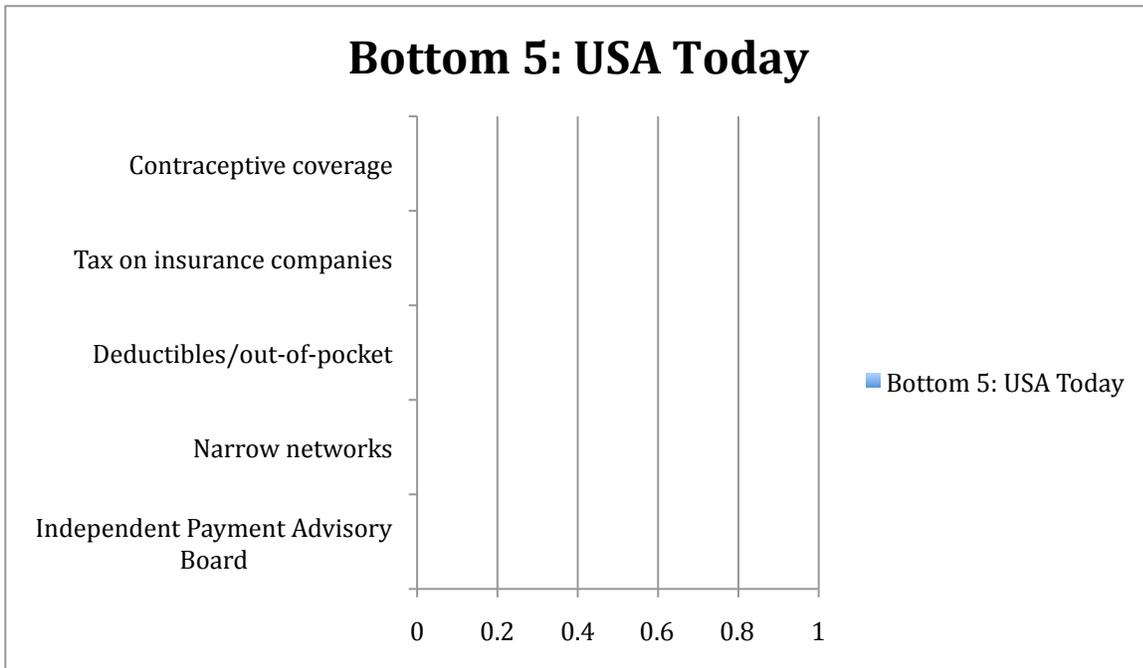
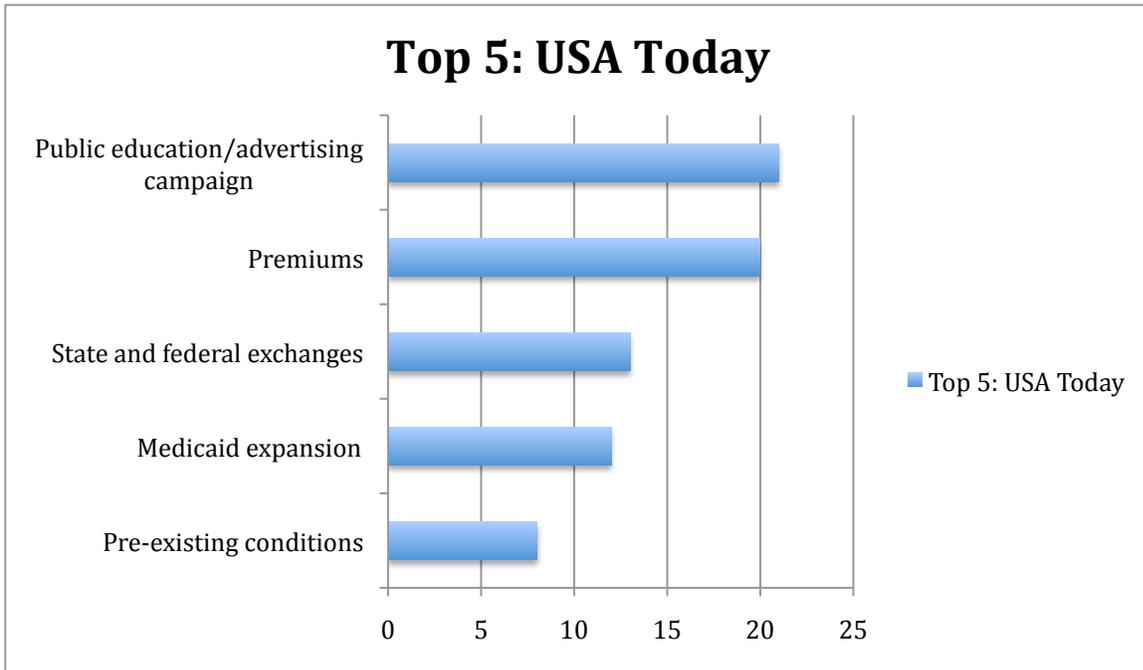
### Bottom 5: Mass media/newspapers

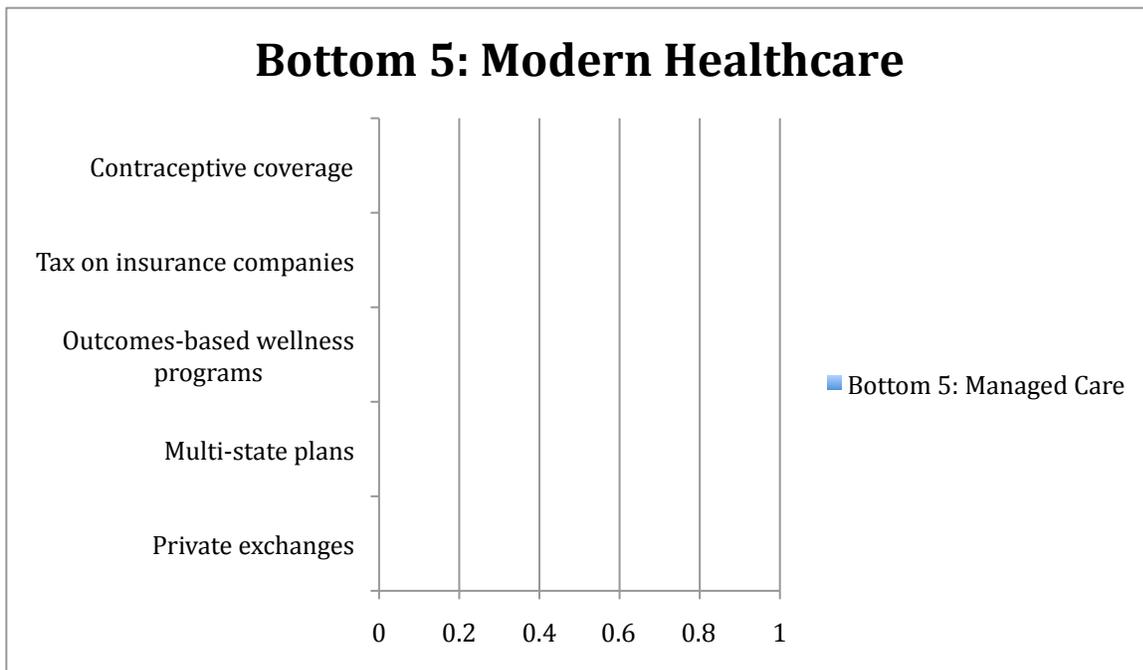
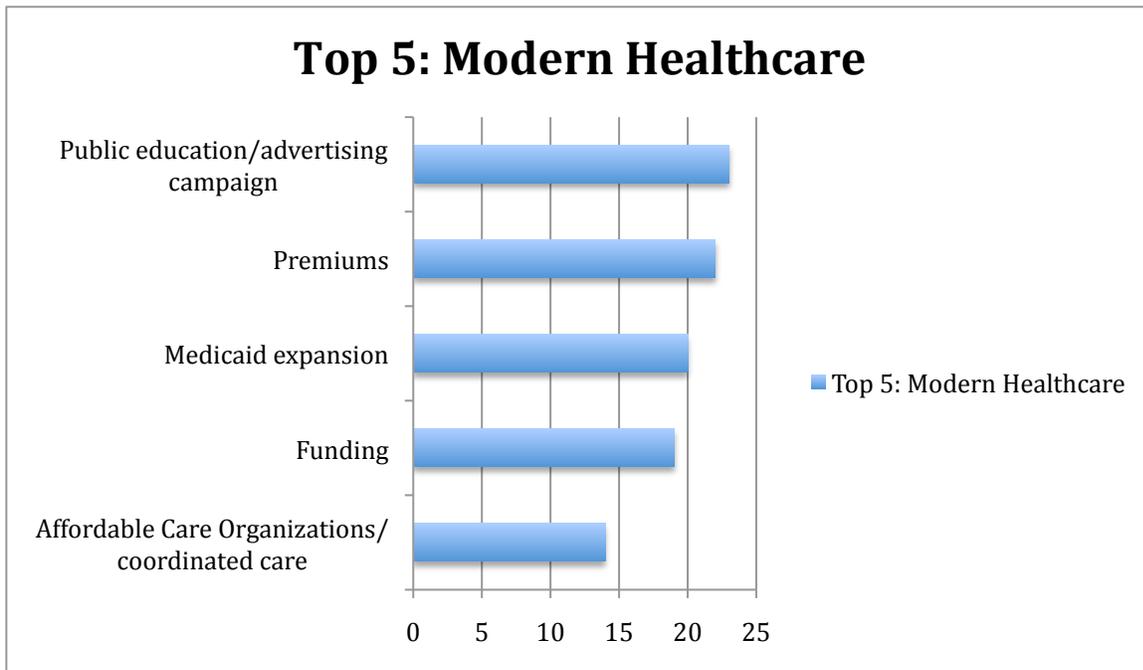


