Health Care Reform: Understanding the Affordable Care Act
What’s really in the new law?

Presented by:
Michigan Consumers for Healthcare

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Michigan Consumers for Healthcare

- Working collaboratively with a diverse alliance of consumers, partners and policymakers to attain affordable, accessible, quality healthcare for all Michiganders

- Foundation funded and non-partisan.

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Consumer Input Key to Meeting Consumer Needs

- Bringing the consumer voice to health care reform in Michigan.
- Partnering with policymakers and a diverse coalition.
- Education, outreach and advocacy.

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We have the best healthcare in the world! Right?

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U.S. Spending on Healthcare Each Year

<table>
<thead>
<tr>
<th>Country</th>
<th>Spending per capita/year on health care</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>$8,000</td>
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<tr>
<td>Norway</td>
<td>$5,000</td>
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<tr>
<td>Canada</td>
<td>$4,000</td>
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<td>U.K.</td>
<td>$3,000</td>
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<tr>
<td>Japan</td>
<td>$2,700</td>
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What do we get out of our investment?
Is this the best we can do?

30 other countries have lower infant mortality rates

The W.H.O ranks the U.S. 37th in the world behind countries like Cyprus & Malta

50.7 million Americans have no health insurance and no access to a family physician.

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Individual Mandate

The healthcare reform bill mandates that most US citizens and legal residents purchase “minimal essential coverage” for themselves and their dependents if they can afford it.
“We did it because we were concerned about the specter of single payer insurance, which isn’t market-oriented, and we didn’t think was a good idea.”

— Mark Pauly, Policy Advisor to President George H. W. Bush
The Heritage Foundation was one of the strongest early backers of an individual mandate.

The “central element in the Heritage proposal is a two-way commitment between government and citizens. Under this ‘social contract’ the federal government would agree to make it financially possible... for every American family to purchase at least a back package of medical care including catastrophic insurance. In return, government would require, by law, every head of household acquire at least a basic health plan for his or her family.”
About the Massachusetts Model...

• There has been a lot said about the Massachusetts model- some true, much false.
• Finding a reliable source for data can be a challenge
• We use FactCheck.org
What is an Exchange?

• An exchange is a competitive market place where insurers can offer their products *if* they meet specified criteria

• Not a brick and mortar location but rather a web-based portal with other access points
How an Exchange Works

• It allows for a wider comparison of coverage's
• It will reduce cost by broadening the risk pool
• You will be able to compare cost-to-coverage of multiple plans through one location
• It will allow for the expedient determination of plans an individual is qualified to participate in
Easier to Buy Insurance

• New Insurance Exchanges allow people to compare plans, apples to apples

• The ACA limits insurance company overhead costs (administrative and marketing) so more of our premiums go to our health care

• Allows individuals and small businesses to get better rates because they are in a bigger pool

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Timelines for a State Exchange

• HHS certification for a state exchange must be done by January 1, 2013
• Open enrollment for an exchange must begin on October 1, 2013
• An Exchange must be fully operational by January 1, 2014
Connect to good health, Massachusetts!

Our online Commonwealth Choice marketplace is the only place where you can compare plans from the state's major insurers. We're an independent state agency, so you can shop with confidence.

Our Commonwealth Care program offers low-cost health insurance for people who qualify. It provides comprehensive benefits and a choice of health plans.

Find the plan that's right for you and enroll today!

For Commonwealth Care Members Only
If you've been accepted for this subsidized health plan:

- Log in to your account
- Register to get online access to your account
- Get instructions for creating your account
- Get help with questions

The Health Connector is an independent state agency that helps Massachusetts residents find health care coverage. Read more about us.
The Facts According to FactCheck.org

• 98.1 percent of the citizens of Massachusetts now have healthcare coverage (contrasted with a national uninsured rate of 15.4%)

• FactCheck.org: “Any way you want to look at it, premium costs went down.”

