



THE AFFORDABLE CARE ACT

What is it and What Does it MEAN for NEW
YORK?

WHAT IS THE PPACA?

- The Patient Protection and Affordable Care Act was passed in March of 2010
 - The ACA has two major goals:
 - Increase access to health care coverage for all Americans
 - Introduce new protections for people who have health insurance
 - Important note: the ACA does not actually make any adjustments to HEALTH CARE



WHY DID WE NEED A NEW LAW?

- **Working people can't find good affordable coverage**
 - 2.6 million New Yorkers currently lack health insurance (47 million in US).
 - 50% of uninsured adults in New York work full-time jobs.
 - 1 in 3 New Yorkers say they or someone in their family has postponed getting medical care or a prescription in the past year because of a lack of money or insurance.
- **Insurance prices have outpaced wages**
 - Between 2000 and 2009, health insurance premiums in NY grew by 92%, while median earnings only rose by 14%.
 - The average annual cost of insurance in the individual market in NY is over \$12,000 for an individual, or \$24,000 for a family.
 - Employers are cutting back health care benefits, or dropping them altogether.



HOW DO NEW YORKERS GET INSURED?

- 58% Employer Sponsored
- 23% Public
- 4% Directly Purchased
- 15% Uninsured



WHAT HAVE YOU HEARD?

- No choice
- Death Panels
- Forced to Purchase
- Undocumented Immigrants will be given Free Coverage
- Health Insurance Costs will Soar out of Control
- You will have to wait 6 months to see a doctor



WHAT DOES THE AFFORDABLE CARE ACT (ACA) DO?

Establishes health insurance Exchanges in 2014:

- Website & telephone hotline to help individuals and small businesses buy and enroll into “qualified health plans.”
- Allows shoppers to compare plans on an “apples to apples” basis
- Eligibility to purchase insurance on Exchange is limited to individuals, families, members of Congress, small businesses, and immigrants who are lawfully present.



MAKES INSURANCE MORE SECURE, EASIER TO KEEP AND USE.

- New regulations for health insurers:
 - No lifetime or unreasonable annual caps on benefits, no rescissions, new appeals rules (2010)
 - No more insurance discrimination:
 - No “pre-existing condition” exclusions (for kids in 2010, adults in 2014).
 - No pricing based on gender; limits based on age and tobacco use.
 - New rules on how much of your premium must be spent on your care. (85% for large group/80% for small or non-group; 2011).



MAKES INSURANCE MORE SECURE, EASIER TO KEEP AND USE.

- No more co-payments or deductibles for preventive services (2010).
- All plans must cover “essential health benefits,” including: preventative care, hospital, maternity, mental health prescription drugs, rehabilitation services, etc. (2014)
- New maximums on annual out-of-pocket payments (\$5,950 for individuals/\$11,900 for family; excluding grandfathered & self-insured plans).



MAKES INSURANCE MORE AFFORDABLE.

- Expands Medicaid eligibility to 133% of the Federal Poverty Level (FPL) (\$15,282 for individuals, \$25,970 for a family of three) in 2014.
- People earning between 133% - 400% FPL (\$78,000 for a family of three) may be eligible for advances and refundable tax credits to help them pay for insurance through the Exchange. (2014)
- Refundable payments will be issued to the enrollee via tax returns, advance payments will be issued directly to the health plan.
- Credits may only be used for private insurance purchased on the Exchange.
- Eligibility for credits is limited to people who are not eligible for public health insurance programs or through their jobs (unless they pay more than 8% of their income for it).



WHAT DOES IT MEAN FOR YOU?

Mandated coverage:

- Starting in 2014, you must have insurance
- Must meet minimum standard of quality
- Exemptions based on financial hardship, undocumented immigrants, religion, etc.
- If you are uninsured for more than 3 months you must pay a tax penalty.
- \$95 per person in 2014.
- Max. of \$695 per person per year, or \$2,085 per family, in 2016.



WHAT IF I HAVE INSURANCE THROUGH WORK?

If you like your insurance, you can keep it.

- Employers offering health insurance on the date on which the law was enacted – March 23, 2010 – may continue to offer that insurance, and continue to enroll new employees into it.
- If you don't like your insurance, you can buy different insurance on the Exchange or elsewhere at full price.
- If you pay more than 9.5% of your income on your share of your employer's health insurance plan, then you can buy insurance on the Exchange and get a subsidy.



