The Affordable Care Act and You

The Affordable Care Act, the landmark health care reform law passed by Congress and signed by President Obama in March 2010, represents the most sweeping overhaul of our nation’s health care system since the creation of Medicare and Medicaid more than 40 years ago.

The law puts in place comprehensive health insurance reforms that:

- expand coverage to more Americans
- strengthen the Medicare program
- remove many limits on health care coverage
- hold insurance companies more accountable
- make strides toward lowering health care costs
- guarantee more choice
- enhance the quality of health care in the United States.

Children, young adults, families, and retirees have begun to see benefits from the health care law since it began to take effect in 2010.

The Congressional Budget Office, the government’s nonpartisan scorekeeper, estimates that the Affordable Care Act would save over $100 billion over the next 10 years, and more than $1 trillion in the following decade.

The following are just some of the ways that you or your family might have benefited from the health reform law in 2011 and may benefit from it in the near future:

**MAKES SURE MORE AMERICANS HAVE HEALTH COVERAGE**

Since September 2010, more than 2.5 million more young adults obtained health insurance coverage thanks to a provision in the health law allowing young adults to remain on their parents’ health insurance until age 26. This means more young adults can now go on and live their lives with less worry about visiting their doctor when they get sick, or facing catastrophic medical bills if they are in an accident.

In addition, the Affordable Care Act will expand coverage to 32 million uninsured children and adults.
BANS DISCRIMINATING AGAINST CHILDREN WITH PRE-EXISTING CONDITIONS

Before the health reform law, tens of thousands of families were denied insurance each year for their children because of an illness or pre-existing condition. New rules now prevent insurance companies from denying coverage to children under the age of 19 due to a pre-existing condition. In 2011, as many as 72,000 uninsured children received health care coverage due to this provision in the law. In addition, up to 90,000 children will no longer have certain benefits not covered because of a pre-existing condition.

STRENGTHENS MEDICARE

Millions of Americans are now enjoying improved Medicare coverage at a lower cost. Medicare’s premiums have remained stable over the past few years and the Part B deductible for 2012 has been reduced. Also, Medicare beneficiaries now have access to free preventive measures such as physicals, flu shots, tobacco cessation programs, mammograms, and colonoscopies. And Medicare covers an annual wellness visit with no charge to seniors. As of December 2011, more than 24.2 million people with Medicare had received one or more free preventive services, including the wellness visit.

In addition, thanks to the health law, the Medicare prescription drug coverage gap known as the “donut hole” is starting to close. By November 1, 2011, 2.65 million people with Medicare benefits received discounts on brand name drugs while in the donut hole. These discounts have, so far, saved seniors and people with disabilities a total of $1.5 billion on the cost of prescriptions – averaging about $569 per person. In addition, in 2010, 4 million people with Medicare coverage who fell into the “donut hole” each received $250 rebate checks.

PROTECTS FUNDING OF THE CHILDREN’S HEALTH INSURANCE PROGRAM (CHIP)

CHIP funding and authorization were extended through 2015 and 2019, respectively, under the law. States are now required to maintain eligibility standards for children in Medicaid and CHIP through 2019. The CHIP benefit package and cost sharing rules continue under the Affordable Care Act. Plus, an additional 1.2 million children were enrolled in CHIP as of December 2011.

PROTECTS WOMEN

Starting August 1, 2012, additional preventive services for women will be covered with no cost sharing in new health plans, including well-woman visits, mammograms, prenatal and new baby care, breastfeeding support, supplies and counseling, gestational diabetes screening and other services.

SUPPORTS HEALTH COVERAGE FOR RETIREES

An estimated 76,000 Americans retire each year before they are eligible for Medicare and have health care coverage through their former employer. Unfortunately, the number of employers that provide retiree health coverage has decreased over time. The health reform law established a temporary Early Retiree Reinsurance Program to help stabilize retiree coverage by providing support to employers and plans that continue to
provide this coverage to early retirees. The new law provided \textbf{$5$ billion} in assistance to employer plans that cover early retirees.

**SHEDS LIGHT ON INSURANCE COMPANY RATE INCREASES**

Prior to the Affordable Care Act, insurance companies in many states were able to raise their rates without explaining their actions. Now, insurers that want to hike their rates by 10% or more have to explain and justify those increases in writing. Experts will scrutinize those explanations and, in many cases, can tell the insurer to reduce their price.

**HELPS AMERICANS GET BETTER VALUE FOR THEIR HEALTH CARE DOLLARS**

Insurers that do not spend at least 85% of premium dollars on health care services (not on company profits, executive salaries, bonuses, and marketing) for large groups are now required to provide a rebate to consumers and/or plans. The new law \textbf{protects 74.8 million Americans} in insured health plans. As many as \textbf{9 million Americans} or their health insurance plans could receive rebates worth up to \textbf{$1.4 billion} in total in 2012, or an average of \textbf{$156 per eligible person/plan}.

**BANS LIFETIME DOLLAR LIMITS**

Before reform, cancer patients and individuals suffering from other serious and chronic diseases were often forced to limit or go without treatment because of an insurer’s lifetime dollar limit on their coverage. Insurance companies can no longer place a lifetime dollar limit on the amount of coverage enrollees receive, so families can live with the security of knowing that their coverage will be there when they need it most. Up to \textbf{20,400 people} each year who typically hit their plan’s lifetime dollar limits will benefit from this provision, along with nearly \textbf{102 million consumers} who will no longer have a lifetime dollar limit on their insurance policy.

**ESTABLISHES NEW HEALTH INSURANCE MARKETPLACE**

A new competitive insurance marketplace, health insurance exchanges, will be established in each state by 2014. Millions of Americans and small employers will be able to purchase high quality and affordable coverage from these exchanges.

**IMPROVES PATIENT SAFETY**

Up to 98,000 Americans die each year from preventable medical errors that occur during a hospital stay. In April 2011, the Partnership for Patients was launched. This program, established under the Affordable Care Act, will help \textbf{save at least 60,000 lives} in the next three years through a targeted effort to prevent medical errors in hospitals. More than 6,500 partners, including more than 2,900 hospitals as well as physicians and nurses groups, consumer groups, employers and union groups, have pledged their commitment to the Partnership for Patients.

This Fact Sheet was adapted from materials at: \texttt{www.healthcare.gov}

*For additional information, go to \texttt{www.educationvotes.org}.*