• 60% of those individuals buying insurance on the exchange had no previous insurance
“Did you Know?” Quiz

• All members of Congress must buy their insurance from their state’s healthcare exchange.
  • How many of you knew that?
• Medical Loss Ratio: 20/80
  – 80 cents out of every dollar in premiums must be paid out for policyholders medical care.
  – If the full 80% is not paid out for medical care, the insurance company must send you a refund check every year.
  • How many of you knew that?

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Health care legislation is designed to:

• Reduce health care cost growth for families, employers and the government.

• Provide Americans access to affordable quality health coverage.

• Strengthen and protect Medicare and Medicaid.

• Modernize our health care delivery system.
Here’s how...
Security and Control

- Insurance companies won’t be able to turn people down because of pre-existing conditions.
- This took effect in 2010 for children and in 2014 for everyone.

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Essential Health Benefits Coverage

Preventive care
- Hospitals
- Physicians
- Prescription drugs
- Mental health
- Rehabilitation

Habilitation services
- Substance abuse
- Dental and vision care for children
- Maternity care

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Financial Protections

- No annual or lifetime limits
- Spending caps will limit the amount consumers pay out of pocket each year.
- Insurance companies have to spend at least 80-85% of premiums on medical care.
- Eligible for tax credits
- Insurers must justify premium increases

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Families and individuals will receive tax credits to help pay for health insurance, depending upon income.

Tax credits will be available to families earning between 133-400% of the Federal Poverty Level ($29,327-88,200 for a family of four).

Tax credits are designed to keep premium costs between 2%-8% of income, on a sliding scale.

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Medicare

- Closes the “donut hole” in drug coverage and lowers cost of brand name drugs
- Provides incentives for better coordinated care and use of evidence based medicine
Medicare

- No co-pays for preventive services in 2011
- Medicare Advantage plans cannot charge higher co-pays than traditional Medicare.
- Enhanced payments for primary care physicians and general surgeons
- Medicare Trust Fund solvency is extended by 9 years
Caretakers and Young Adults

People in the sandwich generation and caretakers will have guaranteed coverage and affordable choices. Young adults can stay on their parents plans until age 26.

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Home and Community-Based Services

The Community First Choice option that allows states to make community-based services mandatory. There are no cost caps or waiting list restrictions.

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Health Care Workforce

• The ACA will provide loan repayments and scholarships for students who work in underserved areas.
• The ACA gives grants to health programs at colleges and universities to increase the racial diversity of the health-care workforce.
Women

• Insurance companies will no longer be able to deny coverage due to a pre-existing condition such as:
  — Breast or cervical cancer
  — Pregnancy or C-section
  — Domestic abuse

• An insurer will no longer be able to charge women more than men for the same coverage.

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• State health insurance programs under Medicaid will cover all families and individuals with incomes up to 133% of the Federal Poverty Level – $24,348 for a family of three.
• For the first time ever, childless adults without a disability can qualify for Medicaid.
Prevention and Wellness

- No deductibles or copayments for preventive services.
- Grants for community wellness programs
- National standards for restaurant nutrition labeling
- Incentives for doctors to improve patients’ health

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Children

• Insurance companies can’t deny children insurance because of a pre-existing condition (will also apply to adults in 2014)
• No yearly or lifetime limits on coverage
• No co-pays for preventive care
• All insurance plans will cover kids’ dental and vision care
• Young adults can stay on their parents’ plan until age 26

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Native Americans

The ACA permanently authorizes the Indian Health Care Improvement Act and:

• Improves access to health care for the 1.9 million Native Americans served by the Indian Health Services.
• Updates the Indian Health Service scholarship program.
• Authorizes the transfer of funds and equipment for use in the construction or operation of Indian Health Service (IHS) funded facilities.
Legal Immigrants

Legal immigrants are eligible for:

• Purchasing health insurance from the state Exchanges (2014) with no waiting periods.