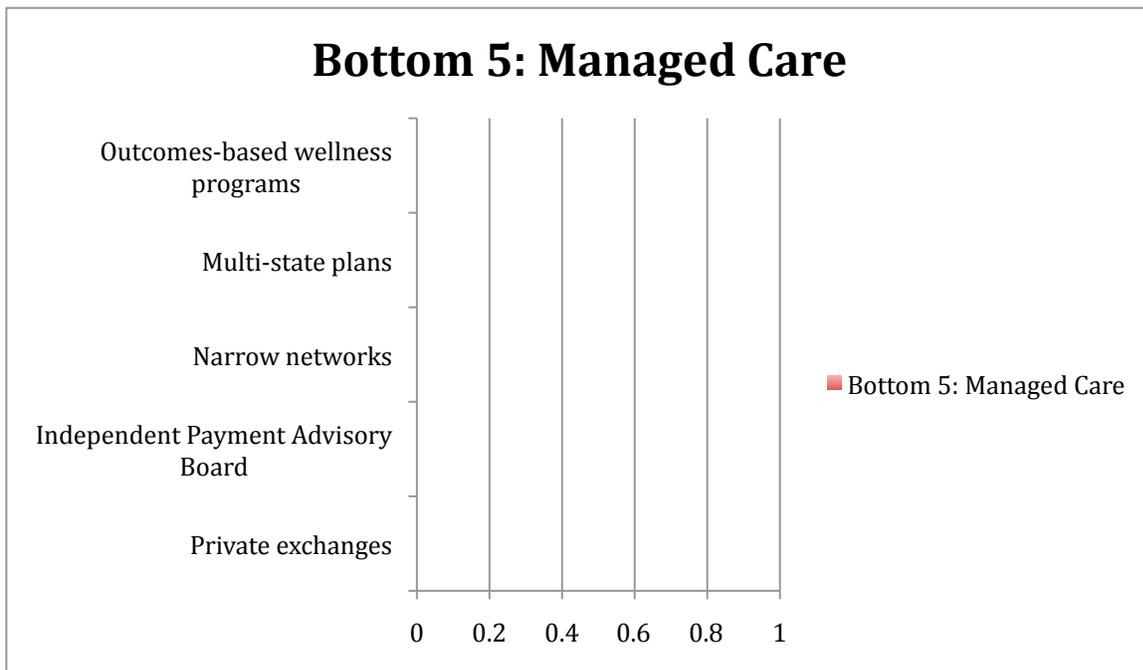
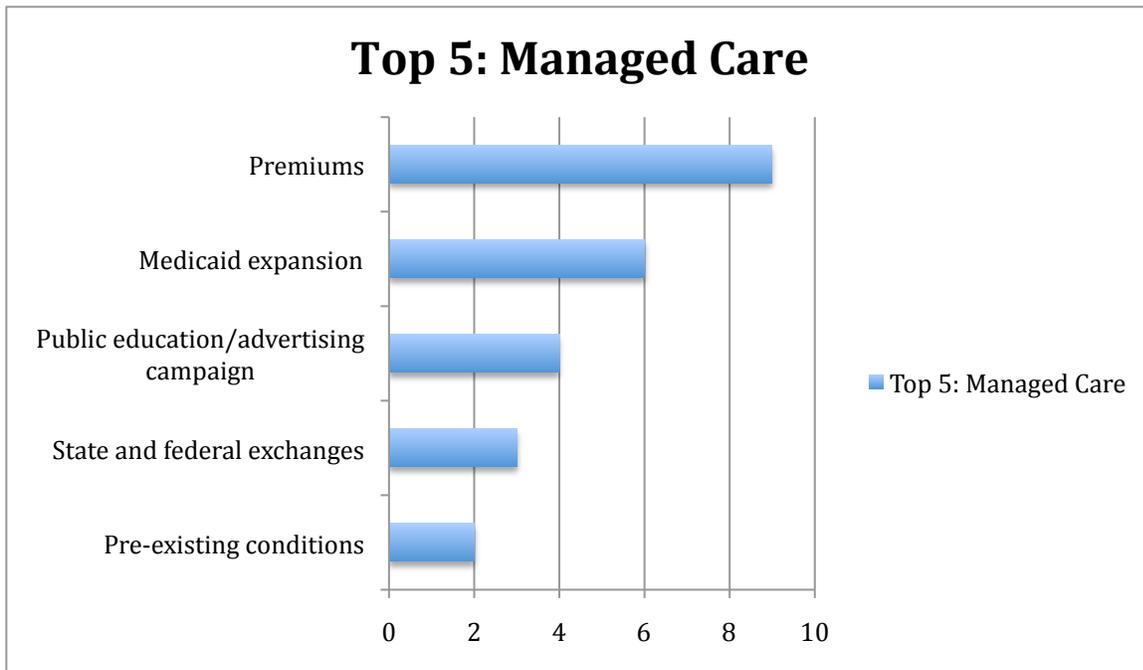


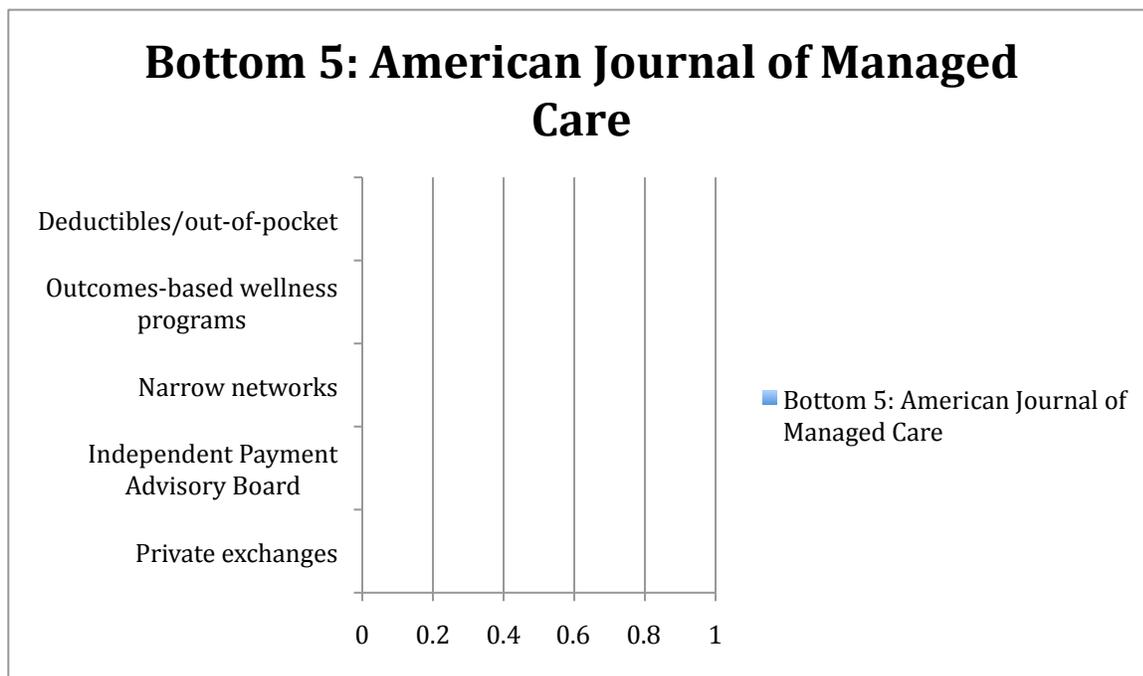
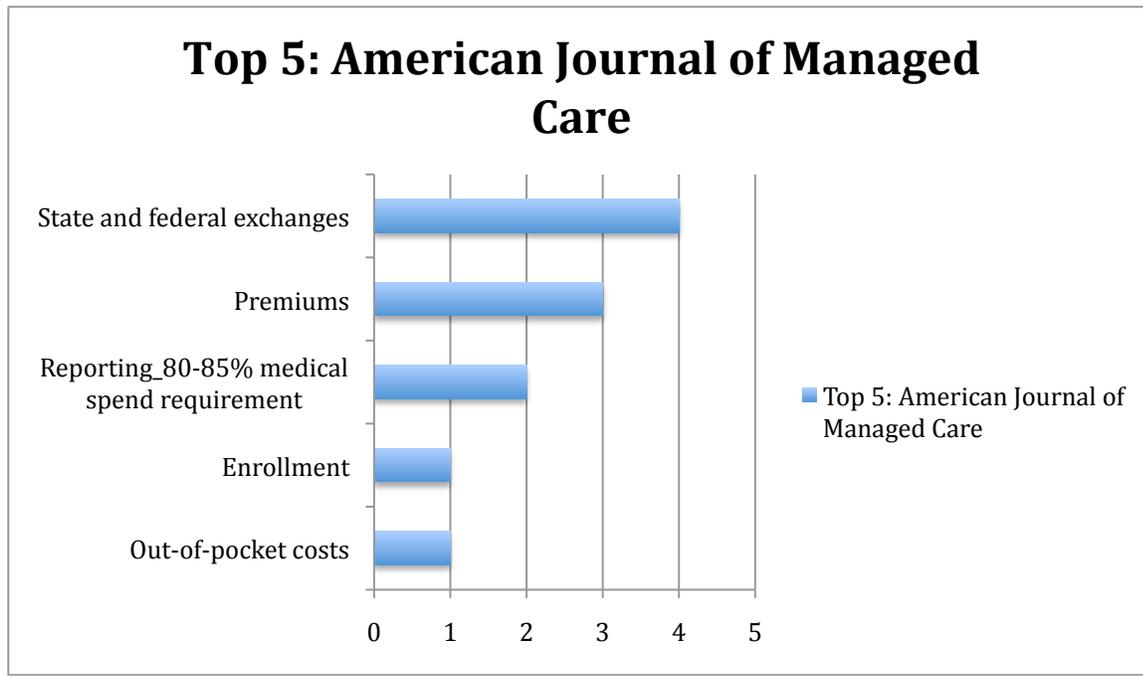












*Newspapers.* Five components of the ACA were emphasized in order of greatest to least instances within the three newspapers: premiums, state and federal exchanges, subsidies and tax credits, public education and advertising campaigns, and the employer mandate. When all findings from the articles were combined, the understanding gained by the readers on each of these provisions is summarized by topic below.

*1. Premiums.* The cost of health insurance premiums was the most important factor for 48 percent of people, according to a Blue Cross Blue Shield survey in the *Wall Street Journal*, and one of the most important factors for 26 percent of individuals surveyed, trumping all other considerations people gave for making a health insurance decision. In that survey, consumers who intended to shop on the state and federal exchanges indicated their willingness to sacrifice some choice of providers and flexibility in their health care network in exchange for lower premiums. Given its importance to consumers, the *New York Times*, *Wall Street Journal* and *USA Today*'s focus being most heavily on the premium component of the ACA, with 133 instances of the word premium in all articles spanning a seven month timeframe, is not surprising given its importance to the public. Whether premiums will be higher or lower is unknown since articles in the three newspapers give contradictory reports.

