

Affordable Care Act: What you should know

*By: State Senator
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Definition: **The Patient Protection and Affordable Care Act (PPACA)**

- Also known as "Obamacare" or "ACA"
- is a federal law that makes significant reforms to the United States health care system.

Main Components

1) Federal Health Care Exchange

- Enrollment opens Oct. 1, 2013 with coverage beginning January 1, 2014

2) Medicaid Expansion

- Governor Perry decided that Texas would not expand Medicaid thus our percentage of uninsured stays at 25% rather than 11.6%

*Health Insurance
Marketplace Exchanges*

Definition: **health insurance exchange**

an online store where consumers can easily compare and buy health insurance plans.

The insurance plans featured in the exchange are still operated by private companies, and will still cover the same benefits.

The exchange simply explains & compares policy options.

How does it work?



- Plans will be presented in four categories based on price, benefits, and other features.
 - bronze, silver, gold, and platinum
- Straightforward explanations will give a clear picture of what premiums you'd pay and what benefits and protections you'd get before you enroll.

When will it be available?

- Starting **October 1st of 2013**, you will be able to use the new Health Insurance Exchange to purchase or switch insurance plans
- This year open enrollment will last until **March 31st, 2014**
- Coverage can begin as soon as **January 1st, 2014**

How do I apply?

- You can apply for coverage online, by mail, or in-person with the help of a Navigator.
- Use the website www.HealthCare.gov to apply for coverage, compare plans, and enroll.
- Call 1-800-318-2596 for help 24/7
- Visit LocalHelp.HealthCare.gov to find assistance in your area

Medicaid


Medicaid Expansion

Medicaid expansion would **cut the number of uninsured** in Texas **by more than half (from 25% to 11.6%)**, even at just moderate levels of enrollment

Right now, **for every \$1 the state government spends on Medicaid**, we **receive \$1.45 in matched funds** from the federal government

With Medicaid expansion, **for every \$1 the Texas state government would spend on our Medicaid program**, we **would receive \$9 from the federal government in matched funds.**

Other ACA Provisions

A row of lit candles with a red overlay. The candles are white with dark bands and are lit, with bright yellow and orange flames. The background is a solid red color.

Coverage for Young Adults

Young adults will be able to remain on their parents' health insurance plan until their 27th birthday

Definition: **pre-existing condition**

a medical condition that occurred before a program of health benefits went into effect

Pre-existing conditions

Companies will also no longer be able to deny you coverage based on health factors, including a pre-existing condition or disability

Ends pre-existing condition exclusions for children

Health plans can no longer limit or deny benefits to children under 19 because of a pre-existing condition.

No Rescinded Coverage

Group or individual insurance plans can no longer cancel coverage if you make an honest mistake on your application.

What does it mean?

Previously health insurance plans could cancel your coverage and charge you for previous coverage they paid if they found a mistake in your application. Now they can't.

Policies can still be rescinded in cases of fraud

Costs

Definition: **health benefits**

Any cost that an insurance plan pays to a health care provider on behalf of the policyholder

No Lifetime or Annual Benefit Limits

ACA prohibits companies from putting a lifetime dollar limit on essential health benefits

What does it mean?

Previously an insurance provider could place a cap on the amount the provider would pay for coverage.

A plan may still limit the number of office visits or days in a facility the plan will cover.

