

# THE AFFORDABLE CARE ACT

*THE FUTURE OF HEALTH CARE*

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# The Goal: Better Care for All

- Health reform is about:
  - lowering the cost of medical care
  - improving the care patients receive
  - increasing access to that care
  - expanding the base of people contributing to the health care system
  - filling gaps created by the old system
- Virtually everyone plays a role
  - Large employers required to contribute
  - Workers required to contribute
  - 32 million newly insured lower the average cost
  - Doctors and hospitals required to improve care and new programs control rising costs

# 10 Sections of the Affordable Care Act

**Title I** – Quality, Affordable Health Care for All Americans

**Title II** – The Role of Public Programs

**Title III** – Improving the Quality and Efficiency of Health Care

**Title IV** – Prevention of Chronic Disease and Improving Public Health

**Title V** – Health Care Workforce

# 10 Sections of the Affordable Care Act

**Title VI** – Transparency and Program Integrity

**Title VII** – Improving Access to Innovative Medical Therapies

**Title VIII** – Community Living Assistance Services and Supports Act (CLASS Act)

**Title IX** – Revenue Provisions

**Title X** – Reauthorization of the Indian Health Care Improvement Act

# Groups Left Behind by the Status Quo

- People with existing health conditions
- Early retirees and their spouses
- Small businesses and their employees
- Young adults
- Children

# Filling the Gaps

## ➤ Early Retiree Reinsurance Program

- Program picks up 80 percent of claims costing \$15,000 to \$90,000, making retiree health plans less costly to maintain
- In Missouri and Kansas, 222 companies have signed up, including familiar names: Anheuser-Busch, Emerson Electric, Hallmark Cards, Sprint Nextel, Learjet and Koch Industries

## ➤ For small business:

- Tax credits covering up to 35 percent of the cost of employee health insurance became available last year
- The tax credit rises to a maximum of 50 percent in 2014

# Filling the Gaps

- Young adults can now stay covered under a parent's health plan until age 26, if the plan covers dependents
  - Coverage available even if the student is in school or married
    - Until 2014, a narrow exception exists for adult children who have employer-sponsored insurance
    - This is especially important for college students and young adults in entry-level jobs
- For Children:
  - Beginning in 2014, insurers must cover children for basic pediatric services and dental and vision needs
  - Children under age 19 can no longer be denied insurance coverage because of pre-existing conditions

# Pre-Existing Condition Plans

- The law created new state-run health plans for adults unable to obtain insurance
  - The federal government operates the plan in states that chose not to operate their own
  - These plans make health insurance available at the same price offered to people without existing medical conditions
  - Plans cover primary and specialty care, hospital stays and prescription drugs
- Eligibility not based on income, but on situation:
  - You must be uninsured for six months;
  - You must have a pre-existing medical condition or have been denied insurance because of your health condition;
  - You must be a U.S. citizen or a legal resident

# Expanding Coverage

- Pre-existing condition plans operate until 2014, when private insurers will no longer deny coverage or charge a higher price based on a person's health condition
- Funding for the Children's Health Insurance Program is increased and extended through 2015
  - Covers children from homes modestly above the poverty level
- Medicaid will expand to cover individuals and families with income up to 133 percent of the poverty level
- Maximum annual income of:
  - \$14,484 for 1 person
  - \$29,726 for a family of 4

# Improving Health Insurance

- For most individual and group health plans that begin or renew after Sept. 23, 2010:
  - Coverage of recommended preventive health services must be provided without a co-pay, deductible or other form of cost-sharing
  - Lifetime limits on benefits are eliminated
  - Annual dollar limits on insurance coverage are phased out and end in 2014
  - No more dropping coverage based on an unintentional mistake on an application



# Making Insurance More Affordable

- More bang for your buck:
  - Beginning this year, insurers serving individuals and small employers must spend at least 80 percent of premiums on health care services or improving the quality of care
  - Insurers serving large employers must spend at least 85 percent of premiums on health care or quality improvement
  - Insurance companies that fail to meet these standards must pay rebates to customers

# Health Insurance Exchanges

Beginning in 2014, these marketplaces will be allow you to look for the plan that is best for you