*Lower premiums.* The ACA was designed to foster competition among insurers on the state marketplaces, which is supposed to drive down prices and offset factors that cause premiums to spike. For more than 6 million Americans who are eligible to buy insurance through the online exchanges, *USA Today* indicated insurance premiums will cost \$100 or less per month with a caveat: lower premiums apply to customers who buy mid-tier "silver" plans on the exchanges beginning Oct. 1. An article in the *Wall Street Journal* estimated that individuals in

the lowest income bracket who are eligible to buy insurance on the exchanges could expect more than an 80 percent decrease in their premiums. It also predicted premiums will likely decrease for people in their 50s and 60s since they are not allowed under the ACA to be charged more than three times the average premium paid by a 21-year-old. The “3-to-1 rule” will hold down costs for individuals in a higher age bracket who currently pay five times more for insurance than younger people. The drawback to lower premiums is limitations in patients’ choice of providers.

Premiums on some state and federal exchanges were reported to be lower than originally expected. The ACA, according to a New York Democrat quoted in the *New York Times*, is reducing insurance premiums in New York, Washington, Oregon, California and other states. In a *USA Today* article, California announced individual premiums on its exchanges could be 29 percent lower than originally anticipated. As reported in the *New York Times*, HHS’s expectation that insurance premiums in 10 states and Washington D.C. were going to be nearly 20 percent lower in 2014 than originally projected by the Obama administration was in line with the 20 percent premium reduction range reported in *USA Today*, although critics in several publications questioned whether the administration disclosed the full picture. In the *Wall Street Journal*, the Obama administration announced during the week the exchanges went live that premiums will be lower than originally forecast for 36 states.

*Higher premiums.* Premiums are predicted to increase for some people as a result of ACA, but are not necessarily expected to soar for all individuals. Reports within the same and across the six publications predicted varying degrees of premium cost increases, depending on the source cited in the articles and group or individual affected by the ACA.

An article in the *Wall Street Journal* reported that health insurers are warning brokers of premiums that could drastically increase in 2014, with rates more than doubling next year for some individuals.

One reason cited in *USA Today* for those who buy insurance on the exchanges facing potentially higher premiums than individuals with employer-sponsored insurance is attributed to only the healthiest people being able to buy health insurance under the pre-ACA health system. In *USA Today*, an American Health Insurance plan spokesman said some Americans who buy insurance will face sticker shock because the system has changed and insurers no longer charge less for the younger, healthier population and more for the older, sicker population. The paradigm has shifted. In the *Wall Street Journal*, businesses with younger, healthier employees are expected to pay higher health insurance premiums next year with rates that are double or triple their current costs. The business-oriented newspaper expects firms in Missouri could see an 89 percent increase in premiums, a 91 percent rise in premiums in Indiana and a 101 percent premium hike in Nevada. Controlling costs under the ACA's provisions is predicated upon young, healthy individuals signing up for insurance coverage. If this subset of the uninsured population does not enroll and only those with chronic conditions do sign up, premiums are predicted in the publications to be driven upward over time.

The *New York Times* and *Wall Street Journal* cited a State of California study which showed that insurance premiums will be higher as a result of compliance with the ACA because it requires offering individuals more robust health insurance that covers 10 essential areas, building in medical taxes and fees that will be levied on health insurance companies, absorbing higher medical care costs, and providing individuals with pre-existing medical conditions

insurance coverage. A *Wall Street Journal* article predicted that the \$63 per employee insurance tax will raise premiums by about 1 percent next year.

The *New York Times* quoted opponents of the ACA in Ohio and who predicted that the health care law will raise premiums to astronomical levels. In the *Wall Street Journal*, the State of Indiana announced premiums that might be 72 percent higher than expected and State of Florida premiums that will increase by 35 to 50 percent.

Higher premiums have a negative political effect on Democratic backers of the law and have become the latest focus of political disagreements over the ACA. According to the *New York Times*, President Obama met with insurance executives to coordinate their joint messaging strategy if the exchanges cause drastic premium increases. Republicans have tried to persuade the public that the ACA will cause higher premiums.

Articles in *USA Today* and the *Wall Street Journal* indicate premium prices are contingent upon an individual's geography, age, plan, and tobacco use. The *Wall Street Journal* showed early nationwide premium prices fluctuating on a state-by-state basis. Health insurance prices largely depend upon whether states align well with provisions of the ACA.

2. *State and federal exchanges.* All three newspapers were in agreement that the health care law's core feature and central mandate is the online exchange in which millions of individuals can purchase and compare prices for health insurance policies or pay an annual penalty on their taxes if they do not enroll. Open enrollment began Oct. 1, 2013, and ends March 31, 2014. All newspapers indicated most Americans have to sign up under the ACA's individual mandate provision by the beginning of 2014 or pay fines.

Consumers can select among the following options: catastrophic (for people 30-years-old and under), bronze, silver, gold and platinum plans, which are listed in order of coverage and cost from least to greatest respectively. A *New York Times* article indicated that insurers intend to offer between five and 15 health plans per state on the exchanges, though individuals purchasing insurance on the exchanges in some states—Maine, for instance—will have only two options. According to the *Wall Street Journal* and *New York Times*, the health care law requires a minimum of two participating insurers on every online exchange: one incumbent and a non-profit start-up. In contrast to the limited options offered on the exchanges in some states, the *New York Times* says California's state exchanges will feature 13 choices of insurers, most of which are well-known companies with an estimated 2.3 million Californians expected to enroll in the next four years based on projections in the *Wall Street Journal*.

Optional participation of states on the exchanges has been a problematic provision that was covered negatively in most of the publications. Less than half of the states established their own exchanges. The *New York Times* reported that one state, Missouri, is actually impeding the federal government from creating an exchange. An article in *USA Today* said that HHS is required by law to set up exchanges in states that are unable or unwilling to do so. The federal government has full control over marketplaces in 19 states and joint control in 15 states, according to the *New York Times*. The *Wall Street Journal* gave a conflicting report by indicating that the federal government is running exchanges for 26 states. The federal government's assumption of this responsibility resulted in a need for an additional \$1 billion in funding, as reported in the *New York Times*.

Federal and state governments were behind schedule because of delays and political opposition to the law and rushed to build insurance marketplaces by the Oct. 1 deadline. The *Wall Street Journal* reported that most of the states' key ACA activities to become ready for the online exchanges were between 17 and 75 percent late in June. Less than a month before the online marketplaces opened to consumers, plan details were not available for comparison-shopping. Shortly before fall enrollment on the marketplace began, state exchanges had not released details about which prescriptions would be covered and at what cost. For many online exchanges that were not operational on Oct. 1, the *Wall Street Journal* indicated individuals had the option of signing up by filling out paper applications or calling insurance agents.

Several *New York Times* articles reported that a major technological ACA-related challenge involves having the federal government establish a computer network that can verify eligibility, income, citizenship and subsidy eligibility by coordinating across several agencies—the Department of Health and Human Services, the IRS, the Social Security Administration and the Department of Homeland Security. The state exchanges need to coordinate with the federal exchanges while simultaneously meeting privacy and security requirements.

3. *Subsidies and tax credits.* Millions of lower-income individuals without access to health insurance through their employers or other sources will gain federal subsidies and tax credits to offset their premiums and out-of-pocket costs. The *Wall Street Journal* reported that as many as one-fourth of subsidy-eligible individuals do not have bank accounts and many are uncertain if they will be eligible for federal funding. Coverage of subsidies was generally reported positively from the perspective of the low-income individuals who would be benefiting

from them as recipients, but negatively from an eligibility coordination and verification standpoint.

Articles in the *New York Times*, *USA Today* and *Wall Street Journal* identified those who are eligible for subsidies: 7 million people with incomes up to 400 percent of the poverty level—\$45,960 per individual or \$94,200 for a family of four—if a minimum of a bronze plan is purchased through the exchanges. The credit can be applied immediately to premiums.

According to information within *New York Times* articles, the following individuals are ineligible for subsidies: people whose employers offer insurance coverage, unless their portion of the premium exceeds 9.5 percent of adjusted gross income or if employers do not cover 60 percent of medical costs. Additionally, the *Wall Street Journal* reported approximately 7.4 million people will not qualify for subsidies because they are below the poverty line and live in states in which Medicaid expansion did not occur, contrary to the original purpose of the health care law.

*Wall Street Journal* and *New York Times* articles were in agreement that an ACA provision requires individuals pay back subsidies, sometimes thousands of dollars, if their incomes rise that year or if their application was not completed correctly. Family size and income fluctuations impact subsidy eligibility throughout the year.

The IRS's pay-first-verify-later approach to subsidies was presented in some publications as another problematic component of the ACA. According to the *New York Times*, the IRS was originally required to examine tax returns for subsidy eligibility, but the Obama administration delayed the requirement that federal and state exchanges verify whether people qualify for subsidies in 2014. Senator Orrin G. Hatch of Utah, senior Republican on the Finance Committee,

was quoted in a July 17, 2013, *New York Times* article saying it was, “little more than an honor system for billions of dollars of premium subsidies.”

To hedge against criticism around subsidy verification, the Obama administration hired Equifax at a price of \$329.4 million for the first 12 months the exchanges were operational, according to the *New York Times*, to determine federal subsidy eligibility since fraud remained a concern. A *Wall Street Journal* article estimated subsidies are expected to account for \$22 billion in the 2014 federal budget. *USA Today* reported the CBO’s estimate that subsidies will cost approximately \$350 billion through 2019, but taxes and savings in the ACA are expected to offset costs. The *New York Times* expects that taxes on the upper 1 percent of Americans will fund the subsidies, at least initially.

*4. Public education and advertising campaign.* The *New York Times* reported that from 2010 to 2015, \$1 billion will be spent on pro- or anti-ACA ads, according to the Campaign Media Analysis Group at Kantar Media. By July 2013, half of that money was already spent and *USA Today* reported that anti-ACA ads have run nearly five times the number of television commercials as pro-ACA ads.

*Pro-ACA efforts.* ACA advocates’ public outreach and advertising audience is broad. According to the *New York Times*, their efforts target low-income people, minorities and individuals with disabilities. Further, the Obama administration has focused its public outreach on young, healthy individuals who are critical of the ACA; Hispanics, the group most likely to be uninsured; and women.