YOU CAN GET SUBSIDIES IF YOU USE THE EXCHANGE

- If you earn less than 400% of the federal poverty level may be eligible for advances and refundable “tax credits” to buy insurance through the Exchange. (46K/indiv. 78K/Family of 3)
- Refundable payments will be issued to the enrollee via tax returns, advance payments will be issued directly to the health plan.
- Subsidies may only be used for private insurance purchased on the Exchange.



TAX CREDITS FOR SMALL BUSINESSES

- The ACA provides tax credits to help small business and nonprofits buy health insurance.
- Tax credits go up to 35% of the amount the company spends on employees' coverage
- The level of the credit varies depending on the number of employees and their average salaries.
- To qualify for the maximum level of credits, an employer must have fewer than 10 employees (FTEs) and they must have an average annual salary of \$25,000 or less.
- To qualify:
 - The business must have fewer than 25 employees
 - The employees must have an average annual salary of less than \$50,000.
 - The employer must contribute at least 50% towards the cost of employee's coverage



EMPLOYERS

- Under 50 employees – exempt from penalties
- Over 200 employees – must enroll in health plans. Employees can opt out.
- Over 50 employees and do not offer health insurance - \$2000 fine for employees 31 – 200+
- Employers can offer “Free Choice” Vouchers which let employees buy insurance on the exchange



CHANGES

- COBRA will continue for 18 to 36 months
- Health plans must cover adoptive children at the same level as natural children whether adoption is final or not.
- Health plans that cover mental health annual lifetime \$ limits must be same or higher than regular health benefit.
- Americans with Disabilities Act (ADA) same benefits with regard to deductibles, premiums, limits on coverage, and pre-existing condition waiting periods.
- Family and Medical Leave Act – employers must continue coverage for length of leave
- Pregnancy Discrimination Act – pregnancy must be covered at same level as other conditions
- \$250 rebate for seniors who hit the donut hole in 2010. 50% off brand name drugs in 2011



FOR IMMIGRANTS

- If you are an immigrant with insurance, and you like it, you may keep it.
- If you are a lawfully present immigrant and don't like your insurance, or do not have insurance, starting in 2014 you may purchase insurance on the Exchange and get subsidies if you meet the standard eligibility requirements.
 - If you are an undocumented immigrant you cannot buy insurance or get subsidies for yourself on the Exchange.
- But, you can get it for your family members who may be citizens or lawfully present.



FOR WOMEN

- New anti-discrimination rules:
- “Gender rating” banned in 2014, age-rating limited.
- Bans denials of pre-existing conditions, such as breast cancer, c-sections, domestic violence. Reconstructive surgery after mastectomy will be covered.
- No co-pays for preventive services and screenings (such as mammograms, Pap smears), maternity coverage mandated
 - Health plans can not limit hospital stays for childbirth.
- Around 6.4 million women of reproductive health age (15 to 44) will get Medicaid and 4.8 million will get federal subsidies to buy private coverage.
- But abortion restrictions remain in Medicaid: 2 checks required in the Exchange, and general concern that most insurers will drop abortion benefit altogether.



DO TAXPAYERS REALLY PAY FOR “FREE” BIRTH CONTROL?

NO Under Obamacare, birth control coverage through private insurance is NOT subsidized by taxpayers. Women’s premiums are now simply covering this benefit without additional out-of-pocket cost.

PRE-OBAMACARE



You pay premiums

To your private insurance company

You get an insurance plan with high co-pays

POST-OBAMACARE



You pay premiums

To your private insurance company

You get an insurance plan with better coverage



FOR SENIORS WITH MEDICARE

- In 2011, no co-payments and annual deductibles for preventive services.
- By 2014, Medicare Advantage plans will be required to spend at least 85¢ of every \$1 on health care for seniors.
- Seniors who hit the coverage gap (or the “donut hole”) got a rebate of \$250 in 2010, and a 50% discount on brand name drugs and biologics in 2011.
- By 2020, the Medicare donut hole will be c



FOR YOUNG ADULTS

- If you are less than 26 years old, then you can stay on your parent's insurance until you turn 26 – UNLESS your employer offers insurance or you qualify for public insurance programs.
- You do not have to be enrolled in college to do so, and can be married. (Child's Spouse and children not eligible!)
- Step Children are eligible.
- In NY, people between 26 and 29 can pay more and keep coverage through their parents' employer (will cost slightly more).

