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COMS 103
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I. Introduction	The main focus of the affordable care act, otherwise known as obamacare, is to get as many people covered under a medical insurance plan. But if 78% of current medical bankruptcies are from people who already had insurance, and obamacare makes it more expensive to obtain an airtight insurance plan, then obamacare will not mitigate the amount of such bankruptcies, but will probably increase them in san diego county and across the nation.
Attention Getter:	According to CNN.Health.com 62 % of all bankruptcies in America are due to medical bills, and 78% of those bankruptcies were from people who actually had insurance.
Reason to Listen:	A better understanding of the state of healthcare in the U.S.
Speaker Credibility:	As a real estate agent I would run credit reports for people looking to acquire an apartment and sometimes when there was a really bad report it was due to someone being wiped out financially just because they got sick.
Thesis:	Obamacare will not help overall with the main problem that exists in the forum of healthcare in the United States today, and that is the possibility that a sickness or injury can lead to financial ruin.
Preview of Points:	1. Obamacare is going to make it more expensive to purchase health insurance on your own. 2. For those currently getting insurance through an employer, they may experience trouble too. 3. Some may be incentivized to opt of health insurance altogether.

II. Body

A. For those who currently purchase their own health insurance, the Affordable Care Act will make it much harder for them to obtain coverage that will prevent them from being one illness away from bankruptcy.

1. For many, their current plan will not fit within the new guidelines of the Affordable Care Act, so their insurer will no longer be able to continue offering that plan.
   a. According to Kathy Krist in an article for Money Watch on CBSNews.com "Additionally, the promise that you could keep your old policy, if you liked it, has proved illusory. My insurer, Kaiser Permanente, informed me in a glossy booklet that "At midnight on December 31, we will discontinue your current plan because it will not meet the requirements of the Affordable Care Act."

2. The premiums to purchase medical plans may be going up for many people.
   a. In the same article referenced above, Kathy Krist goes on to say that the letter she received also went to explain that her monthly premium for medical insurance was going to go from $209/ month to $348/ month. A 66.5 % increase.
   b. According to Covered California.com, the least expensive plan, called the Bronze Plan, would cost me, a 35 year old man living in San Diego, making around 30,000 a year - $260 /month, and that comes with a $5000 deductible.
      i. At my income I will be given a tax credit of $88 dollars a month, but that's a tax credit, not a monthly $88 payment to myself or my insurance carrier. I would still have to pay the full $260 /month for the plan with the highest deductible.
      ii. I may benefit when I do my taxes the following year due to the tax credits , but no matter what I always have some bill to pay whenever I get my tax refund, and I hardly expect I'll put the extra money away for the following year's premium payments.

Transition: This may not worry a lot of people since they get coverage through an employer, but there may be unintended consequences to come for them too.

B. There may be trouble ahead for people who receive insurance through an employer.
   1. There has been some trepidation that some employers will drop their coverage for employees in reaction to new regulations that the Affordable Care Act will put on them.

a. According to MedicalNewsToday.com "When the US health care reform legislation comes into full force in 2014, about one third of employers will definitely or probably stop offering health insurance coverage to their workers, consulting company McKinsey wrote in a study involving over 1,300 companies from various industries and sizes."

2. There has also been the fear in the almost certainty that many companies will adjust their practices as to who they will give insurance to.
   a. According to the Huffington Post "After extending health care coverage to many of its part-time employees for years, Trader Joe's has told workers who log fewer than 30 hours a week that they will need to find insurance on the Obamacare exchanges next year, according to a confidential memo from the grocer's chief executive."
      i. There are no less than 7 Trader Joe's stores in the city of San Diego.
   b. White Castle, a giant national chain with thousands of employees, has already begun to consider dropping their health insurance altogether, and to possibly only hire part time workers to stay beneath the scope of Obama care.
      i. Maybe some companies in San Diego will follow suit.

3. My opinion is that companies began offering medical insurance to employees because it benefitted the company, in that healthy employees made for better productivity, and most importantly it helped them retain employees that helped them produce profit, rather than lose them and have to spend money retraining new people over and over again. But at some point, with all the new regulations, companies may drop their coverage altogether, or if they can't many will find the cheapest plan to offer employees so as to be inline with Obamacare.

Transition: Now that I've talked about how much harder it may become to obtain medical insurance I'd like to move on to what some of the unintended consequences may be, and to show how a possible medical bankrupty may be even more possible after the implementation of the affordable Care Act.

C. Whether people's current plan is discontinued and they will have to pay higher premiums, or they've been dropped by their companies, or just don't think they can afford it, some may find it easier to just pay the penalty rather than purchasing insurance, leaving them wide open to a medical bankruptcy.

1. According to healthcare.gov "The fee in 2014 is 1% of your yearly income or $95 per person for the year, whichever is higher. The fee increases every year. In 2016 it is 2.5% of income or $695 per person, whichever is higher."
    a. A healthy 35 year old man in San Diego making $30,000 per annum will be expected to pay $260 a month up front for a health insurance plan. That's $3120 a year. That's a whole lot more than a $95 penalty next year, or a $695 penalty in 2016.
2. According to healthcare.gov, the most an uninsured family would have to pay in 2014 in penalty would be $285.
    a. On Covered CA.com a family with two adults and two kids with a family income of 70,000 per annum would have to pay $787 each month, with a $353 monthly tax credit for the lowest plan, the Bronze Plan which has a $5,000 deductible. Before the tax credit, that's almost $10,000 dollars the family would be paying out of pocket each year. And that plan has a $5,000 deductible, meaning the family would be paying most of the costs until that limit is met. The family may decide its paying for most everything anyway, on top of the $10,000 in premium payments and decide to go without and just pay the penalty of $285 for the whole year. Without any insurance they would be wide open for financial ruin if one of their kids or spouse etc. gets sick.

III. Conclusion

Review Main Points: People may have to pay more for health insurance and possibly with a higher deductible, and there may be the unintended consequence of companies no longer offering coverage. If all this happens and also many people decide to opt out, then there could be some bad unintended consequences.

Restate Thesis: Currently 78% of medical bankruptcies happen to people who had insurance. If, with the Affordable Care Act, people are paying more for health insurance, with a higher deductible, and many are incentivized to opt out altogether than the problem of medical bankruptcies may even get worse.

Closing Device: I actually hope Obamacare works and I'm definitely not rooting against it. But I believe in the saying 'the road to hell is paved with good intentions.' As part of my research I called a couple local law firms in the San Diego area hoping to get an interview about whether or not medical bankruptcies will either be alleviated or even if they will rise in the U.S or San Diego in particular. But there was no interview to be had. Either they had 'no opinion' or I was just told 'wait and see.'

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