

# A QUICK GUIDE TO HEALTH CARE REFORM

From Cover Missouri – A project of the Missouri Foundation for Health

Health Care  
Reform?



COVER  
MISSOURI

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# THE AFFORDABLE CARE ACT

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act – also known simply as the “Affordable Care Act” – into law. Its intent is to make health care coverage more affordable and accessible, improve the quality of coverage and care, and increase the focus on preventive care. Most insurance-related provisions of the law will take effect by 2014.

## ABOUT THE LAW



### What does health care reform mean for Missourians?

The law includes provisions that enact new consumer protections; improve the quality of care and lower costs; increase access to affordable care; and hold insurance companies accountable for the premiums they collect. If you currently get insurance through a company with more than 100 employees, your coverage will only change if your employer chooses to change it. If you work for a small business, the law offers opportunities to access higher quality, more affordable coverage. Those without insurance will have new, affordable options.

### How will health care reform affect the federal deficit?

According to the non-partisan Congressional Budget Office (CBO), the \$940 billion cost of health care reform is estimated to pay for itself. The CBO believes it will also reduce the national debt by \$124 billion by 2020. However, the rules created for how to put the law into action could raise or lower the cost. The investment in preventive care and management of chronic conditions is projected to create even more savings.

## SENIORS

### What will happen to Medicare under the new law?

Medicare benefits will expand. Preventive services, like wellness exams and mammograms, will be covered at no cost and participants will have lower out-of-pocket costs for prescription drugs. In addition to other benefits like improved post-hospital care and increased quality of care, the law aims to reduce Medicare fraud and waste – efforts that put more money back into the system and extend the life of the Medicare Trust Fund. Also, retired employees over the age of 55 who do not yet qualify for Medicare may benefit from a program that helps employers pay for their insurance until the exchange opens in 2014. This means people may be able to retire early without worrying about losing health insurance.



## 2010

- Tax credits for eligible small business and nonprofits
- Reinsurance program to help cover early retirees
- Young adults can stay on parents' insurance up to age 26
- Temporary high-risk pool for uninsured individuals with pre-existing conditions
- Children with pre-existing conditions cannot be denied coverage
- Insurance companies cannot drop coverage because of illness
- No more insurance “lifetime limits”

## 2011

- Insurance companies must spend 80-85% of premiums on health care
- Medicare payments to primary care/general surgeons in underserved areas go up by 10%
- New preventive benefits for seniors receiving Medicare

# ADULTS



## Will I have to buy insurance?

Beginning in 2014, most people – with the exception of those with financial hardships or certain religious beliefs – will be expected to carry insurance or pay a fine. Individuals and families, including those with pre-existing conditions, will be able to choose from a variety of plans offered in a newly established exchange or health insurance marketplace. All plans will cover preventive care without co-pays and will not have annual spending limits. Low- and middle-income individuals who are not offered insurance through their employers can receive subsidies to help pay for insurance premiums.

## What other health care changes should I expect?

While some of the biggest changes focus on making insurance more accessible, affordable, and fair, other provisions will improve access to preventive care services, eliminate wasteful health care industry spending, and improve the quality of care with new incentives for changing how care is delivered.

# CHILDREN

## How does health care for children change under the law?

The law guarantees children regular wellness visits; immunizations; flu vaccines; and counseling/screening for issues such as obesity, anemia, and depression. It also enhances services for pregnant women to ensure healthier babies.

## How does the law impact health care coverage for children?

There are two major changes to health care coverage for children. First, insurance companies can no longer deny coverage to children with pre-existing conditions. Second, children may stay on their parents' insurance until the age of 26 if they don't have an offer of insurance through their own employer.



## 2012

- Employers must report value of health coverage on employees' W/2s

## 2013

- Tax deduction ends for employers who receive subsidy payments for retiree drug coverage
- Medicaid payments increase to Medicare rates for primary care services

## 2014

- Insurance exchanges open for eligible small businesses and individuals
- Employers can offer workers incentives for participating in wellness programs
- Small business tax credit increases
- Most Americans required to have insurance or face a penalty
- Medicaid coverage expands to include low-income families and adults without children
- Insurers cannot discriminate against people with pre-existing conditions
- No more annual insurance spending limits



# BUSINESSES

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## **What kind of aid will businesses receive to provide health care coverage?**

A tax credit for small businesses, which covers up to 35 percent of the premiums a small business pays, took effect in March 2010. In 2014, the tax credit will increase to 50 percent. This credit applies to businesses with 25 or fewer full-time employees. Additionally, health care reform will end price discrimination against small businesses with sick employees. In 2014, new community rating rules will prevent insurers from charging small businesses more to cover sick workers or from raising rates due to illness.

## **What if insurance is still too expensive for my business?**

Beginning in 2014, businesses with up to 100 employees will be able to purchase health insurance through an insurance exchange, which will enable owners to pool together to purchase insurance – creating more choices, offering greater bargaining powers, and lowering administrative costs.

If you're interested in having Cover Missouri staff speak to your group, please contact MFH at 314.345.5576. Presentations can be customized to your group's specific needs.