



**“A One City Insured Public Meeting:  
Health Insurance You Can Afford”**

**July 21, 2011**

**HEALTH CARE REFORM & THE HEALTH  
INSURANCE EXCHANGE**

# THE FACTS ABOUT HEALTH CARE REFORM

- ❑ Patient Protection and Affordable Care Act
  - Usually called Affordable Care Act or “ACA”
- ❑ Some changes now; some changes later

## Major Changes

Affordable

Quality

Simplified

Access

# MORE MAJOR CHANGES

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- By 2014, almost everyone will have health insurance
- More people will be eligible for Medicaid and it will be easier to apply
- Many people will be eligible for tax credits for buying health insurance
- You cannot be denied health insurance because you have a pre-existing condition, e.g. diabetes, cancer
- Insurance companies cannot put a “lifetime limit” on your health care coverage

# MORE MAJOR CHANGES

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- Some people will have a limit in co-pays
- Some prevention services will not require a co-pay at all
- Employers with less than 25 workers can get a tax credit for offering health insurance
- Creates Health Insurance Exchanges

## TODAY'S RULES

- ❑ Today insurance companies can charge you more for your insurance if you ...
  - Have an illness
  - Have a history of an illness
  - Are at risk for getting sick, e.g. family history of illness
  - Are older
  - Live in certain areas of the country
  - Are a woman
  - Smoke
- ❑ Today you can also lose your health insurance if you become sick and use a lot of costly services

## RULES UNDER ACA BY 2014

- ❑ Companies will only be allowed to charge you more for your health insurance than they do other people if you...
  - Are older
  - Smoke
  - Live in certain areas of the country (more expensive parts of the country areas of the country)
- ❑ No one can be denied health insurance because they are sick

# RULES FOR INSURANCE COMPANIES

# INDIVIDUAL MANDATE

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- ❑ Almost everyone will be required to have health insurance
- ❑ To do that, health insurance must be affordable
  - Expanding Medicaid eligibility to more people
    - ❖ DC Medicaid Expansion
  - Putting limits on what insurance companies can charge and not allowing them to deny people insurance coverage if they have health problems

# EXCEPTIONS TO INDIVIDUAL MANDATE

ACA requires almost everyone to be insured beginning in 2014 but there are a few exceptions

Undocumented immigrants

People who have been uninsured less than 3 months

Religious objections

Incarcerated individuals

American Indians

People with income below the tax filing threshold  
\$9,350 for singles and \$18,700 for couples (2009)

People who would have to pay more than 8% of their income to buy the most inexpensive health insurance plan

## PENALTIES FOR THOSE WHO DO NOT BECOME INSURED

- ❑ Penalties start small in 2014 but become larger each year
- ❑ Penalty will be either a flat fee or a percentage of the household's income, whichever is greater

2014	\$95 or 1% of taxable income
2015	\$325 or 2% of taxable income
2016	\$695 or 2.5% of taxable income
After 2016	Increased annually by the "cost-of-living adjustment" set by the federal government



# SMALL BUSINESSES

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- ❑ ACA does not require that employers offer health insurance to their employees
- ❑ Tax Credits– ACA offers tax credits in some cases to those who do

Businesses with less than 25 employees may receive a tax credit if they provide health insurance to their workers

Tax credit available now

- ❑ Penalties for businesses

In 2014, the law will penalize some businesses for not offering health insurance or not making it affordable for their employees

# HEALTH INSURANCE EXCHANGES

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Where you will shop and buy  
Health Insurance in 2014

# THE HEALTH INSURANCE EXCHANGE

Where people will go to shop for and buy health insurance in 2014



# HEALTH INSURANCE EXCHANGE

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- ❑ “Web-based” – You will find it on the Internet
- ❑ Will show you different health insurance plans, what they offer and what they cost
  - Comparison shopping like on EBay, Amazon and Priceline
- ❑ The information will be in simple and plain language
  - No mumbo-jumbo allowed!
- ❑ Customer Service Center and “Navigators” to help

# RULES FOR PLANS SOLD ON THE HEALTH INSURANCE EXCHANGE

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The law says that health insurance plans sold on the Exchange must follow certain rules

## Rules

- Cost must be affordable
- Quality must be good
- Choices of insurance plans and what each plan offers must be clear

# TAX CREDITS FOR INDIVIDUALS

If your income is less than 400% federal poverty level (FPL) then you will be able to get a tax credit if you buy your health insurance through the Health Insurance Exchange

Family Size	Maximum Income
1	\$43,320
2	\$58,280
3	\$73,240
4	\$88,200

# MEDICAID

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- ❑ ACA makes changes to the Medicaid program too
- ❑ Requires every state and the District to expand Medicaid to people with incomes up to 133% FPL

Income up to \$14,400 for 1 person  
Income up to \$24,352 for a family of 3

DC has already expanded  
Medicaid to more people

# EASIER TO APPLY FOR MEDICAID

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- ❑ In 2014, people will be able to apply using a simple application through the Health Insurance Exchange
- ❑ Your income will be determined by what you filed on your tax return
- ❑ Less paperwork for you
- ❑ Faster decisions regarding your eligibility



# MEDICARE

“Donut hole” is the period when Medicare temporarily quits paying for prescription drugs and you have to pay the entire amount alone

Rebate of \$250 in 2010 for those in Medicare who spent money in the “donut hole”

In 2011, those who pay for their medicines in the “donut hole” will receive a 50% discount on brand name drugs

In 2011, you will pay less for generic drugs in the “donut hole” period

By 2020, people on Medicare will only have to pay 25% of the costs of their prescription drugs during the donut hole period instead the 100% that they paid when the law was passed

# HEALTH SERVICES

For everyone insured, including those on Medicare, some prevention services will not require any co-payments

Screenings	Immunizations	Children and/or Adolescent Services or Screenings
Type 2 Diabetes	Hepatitis A	Depression; Alcohol & Drug Use
HIV	Hepatitis B	Immunizations
Alcohol Misuse	Herpes Zoster	Developmental screening
Blood Pressure; Cholesterol	Influenza	Obesity
Colorectal Cancer	Measles, Mumps, Rubella	Vision and Oral Health
Breast & Cervical Cancer	Meningococcal	HIV
STDs	Tetanus, Diphtheria Pertussis	Autism

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# Questions?