The *New York Times* said health care providers and community organizers began sharing information on the ACA with the public six months before its Oct. 1 marketplace enrollment date and HHS ran \$46 million on pro-ACA advertisements since March 2010. According to the *Wall Street Journal*, HHS gave community health centers across the United States \$150 million for outreach and enrollment while navigators received \$67 million in federal grants. According to *USA Today*, the federal government kicked off a 100-day public education campaign in late June to unveil its website and call center, both of which are available to consumers 24 hours a day seven days a week. The *Wall Street Journal* reported that the Obama administration awarded a public relations company \$8 million for a consumer education campaign and the *New York Times* said the administration recruited local officials to promote ACA in states where governors have been unsupportive. Actors and entertainers have also been recruited to reach younger uninsured individuals.

The newspapers reported that states that chose to operate their own exchanges are spending several million dollars to promote the ACA. The *New York Times* said one of the state exchanges, Connect for Colorado, plans to spend more than \$21 million marketing and advertising while another exchange, Covered California, projects spending \$86 million in advertising through April 2015. The *Wall Street Journal* said the California exchange launched a \$236 million federally-funded marketing campaign this year to enroll 1.4 million Californians in 2014 while the State of Minnesota spent \$9 million on its marketing and outreach campaign. The *New York Times* reported that the State of New York's health exchange designated \$40.2 million in ACA-related advertising and marketing spending over the next two years. Insurance companies are also spending millions on direct advertising to consumers as a result of the ACA.

*Anti-ACA efforts.* The *New York Times* quoted the Democratic Senate Finance Committee Chairman as saying pro-ACA education and outreach efforts have been lacking. The *Wall Street Journal* reported that the federal government's advertising budget is limited in the 33 states with 28 million uninsured residents where it is running the exchanges.

*USA Today* reported that ACA critics spent \$385 million on television advertising from March 2013 to June 2013, according to Kantar Media. The *New York Times* reported that most of the \$400 million in ACA-related advertising is from its opponents while only \$75 million was spent positively casting the ACA. Conservative groups mentioned in the *New York Times*, *Wall Street Journal*, and *USA Today* spent more than \$1 million on television commercials which delivered the message that the ACA will limit health choices, \$15 million last year on anti-ACA television ads, \$3 million in an anti-health law advertising campaign that ran in six states at the end of September, and \$40 million in anti-ACA advertising.

5. *Employer mandate.* The three newspapers consistently represented the employer mandate provision. Small businesses with more than 50 employees were required under the 2010 ACA to provide insurance to their workers or be assessed a penalty starting at \$2,000 per employee, excluding the first 30 employees, until the Obama administration announced on July 2 that the mandate would be delayed until 2015. *USA Today* reported that only 7 percent of employers with more than 50 employees do not offer health insurance and the *New York Times* indicated that the small business provision will affect approximately 29 million businesses. According to a *Wall Street Journal* article, the fine increases to \$3,000 per employee if employers offer coverage but do not meet the law's minimum requirements.

Some restaurants and other employers reduced employees' hours from full-time, defined as 30 hours per week under the health care law, to part-time to avoid costs associated with providing insurance coverage. The *Wall Street Journal* said others are keeping their workforce below the 50-employee threshold to avoid triggering the mandate's requirements, cutting back on the amount they contribute to employees' health insurance costs, limiting health insurance plans to qualify for minimum health insurance coverage under the law, renewing insurance plans before Jan. 1, or eliminating dependent or spousal insurance coverage. Some restaurants are reportedly considering selling their business while others have found that the ACA will not be as detrimental to them as originally anticipated. Some small businesses would rather pay penalties than provide insurance; however, the *Wall Street Journal* reported that failing to provide insurance causes employers to forfeit their tax deduction for health insurance and increases their risk of losing employees to competitors. The *Wall Street Journal* focused more heavily than any other newspaper on the employer mandate, which is likely attributed to its business-oriented focus because of readership.

The employer mandate delay caused Republicans and other individuals to question whether additional ACA provisions were ready to be rolled out to the public and ask that the individual mandate be delayed as well. Both the *Wall Street Journal* and *USA Today* cited the Obama administration as attributing the delay to scaling back the complexity of small-business marketplaces and simplifying the employer mandate's reporting requirements. Across all three newspapers, Republicans suggested that the delay was connected with timing for the 2014 midterm election and mitigating the potential negative effects the employer mandate could have upon it.

The *New York Times* reported that the House Ways and Means subcommittee investigated the lawfulness of President Obama's decision to delay until 2015 a major provision of the ACA. After businesses pressured Washington, the delay occurred. According to the *Wall Street Journal*, the National Restaurant Association heavily lobbied lawmakers to raise the number of working hours per week for employees affected by the requirement. Union groups were outraged by the Obama administration and Washington's decision to favor businesses.

*Health care trade publications.* Five components of the ACA were emphasized in order of greatest to least instances within three health care trade publications: premiums, public education and advertising campaigns, Medicaid expansion, funding, state and federal exchanges. When all findings from the articles were combined, the information disseminated to readers on each of these provisions is summarized by topic below.

*1. Premiums.* The three health care trade publications provided mixed findings as to whether premiums would rise or fall. Articles in *Modern Healthcare*, the leading health care industry weekly publication among health care executives, attributed increasing premiums to more robust health insurance coverage under the new plans and the increase in individuals who receive uncompensated or charitable care under the ACA. The publication predicted higher premiums—with double-digit hikes in 43 states—for certain industry sectors or people: manufacturers, energy companies, individuals and families who purchase insurance policies, as well as tobacco users. *Managed Care*, a health care trade publication distributed to managed care leaders, mentioned that older individuals can be charged only three times more than the youngest adult and smokers can pay up to one and a half times more than nonsmokers.

The same publication, *Modern Healthcare*, predicted lower premiums for individuals with pre-existing chronic conditions or narrow provider networks and Californians who purchase insurance on the exchanges. HHS showed in *Modern Healthcare* that average premiums were lower than originally expected for plans on the state exchanges and several insurance options offered through the 36 federally-facilitated exchanges. In *Managed Care*, a RAND Corporation analysis showed that 10 states will experience no widespread premium increases.

In *Modern Healthcare*, America's Health Insurance Plans, an insurance industry lobbying group, said premium insurance cost increases will vary widely on a state-by-state basis. *Managed Care* illustrated this statement when it predicted that three states—Minnesota, North Dakota and Ohio—could face premium increases while two states—Louisiana and New Mexico—may face premium declines based on the proportion of each state's residents who have insurance. *Modern Healthcare* claims that states with regulations in line with the ACA should see minimal premium changes. Alternately, states least similar currently to the ACA will face higher premiums.

2. *Public education and advertising campaign.* The health care trade publications overwhelmingly focused on pro-ACA campaign efforts. Nearly all of the outreach references were in the *Modern Healthcare* publication because it is published on the most frequent basis.

*Modern Healthcare* noted that HHS kicked off its public education and outreach campaign this summer nearly a year to the date after the U.S. Supreme Court found the ACA to be constitutional. *Modern Healthcare* also said the Obama administration's outreach campaign that launched in the second quarter included more than 9,000 customer service representatives

who were available to consumers through a toll-free number with nearly \$150 million in funding provided to community outreach centers to assist customers with enrollment. The Obama administration's call centers intend to reach uninsured individuals by targeting the Latino population and recruiting sports figures as public spokespersons for the ACA. *Modern Healthcare* also noted that women health care leaders were enlisted to communicate the importance of ACA since they said women make 80 percent of health care decisions. Health insurance companies changed their marketing tactics as a result of the ACA. *Modern Healthcare* reported that one insurance company, Humana, spent nearly \$3.2 million in online advertising last year alone. State exchange spending was also called out in the *Modern Healthcare* publication: Cover Oregon spent \$3.2 million in the first phase of its advertising campaign, Washington state spent \$18.7 million and California is running an \$80 million advertising campaign.

*Modern Healthcare* pointed out that most states were behind on their public education outreach efforts that had not yet begun as of early this summer. According to a *Modern Healthcare* article, of the more than \$500 million spent on anti-ACA advertising since 2010, four times as many advertisements were unsupportive of the health care law.

3. *Medicaid expansion.* Medicaid expansion became a controversial topic under the health care law when the Supreme Court allowed states to determine whether they would expand or opt out. *Modern Healthcare* indicated that Medicaid expansion is supposed to provide up to 10 million people with incomes below 138 percent of the poverty line—a little more than \$15,000 per year for a single adult or \$26,000 for a family of three—coverage under the program in 2014 in states where expansion was approved. If the Supreme Court had not overturned

Medicaid expansion, *Modern Healthcare* indicated approximately 16 million low-income Americans would qualify for coverage. Under the current rendition of the law, according to HHS, anyone who is not newly Medicaid-eligible cannot receive a 100 percent federal funding match. *Modern Healthcare* said for states participating in Medicaid expansion the federal government will provide 100 percent coverage during the next three years. Post-2016, their contribution will be reduced to 90 percent. According to figures cited within *Modern Healthcare*, North Carolina turned down more than \$4 billion in federal funding over the next decade when it opted out of Medicaid expansion, and may be subject to rising wage taxes and increased premiums along with other non-Medicaid expansion states. In states that do not expand Medicaid, *Managed Care* said the uninsured will be required to sign up in the individual marketplaces, resulting in premium insurance rate increases in three states of 8 to 10 percent.

4. *ACA funding.* By design, the ACA has aggressively attempted to lower healthcare costs. However, the health care law has also generated significant expenses. In 2013, *Modern Healthcare* said a \$435.8 million shortfall in federal funding of the ACA was taken from the preventive fund to cover the health care act. In the same publication, an article disclosed the \$440 million allotted in the 2014 federal budget to IRS enforcement of the ACA also noted post-2013 health care law funding will be mostly covered by fees collected on the exchanges from insurers as soon as the marketplaces go live and pointed out a \$10 billion revenue hit to the federal government when the employer mandate was delayed this year. *Modern Healthcare* also reported that not-for-profit insurance plans originally slated to receive \$6 billion in federal funding were given \$2 billion in federal loans to cover startup costs to participate on the exchanges and meet state requirements.