- Think of these as a Travelocity for health insurance
  - Insurance options available at your fingertips
    - These will offer the same insurance plans available to members of Congress



# Health Insurance Exchanges

- Insurance Exchanges allow small businesses with fewer than 100 employees to pool their risk
  - By buying as a group, small employers will get the kinds of discounts that large employers already receive
  - The larger number of people in the plan will lower administrative costs
  - The larger pool will reduce the impact on rates of one worker with high medical costs



# What's Ahead

- Tax credits to help pay for health insurance begin in 2014
  - Available to individuals and families with income up to 400 percent of the poverty level
  - Credits phase out as income rises
    - Maximum annual income of:
      - \$43,560 for 1 person;
      - \$89,400 for family of 4
  - These tax credits level the playing field for family farmers, small business owners and employees and the self-employed

# Extending Programs that Work

- Extends the Money Follows the Person program through 2016
  - An additional \$2.25 billion in funding also expands the program to new states to help people stay independent
  - Expands definition of eligible individuals
- Improves Medicaid Home- and Community-Based Services
  - Effective October 2011, \$3 billion will be available to certain states to encourage care in home and community-based settings

# Community First Choice

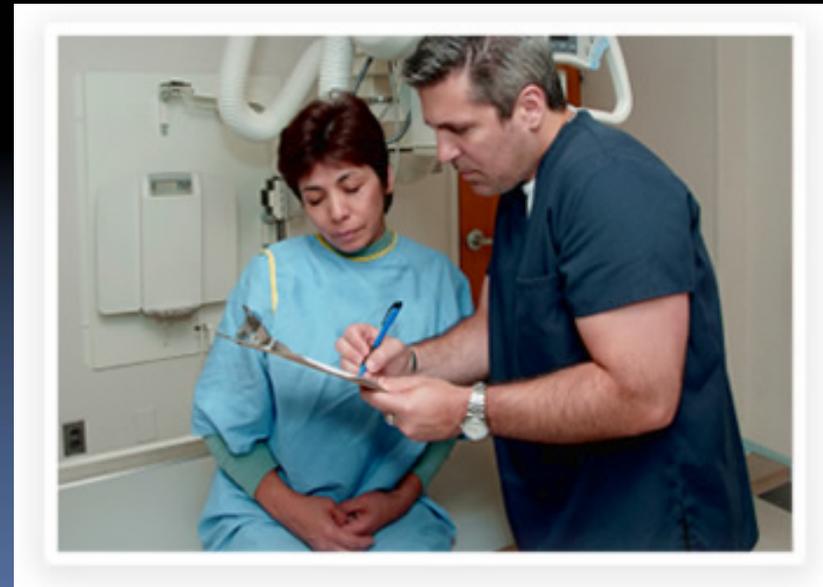
- Effective October 2011, this program will boost the federal share of Medicaid by 6 percentage points to allow states to offer community-based attendant services
- Under Community First Choice, states will provide such services to help individuals in activities of daily living, instrumental activities of daily living and health-related tasks
- Program will be an option alongside nursing home and institutional services for eligible persons with disabilities

# Strengthening Medicare

- New Medicare benefits beginning in 2011:
  - free preventive care such as diabetes and cancer screenings
  - a free annual wellness visit
  - lower cost for prescription drugs
    - In 2011, Medicare participants receive a 50 percent discount on brand-name drugs and a 7 percent discount on generic drugs once they hit the doughnut hole coverage gap
    - The discount rises every year until the coverage gap is gone in 2020