Definition: **medical loss ratio**

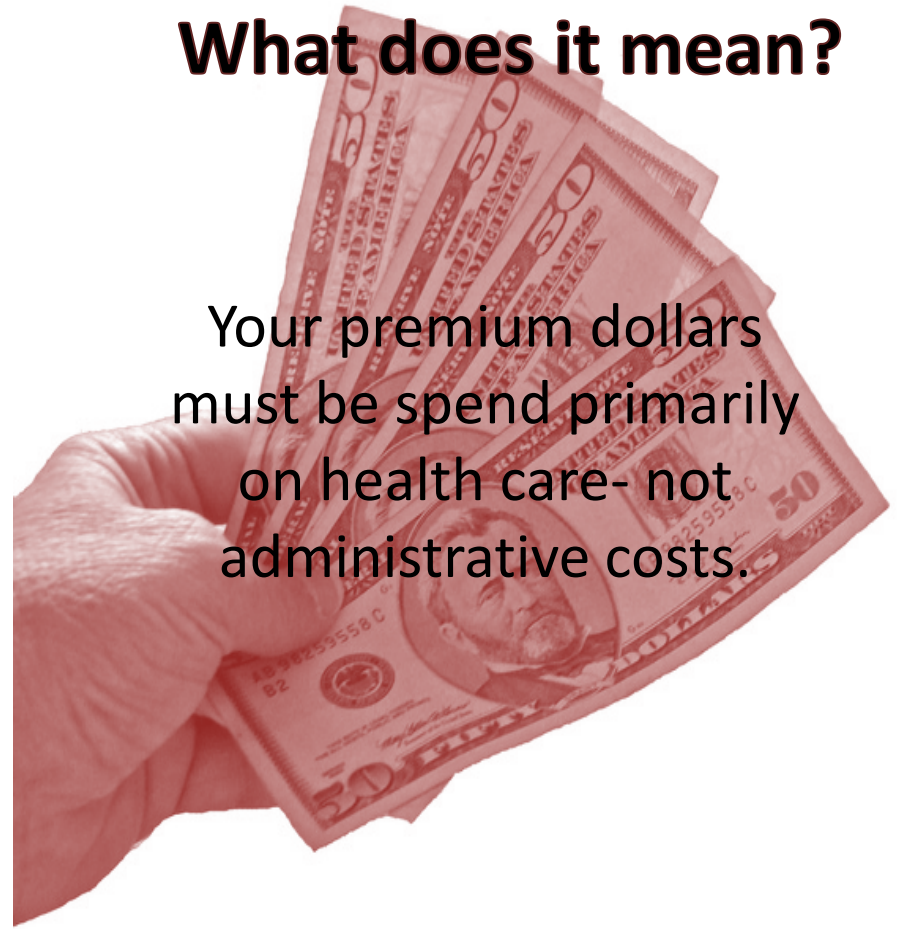
is the percent of premium an insurer spends on claims and expenses that improve health care quality.

Medical Loss Ratio

- Insurance companies must spend a reasonable share (**at least 80%**) of premium dollars on medical care and quality improvement efforts, as opposed to administrative costs, marketing, and profits.
- Insurers that do not meet these requirements must annually refund the excess to policyholders.

What does it mean?

Your premium dollars must be spend primarily on health care- not administrative costs.



A hand holding a red pen is writing on a document. Another hand is resting on the document. The background is a light, warm tone.

Review Premium Increases

Insurance companies must now publicly justify any unreasonable rate hikes.

Care

Free Preventative Care

Because of ACA, health plans are now required to cover certain preventative care services.

Services such as:

**Blood pressure &
cholesterol screening**

Immunizations and vaccines

Diabetes (Type 2) screening

Breast & Cervical Cancer screenings

What this means?

Most people will no longer have to pay a copay, coinsurance, or meet a deductible requirement when seeking preventative care.

For a list of covered preventative services, visit
<http://www.healthcare.gov/prevention>

Definition: **in-network provider**

a provider who has contracted with the insurance company to provide services to their policyholders

Definition: **out-of-network provider**

a provider who has not contracted with your insurance company. Because there is no contract, the cost you pay may be higher with an out-of-network provider

Out of Network Emergency Rooms

Companies will no longer be allowed to charge higher copays for emergency room services that you get outside of your plan's network in medical emergency situations.

You also can no longer be required to get prior approval before getting out of network emergency care



Choice in

Doctors

You may now choose the primary care doctor you want from your plan's network.

The law prevents insurance companies from requiring a referral before visiting an OB-GYN.

Important dates

October 1, 2013

- Starting October 1st of 2013, you will be able to use the new Health Insurance Exchange to purchase insurance, with coverage beginning in January 2014

January 1, 2014

- The Affordable Care Act goes into effect

For Large Businesses...

Businesses with over 50 full time employees that do NOT offer health care coverage will pay a penalty for each employee who gets a tax credit to buy their own coverage

Businesses with more than 200 employees must automatically enroll employees in a health plan

For Small Businesses...

There is no requirement for businesses with fewer than 50 employees to provide coverage

Small businesses that do offer insurance may qualify for a tax credit worth up to 50% of premium costs

Businesses qualify if they:

- Have fewer than 25 full time employees (or more if some are part-time)
- Pay average annual employee wages below \$50,000
- Pay at least half of the premiums for employees at the single-coverage rate

Resources

www.HealthCare.gov

U.S. Department of Health & Human Services
HHS.gov/HealthCare – Toll free center 1-800-318-2596

Texas Department of Insurance
<http://www.tdi.texas.gov/consumer/cpmhealthcare.htm>

Consumer help line 1-800-252-3439