5. *State and federal exchanges.* With only 15 references to state and federal exchanges in the three health care trade publications, this topic is covered on a cursory level, but not in-depth like it was with the 98 references in the three newspapers. What readers do know from *Modern Healthcare* is that the exchanges were supposed to operate in every state and they intend to cover 7 million individuals in 2014 whether run by states or the federal government. The *American Journal of Managed Care*, a peer-reviewed journal distributed to managed care physicians, provided information on four tiers of insurance coverage—bronze, silver, gold and platinum—with increasing costs and benefits that range in value from 60 to 90 percent. According to this publication, the federal government has been asked by 27 states to run their exchanges. This number was inconsistently reported across all publications that were assessed. *Modern Healthcare* claimed that covering every American who is ineligible for Medicare or Medicaid is the ACA's goal and that in states where the federal government is running the exchanges, consumers will have between six and 169 insurance plan choices with an average of eight participating insurance companies on each exchange.

*Part Three: Positive Versus Negative Coverage of ACA*

ACA-related coverage was assessed across six publications to examine the ratio of positive to negative coverage as well as the content—what is being said—that cast ACA positively or negatively. Coverage of the ACA in three nationally-distributed newspapers with the highest circulation: the *New York Times*, *USA Today*, and the *Wall Street Journal* was compared with three of the most widely read health care trade publications among the top insurance companies in the United States: *Modern Healthcare*, *Managed Care*, and *American Journal of Managed Care*. Key words and phrases were used to code for positive coverage (for instance, gain, benefited, lowered costs, better, helped, praised, positive, proponents, promotes, encouraged) versus negative coverage (for instance, cautioned, lack, unfavorable, oppose, overturned, increased costs, unable, unaware, difficult, challenging).

Five of the publications published considerably more negative coverage of the ACA than they did positive coverage. Negative coverage of the ACA combined with primarily negative public education and advertising campaigns is likely to have an adverse effect on the public's perception of the ACA. While readers might expect that the health care industry, the one most likely to benefit financially from the ACA provisions, to be considerably more positive in its coverage than mass media, they would be surprised to find that is often not the case. Only one health care trade publication's coverage was more positive than negative.

*The results.* The *Wall Street Journal* had 93.6 percent (175) negative references to 6.4 percent (12) positive references. *New York Times* articles had 81 percent (154) negative references to 18.9 percent (36) positive references. *USA Today* had a smaller sample size with 65 articles as opposed to the *New York Times*' 127 articles and *Wall Street Journal*'s 126, but there

were 79.2 percent (76) negative references to 20.8 percent (20) positive references. All three newspapers heavily leaned toward negatively referencing the ACA, which was commonly referred to as ObamaCare. The health care trade publications referred to the health law as the Patient Protection and Affordable Care Act. *Modern Healthcare* had the most articles (106) and is published on the most frequent basis, weekly, as opposed to *American Journal of Managed Care*'s monthly and *Managed Care*'s bi-monthly distribution with four ACA-related articles and eight articles respectively. *Modern Healthcare* had 86.2 percent (131) negative references to 13.8 percent (21) positive references. *Managed Care* had 71.4 percent (5) negative references to 28.6 percent (2) positive references. ACA-related coverage in *American Journal of Managed Care* was minimal during the seven months with only four articles in total, but the coverage was more positive than negative. The publication had 81.8 percent (9) positive references to 18.18 percent (2) negative references.

*Negative coverage.* References that negatively addressed the ACA far outweighed those that were positive in nearly all publications. The law is not functioning as originally intended since the legislators who passed the ACA envisioned most states establishing and running their own insurance exchanges with robust competition among insurers. Instead, as noted in the *New York Times* and *Wall Street Journal*, the federal government is running the majority of the exchanges. The number of state-run versus government-run exchanges did not match up in the three newspapers, but the inconsistency could have been attributed to different publication dates spanning a seven-month timeframe as state and federal participation was announced on a rolling basis.

Exchange decisions were made along political lines. The *New York Times* and *USA Today* reported that many states with Republican legislators declined setting up exchanges and left that responsibility to the federal government in an effort to make the law fail or intentionally cause people difficulty in discovering their insurance options.

In cases where state officials worked to actively oppose the exchanges and the federal government had to step in to facilitate, *Modern Healthcare*, the leading health care industry weekly publication among health care executives, reported that the federal exchanges faced problems. One of the biggest issues federal exchanges encountered was running behind schedule in setting up the marketplaces. *Modern Healthcare* reported delays with online enrollment for small businesses in the federal exchanges as well as the rollout of some online tools for at least three state exchanges. The *New York Times* and *Wall Street Journal* also noted widespread issues on the state exchanges. The State of Nevada's Spanish-language part of the site is delayed until mid-November, Maryland's small businesses will not be able to buy insurance for their employees through state exchanges until next July and California's consumers probably would not be able to enroll on Oct. 1.

Access to care is not guaranteed to individuals who enroll on the exchanges. The *Wall Street Journal* reported that providers can limit how many exchange patients they will accept, applicants can be rejected when attempting to enter the state exchanges based on the responses they provide in their enrollment forms, and once prices are offered to consumers on the exchanges they cannot be altered. In both *USA Today* and *Modern Healthcare*, the shortage of primary care physicians coupled with the millions of individuals who will gain coverage under the ACA in 2014 was cited as an issue. An article in *USA Today* indicated that the United States

will face a 30,000 primary care physician shortage by 2025, 5,000 of which will be directly linked to insurance expansion under the ACA. *Modern Healthcare* cited a Massachusetts Medical Study which showed that wait times for patients increased after the reform law was enacted in that state, growing from 29 days in 2010 to 45 days in 2012.

Medicaid expansion did not occur in all states because the Supreme Court overturned the mandate and gave each state the option to participate. As a result, 27 states have opted out prohibiting 7 million uninsured individuals from receiving coverage, according to the *Wall Street Journal*. Projections differed in *USA Today* in which the lack of Medicaid expansion in some states was projected to keep 5 million people from obtaining insurance coverage in 25 states. The *New York Times* said more than half of all people without health insurance live in states that are not planning to expand Medicaid. Former President Clinton was quoted in the *New York Times* as saying the Supreme Court's decision to uphold the law created a "whopper of a problem" by allowing states to opt out of Medicaid expansion. As a result, many will be uninsured.

Medicaid expansion decisions, similar to optional state exchange participation, were made along political lines with most Republican governors declining to expand the program. The *New York Times* reported that at least 25 states, those with Republican governors or Republican-controlled legislatures, did not expand because of what they cited as prohibitive long-term costs with strings attached. According to *Modern Healthcare*, opponents were concerned with the cost of "free" Medicaid dollars that they believed would be better suited toward paying down federal debt. In *Wall Street Journal* coverage, states that expand Medicaid may never be able to opt out under the ACA's rules and the Supreme Court ruling. Casting additional negative light upon

Medicaid, *Modern Healthcare* cited more than \$750 billion in Medicaid cuts that are expected to negatively affect health care providers over the next decade because of Medicaid expansion.

Medicaid program results were called into question in two of the publications. One case cited in the *New York Times*, which was based on a Medicaid Oregon Health Study, showed that Medicaid-covered individuals spent more on healthcare and were not healthier in terms of hypertension or high cholesterol. *USA Today* cited peer-reviewed medical journals, which indicated Medicaid patients have worse outcomes—more deaths, lengthier hospitalizations, more serious complications from surgery, cancer, heart disease, transplants and AIDS—than similar patients with private insurance. In fact, Medicaid patients often had worse outcomes than patients without medical insurance. Health economists in the *New York Times* predicted Medicaid-related cost increases in the hundreds of billions of dollars.

The publications reported that the ACA will cause some individuals to lose health insurance coverage. The *Wall Street Journal* cited a CBO July and September 2013 projection which indicated that 3 million individuals will lose their insurance in 2014 because of the ACA and 6 million people will pay the individual mandate tax penalty either because they do not want or cannot afford coverage. The *Wall Street Journal* went on further to claim that 30 to 40 million people or one in 10 Americans will be damaged by the ACA.

The Obama administration has issued several retractions related to the ACA that were documented in the *New York Times* and *Wall Street Journal*. President Obama said previously that the law would drive down costs. However, projected premium increases that were reported near the Oct. 1 exchange enrollment date did not match what consumers could realistically

expect in terms of costs. President Obama said Americans could keep their health insurance plans, but that statement has proven inaccurate over time.

*Wall Street Journal*, *New York Times* and *USA Today* reports of increasing premiums decreased the ACA's popularity. Separate accounts ranged from citing 30 percent increases for the uninsured population to premiums that could skyrocket nationwide to higher premiums for individuals with insurance coverage. According to the *Wall Street Journal*, 55 percent of voters have a "great deal" of concern about insurance costs, premiums and copayment increases because of the ACA. This is not mentioned often, but out of pocket limits were reported as delayed until 2015 in the *New York Times*, effectively removing the cap from medical costs for 2014. Karen Ignagni, chief executive of America's Health Insurance Plans, was quoted in the *New York Times* saying, "The rhetoric is all about efficiency. The reality is all about higher prices."

The precondition that the young and healthy population enroll in insurance may be problematic for the ACA. According to articles in the *New York Times* and *Wall Street Journal*, young, healthy individuals who can participate on the state and federal exchanges may want to drop insurance or not enroll initially because premiums could double or triple for these individuals and subsidies favor older people. Encouraging young people to sign up for the exchanges, *USA Today*, the *New York Times* and *Modern Healthcare* acknowledge, may be difficult. The three publications reported that persuading the young and healthy population to enroll in insurance with a modest to minimal penalty is a tough proposition when signing up will cost money for a product individuals have not previously purchased. Referred to as "young invincibles" in *Modern Healthcare*, many of these individuals do not see financial incentive in

paying for insurance. In the *Wall Street Journal*, nearly one in three Americans between 18 and 30 do not believe insurance is worth what it costs. In the same article, an example of young, healthy adults who spend an average \$854 annually on health care was cited. Convincing those individuals that the ACA would require spending \$5,800 annually, nearly \$5,000 more than what they pay now, is difficult. The downside is if the young and healthy population opts out, *USA Today*, the *New York Times* and *Modern Healthcare* predict higher premiums for others.

