Edgy Georgians await Supreme Court opinion
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Riccardo Ullio and Barry Guthrie will be among the millions of Americans who nervously await a court ruling that will shape their future.

The two Atlanta men --- one a successful chef, the other a massage therapist and cancer survivor --- won't be mentioned during this week's arguments before the Supreme Court over the insurance mandate and other aspects of the Patient Protection and Affordable Care Act. But each has a personal stake in the justices' decision.

Ullio, who owns the highly regarded restaurants Sotto Sotto and Fritti in Inman Park, worries the health law could cut his profits significantly if it forces him to offer health insurance to all his employees.

"From my perspective, it's an impossible thing to do," he said. "This law really hurts small business."

Guthrie, who was able to buy health insurance through a provision of the two-year-old law, said the act is essential for people who have been rejected by health plans.

"I got bladder cancer at 47 and I am tainted with the insurance companies," said Guthrie, now 57 and in good health. He pays $470 a month for insurance through a program created by the law and is concerned he wouldn't be able to buy insurance again if the law is struck down and the program is killed.

The Supreme Court may focus on arcane constitutional issues during its hearings. But its decision will have everyday implications for almost everyone: doctors and hospital executives, the unemployed or uninsured, workers with employer benefits, insurance executives, policymakers, business owners and anyone whose health makes them unwanted by insurers.

"It is one of the most significant Supreme Court opinions I think that we will see in our lifetime," said Gov. Nathan Deal, who opposes the health care law and has a lot at stake in the case. "On a purely constitutional basis of individual freedoms, on a constitutional basis of the 10th Amendment of states' rights and then on the basis of just financial opportunities and responsibilities associated with it, it is significant."

The Supreme Court will focus chiefly on whether it is constitutional to require almost every American to have health insurance or pay a penalty.
That argument covers only a small slice of the law. The act is a vast overhaul that touches virtually every aspect of health care. Some portions already in effect include allowing parents to keep children up to age 26 on their health plans and the plan to assure coverage for people with pre-existing conditions.

The mandate starts in 2014, the same year new insurance exchanges would open in every state. Who has the most riding on the Supreme Court’s decision --- whether the law is upheld, partially upheld or thrown out?

"You could argue that we all do," said William S. Custer, a Georgia State University professor who is an expert on health care.

Here is how some Atlantans view the issue:

Small business angst

Many business owners like restaurateur Ullio fear the law will hurt their business --- especially a provision penalizing businesses with 50 or more full-time employees and that do not offer health insurance.

Ullio said he has 110 employees at his three Atlanta restaurants, including Escorpion. Ullio said that, like many restaurateurs, he offers health insurance to managers but not to most other employees. He estimates it would cost upwards of $300,000 a year --- a huge sum for an operation his size --- to do so.

"I didn't work for 15 years of my life opening up businesses so that I can make no money," he said.

Ullio said he'd like to offer all his workers insurance, even though most don't expect him to. He said the cost is simply prohibitive. Ullio objects to the mandate that everyone get coverage or pay a penalty, saying it will drive up the cost of health plans.

"The problem with this legislation is that it is basically forcing people to purchase health insurance," he said. "It's like saying that everybody in Atlanta has to eat at Riccardo's restaurant tonight. I will raise my prices as much as I want. . . . That's exactly what is going to happen with health insurance. It's an absurd thing to do."

How significant the impact would be for Ullio is not completely clear and he has yet to hire an expert to determine his potential costs. Even if his business is considered a "large employer" under the law, he could pay a $2,000 per employee penalty instead of providing coverage --- a penalty that would not apply to the first 30 employees or to part-timers.

He figures he will have new expenses, whatever happens.

"Unfortunately, small business gets the brunt of the burden," he said.
Help for individuals

Guthrie, the massage therapist, said his history of cancer and back surgery makes him the "worst case scenario" for getting insurance in the individual market.

He was uninsured for about two years when he found out about the health law's program for people with pre-existing conditions. He said it was his only shot at getting coverage in Georgia, which never offered the kind of high-risk plan that some states have had for years.

Guthrie said he’s found the public debate over the health care law infuriating.

