

Community Meeting on Health Reform



Sponsored by:

- ❖ Champaign County Health Care Consumers
- ❖ The Prairie Center
- ❖ Avicenna Community Health Center
- ❖ Provena Covenant Medical Center
- ❖ Illinois Disciples Foundation
- ❖ Wesley United Methodist Church/Christian Social Action Ministry

The new national health care reform law will help you and America's ailing health care system



The health care reform law: An overview



- ❖ Different aspects of the new law are being put into effect from 2010 through 2014
- ❖ Many people who need help will get it right away
- ❖ Some provisions in the law will be phased in later to allow for adjustments and preparation

Who will get help right away?



- ❖ Seniors – lower prescription costs and free preventive care
- ❖ Small businesses – tax credits to offset health care costs start right away and increase in the coming years
- ❖ People with chronic conditions – no lifetime limits on coverage; access to insurance if you have a pre-existing condition
- ❖ Children with pre-existing conditions – cannot be denied insurance
- ❖ Young adults without insurance – can stay on their parents' plan up to age 26

Insurance Regulations



- ❖ No rescissions, lifetime caps, pre-existing condition limitations (children – 2010, everyone – 2014), annual benefit limits
- ❖ Preventative services covered with no co-pay or deductible
- ❖ Adult children on parent's insurance until 26
- ❖ Medical loss ratio of 80 - 85%
- ❖ Health insurance administration standards
- ❖ Additional protections in small group & individual markets (no discrimination based on health status or gender, limited deductible)

Health Exchange, Insurance Mandate, and Subsidies



- ❖ **American Health Benefits Exchange – Jan. 1, 2014**
 - ❖ State level, governmental agency or non-profit entity, private plans
 - ❖ Individuals, Small Business Health Options Program (up to 100 employees)
 - ❖ Uniform benefits – 4 levels of value (Bronze, Silver, Gold, Platinum)

- ❖ **Insurance Mandate**
 - ❖ Employers – assessed fees if over 50 employees and no coverage
 - ❖ Individual – US citizens & legal residents must purchase minimum coverage by 2014
 - ❖ Exemptions: religious, American Indians, financial hardship, short gaps in coverage (3 months)
 - ❖ Penalty – phased in over 3 years, maximum of 2.5% of household income by 2016
 - ❖ Penalty = average cost of “bronze” premium

Health Exchange, Insurance Mandate, and Subsidies



❖ Premium Subsidies

- ❖ Premium subsidies will come in the form of tax credits
- ❖ Amount will be based on income – 133% - 400% of FPL
 - ❖ Individual: ~ \$14,000 to \$42,000
 - ❖ Family of 4: ~ \$29,000 to \$88,000
- ❖ Contribution from individual/family for premiums capped between 2% - 9.5% of income

Health Exchange, Insurance Mandate, and Subsidies

❖ Subsidy Example

❖ Based on Silver Plan, subsidies go up to 400% of FPL

Premium Cost	Amount of Subsidy					
	FPL %	20 yrs	30 yrs	40 yrs	50 yrs	60 yrs
Medicaid	100%	Medicaid	Medicaid	Medicaid	Medicaid	Medicaid
Medicaid	125%	Medicaid	Medicaid	Medicaid	Medicaid	Medicaid
\$1,323	150%	\$5,785	\$6,539	\$8,112	\$11,789	\$17,377
\$1,987	175%	\$5,121	\$5,875	\$7,447	\$11,124	\$16,712
\$2,778	200%	\$4,330	\$5,084	\$6,656	\$10,333	\$15,921
\$3,560	225%	\$3,549	\$4,302	\$5,875	\$9,552	\$15,140
\$4,438	250%	\$2,671	\$3,425	\$4,997	\$8,674	\$14,262
\$5,321	275%	\$1,788	\$2,541	\$4,114	\$7,791	\$13,379
\$6,284	300%	\$824	\$1,578	\$3,150	\$6,827	\$12,415
\$6,808	325%	\$301	\$1,054	\$2,627	\$6,304	\$11,892

Individual

% of FPL	Income
100%	\$10,830
200%	\$21,660
300%	\$30,630
400%	\$43,320

Family of 4

% of FPL	Income
100%	\$22,050
200%	\$44,100
300%	\$66,150
400%	\$88,200

Medicaid



- ❖ **Medicaid income criteria expanded**
 - ❖ 133% of FPL (Individual: \$14,404 – Family of 4: \$29,326)
- ❖ **Medicaid available for previously ineligible adults**
 - ❖ Non-disabled
 - ❖ Childless
 - ❖ Asset test eliminated

Medicare



- ❖ **Three immediate benefits in the coming months:**
 - ❖ \$250 Doughnut Hole Rebate
 - ❖ People with Medicare Part D who reach the Doughnut Hole coverage gap this year will automatically receive a \$250 rebate check.
 - ❖ Closing the Doughnut Hole
 - ❖ Starting in 2011, people with Medicare Part D who reach the Doughnut Hole coverage gap will receive a 50% discount on all brand-name drugs and a 7% discount on generic drugs. These discounts will gradually increase over the next 10 years until the coverage gap is closed in 2020.
 - ❖ Free preventative care
 - ❖ Starting in 2011, Medicare beneficiaries will not have to pay any co-payments for annual check-ups, preventive services and screenings – such as mammograms and colonoscopies.

Small Businesses & Non-profits



- ❖ **Small Business Tax Credit:** to qualify for the tax credit, a small employer must:
 - ❖ Employ fewer than 25 full-time equivalent employees (“FTEs”) during the tax year;
 - ❖ Have average annual wages of less than \$50,000 per FTE for the tax year;
 - ❖ Contribute at least 50% of the premium cost (based on the premium rate for single, employee-only coverage) for health coverage provided to employees during the tax year.
- ❖ Qualifying small employers with 1) 10 or fewer full-time equivalent employees, and 2) average annual wages of \$25,000 or less, will be eligible for the full 35% tax credit.
- ❖ The tax credit became effective on March 23, 2010. Qualifying employers will be able to claim the credit starting with the 2010 tax year.

Health Reform Implementation: the Need for Ongoing Advocacy



❖ **Role of States in Implementation**

- ❖ Consumer protection laws
- ❖ Health Exchange
- ❖ Premium rate reviews

❖ **Holding Health Plans Accountable**

- ❖ Expect health insurance companies to try to raise premiums before 2014
- ❖ Rate review process
- ❖ Preventing rescissions, creating appeals process

Health Reform Implementation: the Need for Ongoing Advocacy



❖ Take Action

- ❖ Stay informed!
- ❖ Answer CCHCC's Calls to Action: give input to state and federal government
- ❖ Give feedback on IL Dept. of Insurance website:
 - ❖ <http://www.insurance.illinois.gov/hirc>
- ❖ Join CCHCC's Health Care Access Task Force