High costs and a messy rollout could result in low public support for the ACA. The *New York Times* indicated that consumers are confused about whether they are eligible for premium tax credits or Medicaid. As incomes fluctuate, individuals could be bounced from the exchanges to Medicaid to uninsured. According to *Managed Care*, a health care trade publication distributed to managed care leaders, approximately one-third of people eligible for government-sponsored programs have not signed up for them and are forfeiting free assistance. Similar concerns were expressed in the *New York Times* and *American Journal of Managed Care*, a peer-reviewed journal distributed to managed care physicians, clinical decision makers and healthcare professionals, related to the difficulty in calculating whether new plans are more or less expensive and how premiums and out-of-pocket costs compare, whether individuals qualify for subsidies and whether they are assessed a tax penalty.

The government has experienced glitches with its technology on the exchanges and encountered problems issuing subsidies. According to an article in the *Wall Street Journal*, federal government software is miscalculating subsidies on the 36 federally-run exchanges it is operating which could lead to their inappropriate application to individuals. In the first year of the exchanges, individuals self-attest and their enrollment will not be audited by government

agencies. As a result of that practice, the *Wall Street Journal* predicted \$210 to \$250 billion would be applied incorrectly with Washington responsible for the challenge of reclaiming its money.

The *New York Times*, *Wall Street Journal* and *USA Today* conceded that the Obama administration missed several major deadlines including the schedule for consumers obtaining federal subsidies, the availability of the online exchanges and program start dates; postponed the employer mandate until 2015; has been late on approvals and guidance and has poorly executed several provisions of the ACA.

The states have also lagged behind on key deadlines. According to the *Wall Street Journal*, the 17 states running their own exchange were late on approximately 44 percent of milestones that were supposed to be complete by March 2013 while six states were behind on approximately 85 percent of their total work and the remaining states' key ACA activities to become ready for the online exchanges were behind schedule by 17 to 75 percent. *Modern Healthcare* indicated complex technological functions developed on several timelines by state and federal governments were also behind while designing and implementing eligibility and enrollment systems has proven challenging for the states. In spite of multiple reports to the contrary, *USA Today* reported that the federal government met its deadlines, tested its system and collected information critical to ACA's rollout.

For many, particularly ACA political opponents, delaying the employer mandate called into question whether other provisions were ready to be implemented. They claimed its delay undermined the interconnectedness of the law. *Modern Healthcare* said the ACA was designed to fit together like a puzzle with four key reforms that would expand health insurance coverage.

An article in the *Wall Street Journal* discussed the highly integrated nature of the law whose key provisions were dependent upon each other. The *New York Times* concluded that many individuals believed the entire ACA was repealed by Congress or overturned by the Supreme Court as a result of the employer mandate delay and Medicaid expansion amendment. A Kaiser poll cited in *Modern Healthcare* suggested that 42 percent of Americans were unsure whether the law was still in effect. Some individuals struggle with the government's decision to delay the employer, but not the individual mandate since it favored corporations over individuals.

The projected impact of the employer mandate to small businesses has been overwhelmingly negative. In a Gallup poll cited in *USA Today*, small business owners said by 5 to 1 that ACA was going to negatively affect their businesses. It has kept small companies from hiring to avoid crossing the 50-employee threshold and caused businesses to speculate about future job cuts or reduce employees' hours since the ACA's definition of a full-time worker has fallen back from 40 hours per week to 30. A report in the *New York Times* showed that the number of businesses negatively affected by the employer mandate is small, but the mandate has caused a shift in small business practices such as moving full-time employees to part-time schedules. This trend was noted in the *New York Times*, *Wall Street Journal*, *Modern Healthcare* and *USA Today*. Other employers, such as Trader Joe's, have dropped insurance coverage and encouraged employees to seek insurance options in the private exchanges with some employer-provided funding to go toward the cost of insurance premiums. Some employers, *USA Today* said, may drop health insurance entirely and elect to pay a penalty because it costs them less than purchasing insurance for their employers through the exchanges.

Prior to the employer mandate's delay last summer and in anticipation of the provision's 2015 implementation, employers have taken steps or discovered loopholes to avert the provision's projected negative impact. According to the *Wall Street Journal*, insurance companies have allowed some employer groups to renew their policies early or self-insure with only 10-employee groups rather than the previous 100-employee threshold. *USA Today* called the early renewal workaround offered by insurers was called into question as self-serving since this practice could actually be less beneficial to some of their customers and more beneficial or profitable to them. Industry regulators cited in the *Wall Street Journal* worry that employer mandate avoidance strategies could undermine the health insurance exchanges, a central component of the ACA. Articles in *USA Today* and *Modern Healthcare* raised concerns that too many small companies self-insuring could lead to insurance plans with older, sicker members by removing a large number of healthy individuals from the exchange risk pools. The two publications indicate this will drive up premiums of the insured by 25 percent or more. Some employers mentioned in the *Wall Street Journal* who expected higher premiums are expected to ask that employees take on the increased costs, lowering or freezing raises, slowing hiring and cutting back on other expenditures.

ACA-related reforms that favor hospitals have been reported in *Modern Healthcare* and the *Wall Street Journal* as negatively affecting patients. The Medicare billing structure, which reimburses providers at higher rates for services delivered at hospitals, has spurred hospital consolidations and mergers. According to *Modern Healthcare*, these changes within the hospital industry have negatively affected hospital employees with job losses and reductions. Critics cited in the *Wall Street Journal* say health care providers see fewer patients under the revamped

model, continuity of care worsens and hospitals exploit Medicare billing under the ACA to benefit financially.

The Obama administration encountered difficulties rolling out the most complex components of the ACA. Multiple accounts in the *Wall Street Journal* and *Modern Healthcare* attested to the challenge of setting up and linking the state exchanges with other governmental agencies, such as the IRS, while simultaneously verifying employment data and factoring in Medicaid eligibility. The federal data services hub is responsible for combining that information on every insurance exchange applicant. In mid-June, critical ACA details were still in flux. The *Wall Street Journal* reported near the Oct. 1 exchange open enrollment date that even Democrats, the biggest champions of the law, were concerned about the ACA's implementation undermining its viability and public acceptance. However, *Modern Healthcare* pointed out that technology glitches should not be surprising, given the complexity and speed of the ACA.

Lack of ACA awareness is widespread. Consumer research cited in the *Wall Street Journal* suggests that most uninsured individuals know little about the ACA and are generally skeptical of health insurance's value. Many consumers are either wary or uninformed. Focus groups mentioned in *Modern Healthcare* indicate that individuals newly eligible for insurance either do not know about it or believe the information that is available to them. As a result, insurers have focused heavily on education and advertising that addresses consumers' lack of knowledge on the ACA and its impact on them.

The impact of the ACA is unknown by many, according to the three newspapers. A Kaiser Family Foundation poll cited in the *New York Times*, *Wall Street Journal* and *USA Today* revealed that more than half of Americans still do not know how their families will be affected

by the health care law. This has remained largely unchanged since similar polls were conducted three years ago when the ACA first became law. The *New York Times* published another Kaiser Family Foundation poll from June that indicated 79 percent of the general public and 87 percent of the uninsured population had heard little or nothing about the health insurance marketplaces while six of out 10 low-income workers did not realize the ACA was coming into effect. An advertising agency's research in the *Wall Street Journal* showed that 75 percent of uninsured individuals were unaware that the exchanges were launching. One factor cited as causing potential confusion among older Americans in both the *New York Times* and *Wall Street Journal* was the overlapping enrollment dates for ACA and Medicare, which made the two options difficult to distinguish among seniors. In another Kaiser Family Foundation poll published in the *Wall Street Journal*, only 15 percent of respondents knew they could begin enrolling in the online marketplaces on Oct. 1, leaving what the *New York Times* reported as millions of uninsured Americans unaware they will be able to sign up for free or highly subsidized insurance this fall.

Among individuals who knew that the exchanges would be launching this fall, the *New York Times* reported three-fourths were unaware of the new options available to them and few know how to purchase insurance from the exchanges or how the federal government would help them pay for it in the form of tax credits or subsidies. Coverage in *USA Today* was consistent with the *New York Times* because its articles revealed most Americans do not understand how the exchanges will work or whether they are eligible for financial assistance.

The general lack of health care and insurance knowledge underlies the low level of ACA comprehension among the public. The *Wall Street Journal* published studies commissioned by

Get Covered America, a nonprofit campaign group responsible for raising public awareness for the ACA options. In the two studies, only 14 percent of people could explain four core health insurance concepts: deductibles, copayments, coinsurance and out-of-pocket maximums. A Carnegie Mellon University of Pittsburgh survey published in *USA Today* had nearly identical findings. However, even for those who focus on the law, the *New York Times* said locating concrete ACA information can be difficult, which contributes further to public confusion. The *Wall Street Journal* said confusion, stemming in part from the complexity of the ACA, has driven people to make “suboptimal choices” and has the potential to drive up prices individually and for the health care system holistically. An uninformed or misinformed public may be easily swayed or overwhelmed by a high volume of conflicting information. In a *New York Times* Op-Ed piece, the writer said when the majority of people do not understand the new marketplaces, advertising campaigns—whether promoting or opposing the ACA—will actually decrease rational decision-making.

Public opposition to the ACA is high. In both the *New York Times* and *Wall Street Journal*, 40 percent of the public had an unfavorable view of the ACA. Americans who will be affected most by the health care law have a negative view of it. Of those who were uninsured, the *Wall Street Journal* said, 48 percent opposed the ACA and the newspaper also said among Americans who buy their own insurance, 48 percent also think they will be worse off as a result of the new law. In the *USA Today*, by a margin of two to one, Americans said the ACA will worsen their health care situation.

Part of the aversion to the ACA has been reported as resulting from the IRS administering components of it in light of the agency’s recent scandal in which it targeted certain

groups. General distrust of the IRS was reported in the *New York Times* and the federal agency's competence was questioned. Since the agency was reported as unable to manage an increase of 1,700 applications for tax-exempt status, verifying subsidies—a task of much greater scale—was called into question.

Lack of preparedness and planning was cited in the publications as another cause of low ACA public support. Consumer advocates, employers and insurers quoted in *New York Times* articles said they have been talking for months about the Obama administration's need to step up planning for the health insurance exchanges. Funding was exhausted early. The *Wall Street Journal* reported that approximately \$5 billion in ACA funding that was supposed to extend through 2014 for the 270,000 to 350,000 people with pre-existing conditions was almost entirely depleted and only applied to a little less than half of that population. It also said at least \$454 million was taken from the government's health prevention fund to cover additional ACA expenses and an extra \$5.9 billion—\$2 billion more than originally estimated—was requested by HHS to set up the exchanges. *USA Today* said some people are questioning whether the ultimate cost of the ACA will far exceed original projections.