If you are less than 30 years of age and cannot afford to buy coverage then you can purchase a low-cost “catastrophic” health plan.

- This plan will have a high deductible.
- After deductible met, you will have the basic essential health package.
- At least three primary care visits per year are not subject the deductible.



FOR KIDS

- Kids under 19 in families that earn less than 133% FPL (\$24,300 for a family of 3) will be eligible for free Medicaid coverage.
- Kids (and everyone else) with Medicaid will have more doctors to choose from because the new law raises pediatrician and primary care payment rates to match Medicare rates.
- Child Health Plus (SCHIP) will continue until 2019. All kids up to 400% FPL (\$73,240 for a family of 3) have access to affordable, comprehensive health insurance.
- Kids will no longer be subject to a pre-existing condition exclusion (2010).



BOTTOM LINE: HEALTH SECURITY

- 32 million people will become covered
- Insurance industry will be regulated strictly
- The cost of insurance will likely go down due to more people paying into the system.
- Fewer health-related bankruptcies, more job and health security
- People will be able to use the new insurance Exchange as a simplified way to enroll into both public insurance programs and private health plans.
- The new law sets aside grants to states to establish consumer assistance programs to help people enroll in plans, file complaints and appeals, and solve problems.



COST

- According to the Congressional Budget Office, the ACA will cost approx. \$940 billion over 10 years.
- They estimate that ACA will reduce the Federal Deficit by \$143 billion over the first 10 years.
- Could reduce the deficit by 1 trillion in 20 years.
- Reductions come from \$500 billion in savings from health programs like Medicare, and \$438 billion in new tax revenue.



HOW WILL HEALTH REFORM BE PAID FOR?

- Much larger pool of healthy non-utilizers
- Lower healthcare costs because people will not wait until the last minute...
- Increase the Medicare tax on high-income households: 2.35 - 3.8% on incomes over \$200K (% depends on investments)
- Excise tax on employers who offer high-cost plans
- Penalties for those who do not get coverage
- Penalties on employers who don't offer coverage who have over 50 employees (\$2000 per employee)
- New fees for medical industry (drug companies, device makers, insurance companies)
- 20% penalty for non-health related withdrawals from HSAs



MEDICARE & POLITICS

- “Robbing Medicare to pay for the ACA”
- As it stands now, Medicare care cannot sustain itself beyond 2016
- The ACA extends Medicare’s life until 2024
- Strengthens detection and prosecution of fraud, (2.14 billion in 2008 opposed to 4.1 billion in 2011.)
- Stronger penalties on providers who commit fraud – no more “pay and chase”



MEDICARE AND ACA

- Medicare Advantage plans need to lower costs and provide same service as Original Medicare (now charge 9% more for same service.)
- Lowers payments to hospitals with high re-admission rates
- Accountable Care Organizations (Doctors, providers that help coordinate patient's care.)
- Increased incentives to providers who provide quality service – unlike today...



PRIVATIZING MEDICARE

- Conservative politicians talk about privatizing Medicare – a big part of it already is – Advantage Plans
- Propose a voucher system - \$3,000 per person to buy private insurance
- The actual cost of private insurance is over \$10,000
- Insurance companies regain control...



BEWARE OF MEDICAL DISCOUNT PLANS

- These plans are NOT insurance. They do not pay for care. They offer purchasers a discount from selected providers
- There are many companies that sell these plans with misleading advertising that tricks consumers into believing that they have purchased health insurance when they have only purchased one of these discount plans
- The Federal Trade Commission has published a fact sheet with information about how to identify these scams at <http://www.ftc.gov/bcp/edu/pubs/consumer/health/hea01.pdf>
- In general, if someone finds an offer for something that sounds like insurance and the cost seems too good to be true, it is too good to be true.
- ProCare, SilverCare, Companion Care, Ameriplan, etc



RESOURCES

- Health Care For All New York: www.hcfany.org
- Community Health Advocates:
www.communityhealthadvocates.org
- For help enrolling and using insurance or health care, call toll free: 1-888-614-5400.
- Find coverage: www.healthcare.gov
- Congressional Budget Office:
<http://www.cbo.gov/publications/collections/health.cfm>
- Kaiser Family Foundation:
<http://healthreform.kff.org/>
- Community Catalyst:
<http://www.communitycatalyst.org/>
- ACA: <http://www.ncsl.org/documents/health/ppaca-consolidated.pdf>

