

Making Health Care Reform Happen: An Overview of the Affordable Care Act, and What's Next

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Basic take-away: The new health care reform law is a major step forward (especially given that maintaining the current status quo was NOT an option over the long-term.) Possibly, up to 1.8 million of New York's 2.6 million uninsured, and 32 million of America's 51 million uninsured could get health coverage under the new law. However, we still have more work to do to get to true universal health care across America and here in New York, so that all residents of our state and nation, regardless of their financial situation or immigration status, will not only have good insurance that's affordable-to-buy and affordable-to-use, they will also have places to go receive the high quality services from culturally-competent, well-trained health care professionals.

This new law is a historic accomplishment, but it is only a first step toward true universal health care, so the fight and process continues. It is a new platform – especially for states – to build on. It is a floor, not a ceiling. We can and will make it better over time.

THE NEW LAW: “The Patient Protection and Affordable Care Act” (“ACA”)

I. Overview of ACA – Three broad areas:

- Insurance coverage reform
- Delivery system reform
- Financing-related provisions

II. Insurance coverage provisions – private market, employer-based plans, public programs:

- **Private insurance market reforms:**
 - Various insurance regulations and consumer protections (many already in NY): guaranteed issue, community rating, no arbitrary cancellation of policies based on claims history, no annual or lifetime benefit caps, external appeals processes for denial of claims, minimum “medical-loss” ratios, “rate review” by state regulators for all premium increases, all plans must offer 10 “essential health benefits”
 - New “Health Benefits Exchanges” – with subsidies for low-moderate income
 - Individual/family mandates to buy – for those without other coverage options
- **Employer-sponsored coverage:**
 - “**Large groups**” (>50 employees) – tax penalties when not providing coverage
 - “**Small groups**” (<50 employees) – tax credits to provide coverage
 - **Special programs for certain age groups** with high rates of uninsurance (young adults, early retirees)
- **Public insurance programs:**
 - Medicare – NO cuts to guaranteed benefits; some improvements (especially Rx)

- Medicaid – expansion (to 138% FPL, ~\$15K/yr. income) & simplification (eligibility based mainly on household income only)
- Temporary pre-existing condition insurance (“New York Bridge”) (ended Dec. 2103)
- New “basic health plan” option to cover “working poor” (133-200% FPL) (in 2016)

III. Delivery System Reform

- Expanded Access to Services
- Quality of Care Improvement Initiatives
- Workforce Development Initiatives
- Public Health Initiatives
- Disparities Initiatives (race, ethnicity, gender, disability)
- Wellness Initiatives
- Reimbursement Reforms

IV. Financing provisions:

- Cost savings – generated over the long-term via coverage and delivery system reform provisions (see above), compared to current projections without ACA enacted.
- New taxes:
 - higher Medicare payroll & unearned investment income (top 2% of taxpayers)
 - excise tax on the “excess value” of top-of-the-line health plans (starts in 2018)
 - windfall profits tax on insurers, drug companies, medical equipment makers, etc.
 - various other modest taxes unrelated to health care

WHAT’S NEXT? ACA as a new platform to build on – a floor, not a ceiling for states.

- **Public education about law**
- **Implementation of law** (especially at state level)
- **Defense of law (in whole or in part) and ongoing politics of health care reform** (including broader tax, budget, social, and economic policy issues)
- **Laying the groundwork for moving to true universal health care down the road** – state waivers available starting in 2017

ON-LINE RESOURCES:

- AARP: www.aarp.org/health/health-care-reform
- Alliance for Retired Americans: www.retiredamericans.org/issues/health-care-reform
- Community Health Advocates: www.communityhealthadvocates.org
- Consumers’ Union: www.consumersunion.org/health
- Families USA: www.familiesusa.org/health-reform-central
- Health Care for All New York: www.hcfany.org
- Kaiser Family Foundation: <http://healthreform.kff.org>
- Medicare Rights Center: www.medicarerights.org
- Raising Women’s Voices: www.raisingwomensvoices.net
- Small Business Majority: www.smallbusinessmajority.org
- Young Invincibles: www.younginvincibles.org
- U.S. Dept. of Health and Human Services: www.healthcare.gov
- New York State: www.healthcarereform.ny.gov; www.nystateofhealth.ny.gov