*Modern Healthcare*, the *New York Times*, and *Wall Street Journal* reported that the pro-ACA public campaign began later than expected with less funding than anti-ACA efforts, which provides an unbalanced explanation of the ACA to the public. *Modern Healthcare* said the federal government did not budget for ACA outreach and the public education campaign started nearly a year after the Supreme Court found the ACA constitutional. Even supporters and ardent defenders of the law criticized the Obama administration in the *New York Times* and *Wall Street*

*Journal* as not having done enough to explain the law, build support for it and sell it to the public.

Most ACA-related advertising is from the law's opponents rather than proponents. The *New York Times* reported that \$2.5 million has been spent since the last presidential campaign on ads that were critical of the ACA whereas \$1.5 million was spent on pro-ACA ads. Furthermore, the *New York Times* reported that critics have spent \$400 million on negative television ads while supporters spent \$325 million less casting ACA positively. Ads have been heavily tilted monetarily in favor of critics, all while consumers have not experienced the exchanges firsthand and cannot provide feedback or formulate opinions that are rooted in reality rather than rhetoric.

Pro-ACA advertising and public outreach is rife with challenges. The uninsured population was represented in the publications as diverse and mostly uneducated. The *New York Times* reported that among the uninsured, 25 percent speak a language other than English at home and 75 percent have a high school diploma or less. The *New York Times* called the ACA a "big messaging headache". Adding to the obstacles, a *Wall Street Journal* article pointed out how the ACA assumption that all states would participate in the exchanges and receive public education campaign funding was undermined when they relinquished responsibility and deferred to federal government assistance. When this occurred, some states forfeited public education campaign funds. The navigators, who were hired with federal funding to assist and educate enrollees on the marketplaces, had little lead time—less than two months, according to the *Wall Street Journal*—for training. Part of their responsibilities were described in the *Wall Street Journal* as soliciting applicants to assist them in inputting personal information in exchange applications, such as income and Social Security numbers. In spite of handling private health

information and risking data security, the *Wall Street Journal* said the navigators lacked rigorous screening or background checks.

Political disputes about the ACA has negatively affected public perception of it. All three newspapers reported Republican opposition and the political party's 40 attempts to repeal the health care law as well as temporarily shut down federal government while threatening to delay the health care law for a year, defund the ACA entirely, refuse to support the \$16.7 trillion debt ceiling, repeal the medical device tax, and allow businesses to opt out of contraception coverage. The *Wall Street Journal* said Republicans originally coined the term ObamaCare and they have continued to use it enthusiastically and pejoratively. *USA Today* and *Modern Healthcare* articles said Republican opposition to the law and debates in Washington D.C. impeded consumers from learning and understanding details of the law, drowning out public understanding of the ACA's positive effects.

Republican opposition across the six publications was tied to the ACA's projected economic impact, some government agencies' ineptness in and involvement with its administration and the higher premiums individuals will purportedly face. In *USA Today*, Republicans said the new health care law will damage the economy. The IRS's practices of targeting certain groups and the HHS secretary's attempts to encourage private donations to Enroll America for ACA were cited as potentially damaging to the health care law in the *New York Times* and *Modern Healthcare*. Another opposition point Republicans cited in the publications was premium costs so high that most Americans will be shocked by the rates. Opponents issued premium forecasts in the *New York Times* that are dire but as one Op-Ed writer pointed out, they do not align with analyst predictions. Knowing what to believe as accurate

about the ACA is a tough task when contradictory information is abundant. Complicating public understanding, Republicans have deliberately attempted to thwart efforts that inform people about the law and have used scare tactics to prevent enrollment. The *New York Times* reported that the State of Florida deliberately blocked navigator public education efforts in spite of the \$8 million it was awarded in navigator grants.

As the Oct. 1 open enrollment on the exchanges approached, bipartisan political opposition grew even though most Democrats were supportive of the ACA. While most Democrats remained proponents of the ACA, they expressed concerns in the *New York Times* that major snags could be exploited by their opponents in next year's midterm elections. Though Democrats did not agree with the Republicans' efforts to defund or delay the ACA, they acknowledged their eagerness to improve the ACA in the *Wall Street Journal*.

What brought more public ire and came under frequent scrutiny in the three newspapers was the exemption Congress sought from participating in the exchanges. Many individuals in the *New York Times* and *Wall Street Journal* viewed their request for an exception to the law—that Congress and its aides would be allowed to maintain their level of coverage without having to pay the exchange rate premiums—as negative, hypocritical and ultimately a factor that reduced the ACA's credibility.

*Positive coverage.* Significantly more news on the ACA was negative than positive across five of the six publications. Sources and articles that cast the ACA favorably focused on expanded health care access for the currently uninsured, lower health insurance costs for employers and individuals, opportunities for businesses to compete in a broader environment,

improved health outcomes and cost control, as well as higher quality and greater accountability within the health care system.

The *New York Times* and *USA Today* reported that millions of uninsured individuals will gain access to health insurance coverage under the marketplaces, including those who were denied coverage because of pre-existing conditions or old age. Under the ACA's provisions, more than 3 million adults, age 26 and younger, were eligible to receive insurance under their parents' plans, those with chronic conditions are no longer rejected by insurance companies and older individuals benefit by being eligible for much more affordable premiums. Four years after Massachusetts established its state exchange, the *American Journal of Managed Care* reported the insured population gained health care access compared to when individuals were not enrolled on the state's exchange.

ACA proponents quoted in the *Wall Street Journal* and *USA Today* say the health care law will lower employees' costs by expanding coverage to 30 million Americans—half of which will receive insurance through Medicaid expansion and the other half will be covered through private insurance. Articles in the *Wall Street Journal* claim employers will benefit by no longer subsidizing unpaid medical bills. *USA Today* cited a figure that 46 million uninsured individuals who obtain uncompensated health care from emergency rooms will no longer pass on their costs to the insured population under the health care law. ACA opponents have pointed out, however, that insured individuals will pay for health insurance coverage of the uninsured population through their tax dollars.

Other pro-ACA coverage emphasized the positive effect the health care law will have on individuals' health insurance premiums. According to *USA Today*, approximately 6.4 million

Americans who buy insurance through the exchanges will pay no more than \$100 monthly in premiums after factoring in tax subsidies. The *New York Times* reported that reduced premiums for 19 million people were attributed to the cost-sharing arrangements under the ACA. HHS projected in the *New York Times* that premiums in 11 states and Washington D.C. would be almost 20 percent lower than originally expected and the CBO quoted similar premium estimates for eligible individuals in 10 states and Washington D.C. According to New York state officials quoted in the *New York Times*, premium rates for 2014 are expected to be approximately 50 percent lower than what is currently available to uninsured individuals.

One premium-related ACA provision is benefiting consumers. The requirement stipulates that health insurers must spend at least 80 percent of premium revenue on medical care or they are required to reimburse patients the difference. *USA Today* reported more than 8 million Americans will receive over \$500 million in rebates from insurers as a result of this provision.

Op-Ed coverage in the *New York Times* and *USA Today* delivered a reassuring message to individuals with insurance: their premiums would not increase significantly or would remain flat. Obama administration officials cited in another section of the *New York Times* said existing insurance coverage for most Americans will not be affected by the ACA. The editorial board of *USA Today* said in an Aug. 4 editorial, “Once Americans who could never get affordable health insurance begin to get it, and the 85% of Americans who are mostly unaffected by the law realize it’s not the freedom-robbing boogeyman they’ve been told it is, public acceptance of ObamaCare might actually become popular.”

The federal government’s decision to delay the employer mandate was controversial, but its postponement elicited a positive response from employers cited in four of the publications.

The expected impact to restaurant chain owners' 2015 costs, the year the employer mandate will now be effective, was lessened as more details became available to employers. In a *Wall Street Journal* article, Wendy's employer mandate compliance costs per store were reduced 80 percent from \$25,000 per year to \$5,000 per year because the company expected many employees will decline coverage, receive insurance through Medicaid or pay the first year's \$95 annual penalty. Recent research from Moody's and other economists was referenced in *USA Today* as challenging the idea that small employers are either hiring part-time workers or decreasing employees' hours to comply with the employer mandate. One *USA Today* article showed that full-time hiring at small companies almost doubled in the past six months. This could have been attributed to the employer mandate delay, but proponents saw this as a small victory for the health care law. In the *American Journal of Managed Care*, Hawaii's success with an employer mandate that has been in place the past 40 years was referenced as a case study with positive results. Because of the mandate, Hawaii expanded insurance coverage across the state and has a relatively small population of uninsured residents with some of the lowest premiums nationwide.

The ACA has been reported as creating room in the health care industry for new competitors. Insurance companies previously unable to compete against large health insurance companies are gaining traction in the marketplace. One *New York Times* article said as many as a fourth of companies with insurance plans on the 19 federally-run exchanges are new entrants. The ACA is sparking growth of information start-ups that have been created to support better health outcomes required by the law. According to *Modern Healthcare* and the *Wall Street Journal*, the health care law has also prompted expansion by major retailers, increased hiring by colleges that are broadening curriculum to include the ACA and health care corporations that are

expanding to keep up with industry growth. Federal labor projections cited in *Modern Healthcare* projected a 22 percent increase in healthcare management jobs within the next decade.

Better coordination of care for Medicare patients was a positive outcome associated with the ACA, but one that was discussed almost exclusively in health care trade publications rather than mass media. The *New York Times* and *USA Today* mentioned Medicare members' lower out-of-pocket costs and closing of the Medicare Part D "doughnut hole" by 2020—when Medicare members are financially responsible for the cost of their prescription drugs after they have exhausted initial coverage from their prescription but before they reach the catastrophic level of coverage. According to the *American Journal of Managed Care*, the ACA provides better Medicare Part D coverage and reduces the cost of brand and generic medications for individuals. *Modern Healthcare* reported that for Medicare Advantage, insurance plans offered by private companies that contract with Medicare, savings from the ACA have been better than expected. The publication also outlined the positive reactions of insurers and their stockholders when the Centers for Medicare and Medicaid reversed previously announced Medicare Advantage cuts.