# Improving Health Care Quality

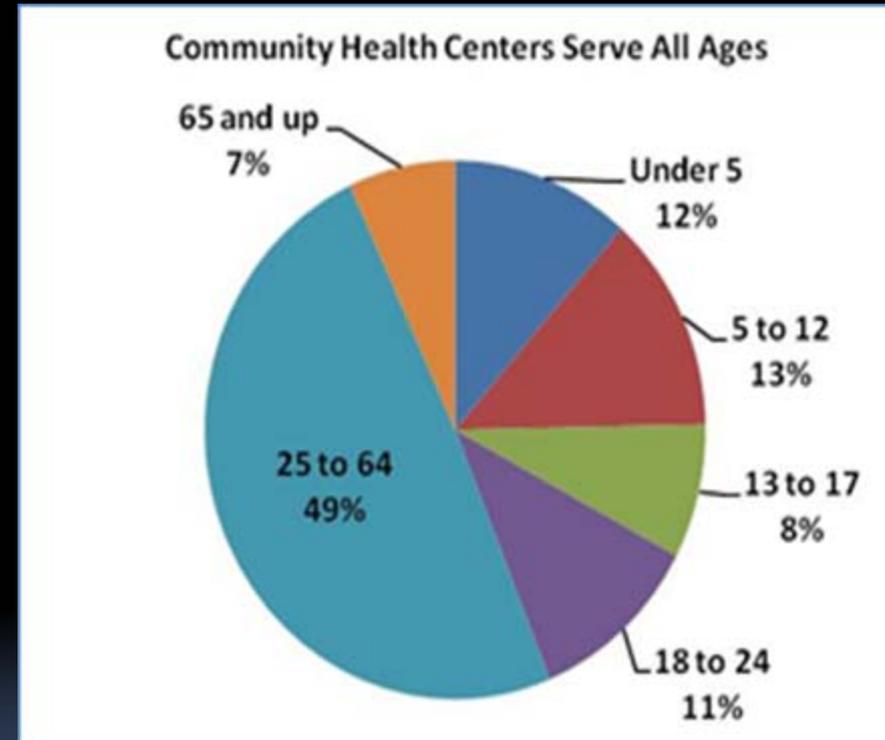
- Better chronic care coordination beginning in 2011
  - Improved coordination of between doctors to lower relapse rates and overall costs, especially after hospital stays
- In 2015, paying doctors according to quality of patient outcomes, not volume of procedures
- In 2012, providing incentives for hospitals to improve care and reduce infection rates
- Hospital performance must be reported to the public on:
  - heart attacks
  - heart failure
  - pneumonia
  - surgical care
  - hospital-acquired infections



# Expanding the Health Care Workforce

The Affordable Care Act provides \$11 billion over the next 5 years for health centers throughout the nation

- \$9.5 billion is designated for building new health centers in underserved areas or expanding primary care services at existing health centers
- An additional \$1.5 billion will support major construction and renovation projects at health centers nationwide
- These changes will nearly double the 19 million patients who receive treatment today, regardless of their insurance status or ability to pay



# Simply Awesome Consumer Site: [www.Healthcare.gov](http://www.Healthcare.gov)

Health care is getting better. So is HealthCare.gov. Help us improve by adding your comments where you see

**HealthCare.gov** Newsroom | Implementation Center

Take health care into your own hands Home | Email Update | Font Size 12 / 16

[Find Insurance Options](#) [Learn About Prevention](#) [Compare Care Quality](#) [Understand the New Law](#) [Information for You](#)

**Explore your coverage options**  
Find out which private insurance plans, public programs and community services are available to you.

**Your Health Care, Explained**

- Families with Children
- Individuals
- People with Disabilities
- Seniors
- Young Adults**
- Employers

**New Pre-Existing Condition Insurance Plan**  
Under the new law, people who have been denied coverage due to a pre-existing condition and who have been uninsured for at least six months may qualify to buy insurance. Learn more about the plan.

**IN FOCUS**  
**Health Care Providers**  
The Affordable Care Act offers new resources and support for medical providers, helping them give patients more control over their health care.

**TOP 5 THINGS TO KNOW**

**HEALTHCARE NOTES**

**VIDEOS & CHATS**  
▶ Let's get started.   
The tool will help you...  
**STEP 1 of 2 - Please Answer All Questions**

- New one-stop consumer site for information on health care and insurance
- Details about the new protections under the Affordable Care Act
- Information at your finger tips allows you to shop for insurance -- prices, benefits, insurer ratings

*“Opportunity is missed by most people because it is dressed in overalls and looks like work.”*      **---Thomas Edison**

Working together, we  
can accomplish much