"What makes me so mad is there is so much misinformation," he said. Many people who have generous coverage through large employers worry that the law will dilute their benefits, Guthrie said. And many people are simply insensitive to the fact that thousands of people without insurance simply can’t get it.

He favors the mandate.

"Those people who don’t have insurance can still get medical care, and because the bill is so high, they do not pay for it," he said. "Wouldn’t it be better if they had insurance?"

Everyone is required to have auto insurance, Guthrie reasoned. "Who is complaining about that? Are they trying to reverse that?"

Depending on their circumstances, the law offers consumers a host of potential benefits: a better chance for low-income people to get on Medicaid, subsidies to help pay for policies purchased on the insurance exchange, not to mention new requirements for insurers to expand the coverage on most plans, whether it’s the ability to add a 20-something child to a family plan or the guarantee that preventive services will be covered for free.

Starting in 2014, insurers could no longer refuse coverage based on someone’s health history, which will give thousands of consumers locked into plans the opportunity to shop around for the first time in years.

It's unclear what would happen to people covered by the pre-existing condition insurance plan and to those benefitting from other provisions if the law is struck down.

"I do not know if they will pull the rug out from underneath me or not," Guthrie said. "But the chances are, they will."

State officials wary

If the law is upheld, Georgia will have to oversee a massive expansion of its Medicaid program to cover adults with incomes up to 133 percent of the federal poverty level --- $14,856 for an individual and $30,656 for a family of four.
Gov. Deal said last week that the law would push the number of Georgians covered by Medicaid from 1.6 million to 2.2 million --- 22 percent of the population.

The federal government has pledged to pay all costs of the expansion in the first three years and 90 percent after that, but state officials estimate it could still cost Georgia $2.4 billion over 10 years.

"Just from a purely financial standpoint, it has a huge economic effect on a state budget," Deal said.

If the law is upheld, the governor will also have to hustle if Georgia wants to design and run the insurance marketplace that is a centerpiece of the law. If Georgia doesn't set it up, the feds will. And Deal has said he wants Georgia to exercise as much control over the exchange as possible. But the state will be on a tight deadline to finish the job to meet the federal timeline.

"If it is upheld," Deal said, "you will see a great deal of time of the next session of the General Assembly devoted to trying to deal with those issues."

Hospital execs on board

The chief executives at two of Atlanta's large hospital systems --- WellStar's Reynold Jennings and Grady Memorial's John Haupert --- are on the front lines of health care. They see problems every day with the nation's current approach. Uninsured Georgians stream into their emergency rooms, desperate for care they can't pay for but that hospitals are obligated to provide.

Both hospital CEOs find things to like about the health law.

"We do see it as a positive, because it gives people who have not had access to health care, access," Haupert said.

Jennings, whose system includes five hospitals in three counties and 109 physician offices, said he appreciates extending coverage options to people with pre-existing conditions and getting rid of lifetime caps on benefits.

Both executives say there is merit in emphasizing prevention and wellness --- and paying providers for achieving the best results.

Hospitals may benefit when fewer patients lack insurance, through fewer bills to be written off. But Jennings said the real financial threat to most hospitals is that Medicare and Medicaid do not pay the cost of care. The health law adds more patients to Medicaid plans and the aging of baby boomers is pushing more Americans into Medicare.

"It's nice to talk about the uninsured getting covered, but it's really the Medicare and Medicaid program that is the driver," Jennings said.
Jennings said he worries about parts of the law not yet revealed. Hospitals are still waiting for thousands of pages of regulations.

"The biggest concern we all have is how do we do what we need to do every day to take care of people in need and spend enough time researching, talking, going to seminars, trying to interpret the next rules that come out and waiting on state legal opinions and federal legal opinions," he said. "There is no end in sight as to what may transfer as these thousands of pages come out over the next few years."

Despite his concerns, Jennings said, "I don’t know that I want [the law] to go away."

Haupert said policymakers will have to start over if the law is thrown out by the court.

"Something has to be different," he said. "When you just look at the macro facts, we’re spending 18-plus percent of our GDP on health care, we spend more per citizen than any other country in the world and we do not have anywhere near the best outcomes. Something has to be done."