Another government-backed health care program, Medicaid, was discussed more extensively in health care trade publications rather than in the newspapers. Though the *New York Times* cited a Medicaid study that showed people covered under Medicaid with improved outcomes related to depression and financial security and *Modern Healthcare* reproduced those findings, the health care publication's coverage of Medicaid and the ACA was more in-depth. It

made the argument that Medicaid expansion would prevent crimes committed by mentally ill offenders as Medicaid expands coverage and improves mental health care under its program.

Proponents of the ACA say it was designed to increase accountability in the health care system—through the Stark Law, accountable care organizations, quality monitoring, and awards to innovative recipients who promote high-quality health care and improve health system performance—and improve health care access. Under the Stark Law, *Modern Healthcare* says at last 250 healthcare companies reported wrongdoing under the law. Since this component of the law was enacted in 2010, the 29 hospitals settled cases averaging more than \$100,000 per settlement, representing \$3.3 million in total. The *American Journal of Managed Care* mentioned that payment reforms for insurers are expected to be key drivers in ACA-related savings and elements that reduce fraud and abuse in public programs. According to *Modern Healthcare*, accountable care organizations put in place by the ACA reduced hospital readmissions by 8.6 percent and emergency room use also slowed. A lesser-known provision of the ACA mentioned in *Modern Healthcare* improves quality, speed and transparency in the health care system: it involves improving turnaround times for providers on their claims and eligibility systems, benefits providers who can quickly view patients' deductibles and copayments, and gives patients predictability in expected payments. Another provision few people know about, mostly because it was not discussed in the mass media but was only mentioned in the *American Journal of Managed Care*, is the federal government's requirement that exchanges collect a set of 13 quality measures from insurance plans beginning in 2015. One of those provisions is the requirement that pediatric results be measured on the exchanges. HHS has rewarded innovation under the ACA. *Managed Care* said the State Innovation Model awarded \$300 million to states

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that delivered high-quality health care with lower costs and improved performance. The ACA also has provisions that expand health care access and train medical personnel in rural health care professions. According to *USA Today*, it allocated a \$1.5 billion scholarship to students who provide primary care to communities with physician shortages.

*Part Four: ACA's Winners and Losers*

The ACA will affect key stakeholders inside and outside the healthcare system. Some of them are already feeling it.

Who is expected to gain and who is expected to lose? The six publications all described winners and losers in the more than 400 articles. Looking at who's on each list helps explain the act's biggest proponents and opponents.

*Winners.* Those who stand to gain most by the ACA are identified below along with reasons why:

- Consumers: gain increased price transparency from health insurers (manufacturers must disclose the nature and extent of their financial relationships), receive rebates if health insurance companies exceed 80 to 85 percent of direct costs on medical care, experience improved health outcomes as a result of start-up companies that promote integrated health information
- Low-income: qualify for subsidies and will be insulated from price increases which make insurance more affordable, benefit in states where Medicaid expanded, receive reduced out-of-pocket costs, lower premiums and annual deductibles
- Individuals under 26-years-old: gain insurance coverage under parents' health plans
- Individuals with pre-existing conditions (approximately 5 percent of the uninsured population, according to the *New York Times*): chronically ill no longer can have their insurance cancelled, be denied coverage or charge higher premiums

- Old, unhealthy individuals: receive lower premiums if 50-years-old or greater because older individuals are not allowed to pay more than three times the average 21-year-old's premium
- Women: charged lower costs because of ACA provisions that bar insurers from charging them more than men
- Uninsured individuals: face lower out-of-pocket and emergency care costs if newly insured, gain comprehensive coverage under the exchanges after being previously uninsured and many qualify for subsidies, many (millions) who did not qualify for Medicaid will receive insurance through their employers
- Citizens of some states: can select among a plethora of insurance options on the exchanges, including the state's largest and best-known carriers (some examples were California, Colorado and Maryland)
- Early retirees: eligible for insurance on the exchanges, for those who are not yet Medicare-eligible
- Latinos: gain affordable coverage (approximately 10 million individuals who are currently uninsured, according to the *New York Times*)
- Hospitals, doctors, patients and pharmaceutical companies: receive funding from Medicaid expansion, experience lower costs at larger hospitals if patients and hospitals are required to act in their best interest under ACA provisions, favored as hospital-owned networks through delivery of outpatient hospital care, costs of hospitals are cut and they gain financially with addition of hundreds of thousands of new customers, selling medications (pharmaceutical companies) to a manageable number of hospitals with consolidations and mergers, increase in health expenditure to pharmaceutical companies due to increased prescription drug utilization from newly insured individuals on the marketplaces

- Small business employees: provided with insurance under the employer mandate, for individuals who enroll
- Small businesses: benefit by one-year employer provision delay and exchanges that can absorb laid off workers who were covered previously under COBRA
- Health insurance companies: gain market share through the health insurance marketplaces when they could not previously compete
- New competitors and market entrants: benefit by gaining business as the ACA spurs growth of information start-ups, contractors working on ACA components and other professions (for instance, lactation consultants whose services are now covered under insurance)
- Cities and local government: positively affected in terms of budgets by shifting retirees to health insurance exchanges
- ACA experts: high demand and increased availability of lucrative job opportunities for those who created the health care law
- Businesses: experience greater ad revenue from health insurance advertising that offsets slow growth for local television stations, expansion planned for major retailers and store-based clinics to care for newly insured individuals who are unaccustomed to traditional health care providers

*Losers.* Those who stand to lose most by the ACA are identified below along with reasons why:

- Consumers: experience insurance rates that could increase from the employer mandate and risk-pool expansion to cover individuals with pre-existing conditions, face higher premiums that would result from insurance companies passing on their higher taxes to consumers, offered more expensive plans with less robust benefits, pay greater share of costs as they are pushed to private exchange by their employers, affected by lower than expected subsidies

- Low-income: disqualified, if too poor, for insurance coverage and subsidies
- Low-income individuals in non-Medicaid states: unable to receive tax credits for the 7 million people below the poverty line and ineligible for Medicaid, leaving the poorest individuals without any assistance
- Young and healthy: pay higher premiums (young, healthy individuals and small businesses) to curb costs for older customers and offset the costs for sicker individuals
- Uninsured individuals: pay more for premiums, even with government subsidies (subset of individuals affected estimated at 6 to 19 million people in the *Wall Street Journal*), receive limited access to providers that requires driving hundreds of miles for care because of physician shortage in the United States for some rural Americans
- Men: higher insurance costs since the ACA protects women financially (a *Wall Street Journal* conservative analyst found the cheapest plan for a typical 25-year-old man is approximately 64 to 117 percent more expensive than the five cheapest policies that could be bought today)
- Insured population: charged higher premiums, lose out of robust coverage from their employers because of Cadillac tax that goes into effect in 2018
- Citizens in some states: offered limited exchange insurance options for people in some states
- Hospitals and providers: provided lower reimbursement rate under Medicare Advantage program and Medicaid, face higher costs as smaller hospitals because patients will visit them less often than larger hospitals, paid lower reimbursement rates as providers with no guarantee of access for patients in limited networks to keep premiums low, experience pay freezes among hospitals in 23 states and rate cuts in 16 states, experience surges in uncompensated care in hospitals due to federal rules which minimize cost-sharing for new

Medicaid enrollees, receive diminished or eliminated federal and state assistance to hospitals for uncompensated care, elimination from networks (large safety net hospitals) that may not be offered as an option on the exchanges, increase on hospital demand with expansion of patient base, risk uncompensated care as physicians and hospitals are disadvantaged by the longer grace period on claim payment

- Health insurance companies: face higher costs to expand coverage for those 26 and under, squeezed profit margin as the ACA requires that 80 to 85 percent of premiums be spent on direct medical costs, charged \$450 million to participate in the state exchanges
- Legal immigrants: Medicaid-ineligible, for those with less than five years in the country
- Taxpayers: taxed higher to fund Medicaid expansion and the Cadillac tax
- Small businesses: assessed penalties for non-compliance with small employer mandate which cuts into or completely eliminates profits, faced with selling businesses because of difficulty complying with the employer mandate, pay higher, sometimes unsustainable costs than national chains as a result of the employer mandate, pay penalties if the company has between 50 and 200 full-time employees but lack purchasing power to receive best rates from insurance companies, encounter challenges with ACA adherence
- Small business employees: could lose insurance coverage and have to pay individual mandate penalties, face layoffs or reduction from full- to part-time (as employers drop employees to 30 hours and below to avoid paying penalties or providing coverage), paid lower wages
- City and local government retirees: shifted into exchanges with more expensive, less robust coverage and dropped from city-sponsored health insurance coverage.

- Union employees: pay high insurance prices when the Cadillac tax goes into effect, negatively affecting raises and employment

*Lobbying.* According to the *New York Times*, the health care industry spends more lobbying in Washington than any other economic sector. A small sampling of groups was identified in the six publications as having lobbied to influence components of the ACA. *USA Today* said hospitals lobbied hard for Medicaid expansion because they benefited from it. The *New York Times* and *Wall Street Journal* identified the medical industry as a group that lobbied to repeal the medical device tax of 2.3 percent on medical device sales, which would have lowered the federal deficit by \$30 billion in 10 years. It also said large employers lobbied to overturn a fee that would cost them \$25 billion over three years which would create a fund to offset individuals' high medical bills with no direct benefit to their workers. The *Wall Street Journal* also identified trade associations, such as the National Restaurant, that have lobbied to raise the hourly threshold under the employer mandate for full-time workers. *Modern Healthcare* said the limit on how much insurers can charge older workers was lobbied into law by a seniors lobbying group and younger people on the exchanges were negatively affected as a result. The publication did not identify the group, but the *New York Times* identified AARP as a proponent of the law. Home care lobbyists pushed for their providers to be exempt from the employer mandate to avoid the employee penalty tax.

*Future project scope.* This project could be expanded for future research. One area of interest includes tracking funds from all lobbyists and correlating their contributions to key provisions of the law to determine how such funding affected the ACA's creation and subsequent modifications. Other possibilities include expanding the timeframe to a three-year period that

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began when the ACA was first rolled out in 2010 to present, broadening scope to assess other outlets—national broadcast versus local news, commercial versus nonprofit coverage, radio versus television, and determining whether there was a difference in how the ACA was covered in publications distributed in Democratic versus Republican states.