• Premium tax credits, cost-sharing reductions, temporary high-risk pools and “basic health plans” offered by a state.
People with Medical Conditions

- People with a disability or mental illness can work part-time and still qualify for Medicaid.
- Mental health parity – mental health care must be covered just like physical health care.
- Insurance companies won’t be able to refuse or charge more to cover people with pre-existing conditions.
- A new, temporary high-risk pool will help people with pre-existing conditions gain immediate access to insurance, HIP MICHIGAN.
Delivery System

Doctor incentives for better coordinated care

Pilot projects in evidence-based medicine

Enhanced payments for primary care physicians and general surgeons

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Patients and Doctors Have Control

• Insurance plans will have to cover essential services: preventive care, hospitals, physicians, prescription drugs, mental health, substance abuse, dental and vision care for children, maternity care, and other services.

• Clear appeals process if your claim is denied

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Sounds great – but how do we pay for it?
How is it paid for?

• Multiple funding mechanisms are built into the Legislation. ACA does NOT add to the deficit!
  – Congressional Budget Office: $143 Billion in Savings this decade.

• Examples of funding mechanisms:
  – $2,000 per employee fines for large businesses (50+ employees) who do not provide insurance for workers
  – Higher taxes will be imposed on those earning more than $200,000 individual/$250,000 couple
  – Medicare Advantage plans will be reimbursed at the regular Medicare rate
Shared Responsibility

Costs and responsibilities are shared among state and federal government, businesses and individuals.
**Federal Government**

- Pays for 100 percent of Medicaid expansion from 2014-2016
- Pays for 90-95 percent of Medicaid expansion in 2017 and beyond
- Shares in cost of tax credits and premium subsidies
Shared Responsibility

Individuals

• U.S. citizens and legal residents must purchase health insurance or pay a penalty
• Penalties are phased in for those who do not
• Exemptions granted for financial hardship, religious objections, those without coverage for less than 3 months, undocumented workers, incarcerated individuals, or if the lowest cost plan exceeds 8% of income
• Tax changes for some high-income individuals

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NOW WHAT???
What You Can Do

Join MCH’s email list, find us on Twitter @MIChealthcare or http://Facebook.com/consumersforhealthcare

Use the Legislative Action Center at www.consumersforhealthcare.org

Visit www.healthreformtruth.org
Train the Trainer

• Host a Train the Trainer event
• Train the Trainer is an in-depth session that trains people how to educate others on healthcare reform
• It is free and open to anyone who wishes to host/participate in a session
JOIN THE MOVEMENT!

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So how do I Apply for the Pre-existing Condition Program (PCIP).

- You must have a pre-existing condition.
- You must have been uninsured for 6 months.
- You must provide:
  - Proof of US citizenship and Michigan residency
  - Letter from a physician (issued in the last 6 months) that you have a qualifying condition, OR
  - Denial letter stating that, for health reasons, you were denied coverage in the last six months
- Qualifying conditions are listed at www.hipmichigan.com
- To apply, contact PHP of Mid-Michigan at 877-459-3113 or
- www.hipmichigan.com
How do I apply for...

MEDICAID:
• Contact “Michigan Enrolls” at 1-888-367-6557
• Fill out form and print online from: http://www.michigan.gov/documents/dhs/DHS_Information_Boo klet_and_Assistance_Application_242170_7.pdf
• Contact your local DHS office

MiChild, Healthy Kids, Plan First and MOMS:
• Online at https://healthcare4mi.com/michild-web/
• Call 1-888-988-6300
• Health Departments
• Some Federally Qualified Health Centers (FQHCs)
• Contact your local DHS office
How do I apply for Medicare?

Contact the Michigan Medicare/Medicaid Assistance Program at

http://www.mmapinc.org/, or

1-800-803-7174
How do I apply for MiRx?

- Online at www.mihealth.org or 1-866-755-6479
- The MiRx (My Prescription) Card is a prescription drug discount program for Michigan residents who do not have any prescription drug coverage.
- The MiRx Card program is free. Card holders take their prescription and their MiRx card to a local participating pharmacy. Card holders are charged the MiRx discounted price for any medicine the pharmacist stocks and your doctor prescribes.
- Over-the-counter drugs are not covered even if they are prescribed by your doctor.
How do I use the health insurance exchange?

Exchanges will not be active until 2014. Visit www.healthcare.gov for more information.

How do I check the quality of my hospital?

www.hospitalcompare.hhs.gov
www.healthcare.gov