



Understanding Obamacare

What is The Affordable Care Act?

- The stated purpose of The Patient Protection and Affordable Care Act or Affordable Care Act, or ACA, or “Obamacare” is to **increase** the number of Americans covered by health insurance and **decrease** the cost of health care.
- According to WhiteHouse.Gov, The ACA makes four major changes to our health care system:
 - ✓ 1. Gives Rights and Protections to Consumers
 - ✓ 2. Makes Coverage More Affordable
 - ✓ 3. Grants Better Access to Care
 - ✓ 4. Strengthens Medicare

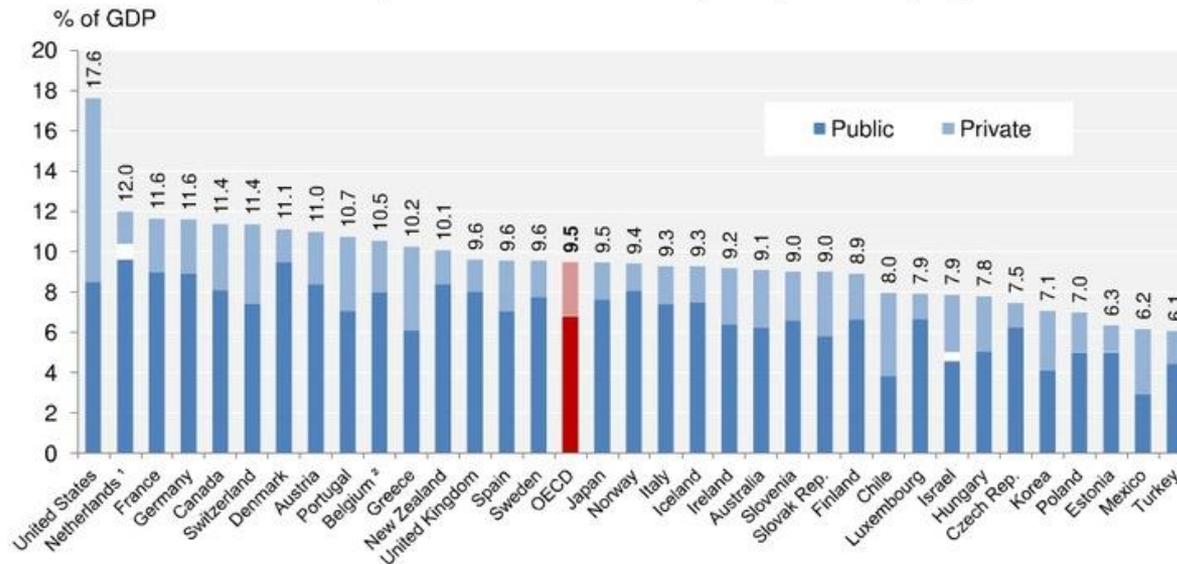
The YouToons Get Ready for Obamacare

- <http://www.youtube.com/watch?v=JZkk6ueZt-U>

Why does the US need Health Care Reform?

At 17.6% of GDP in 2010, US health spending is one and a half as much as any other country, and nearly twice the OECD average

Total health expenditure as a share of GDP, 2010 (or nearest year)



1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.

2. Total expenditure excluding investments.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: OECD Health Data 2012.

Why does the US need Health Care Reform?

- **Too many people lack health coverage.**
 - In July 2012, 55 million Americans were uninsured (1 in 5)
 - Uninsured less likely to receive preventative care and in turn costs fall on the insured in form of higher premiums
- **US healthcare spending is astronomical.**
 - 17.9 percent of GDP towards healthcare
 - Contributes to federal deficit and reduces ability to spend in other areas such as education or transportation
- **Despite high spending, health outcomes are poor.**
 - 1st in spending, but 24th in life expectancy
- **Current system emphasizes treatment instead of prevention.**
 - 7 in 10 deaths related to preventable diseases
 - Only 3 percent of healthcare spending goes to prevention
- **Health disparities exist among demographics.**
 - African American women have highest death rates from heart disease, breast and lung cancer, stroke, and pregnancy.
 - Hispanics have 40 percent lower quality care

Timeline

- **2010**

MARCH—President Obama signs the Affordable Care Act into law. In 2010, the ACA bars insurance companies from refusing to cover children with pre-existing conditions; from dropping people who get sick; and from placing lifetime limits on coverage. It allows children to stay on their parents' coverage until age 26.

- **2011**

JANUARY 1—Insurance companies are required to spend 80-85 percent of premiums on medical care; preventive care becomes free for people covered by Medicare.

- **2013**

July 31—Deadline for health insurers to apply to sell coverage on health insurance exchanges.

Oct. 1— People can begin shopping for health insurance on the exchange and enrolling in plans. Pennsylvania is one of 33 states which chose to rely on a federally-run exchange. The exchange also will match people earning up to 400 percent of the poverty level with federal tax credits to help them afford coverage.

Timeline

• 2014

JANUARY 1 –Coverage available through the exchange takes effect.

JANUARY 1— Most individuals are required to have health insurance. Those who don't will face a penalty. In 2014, the penalty will be \$95 per adult and \$47.50 per child, up to \$285 for a family, or one percent of family income (whichever is greater). The penalty will rise to \$325 per adult and \$162.50 per child in 2015, and \$695 per adult and \$347.50 per child in 2016 and beyond.

JANUARY 1 —Insurance plans can no longer refuse to cover anyone because of pre-existing conditions.

MARCH 31 – Open enrollment on the exchange ends, and people can no longer enroll unless they have a qualifying life event.

• 2015

JANUARY 1 – Employers with 50 or more employees are required to provide health benefits or face fines \$2,000 per worker, excluding the first 30 workers.

JANUARY 1 —There will be limits on out-of-pocket costs such as co-pays and deductibles of \$6,350 for an individual and \$12,700 for a family.

What does the ACA do?

- Insurance companies can no longer impose lifetime or annual coverage limits on your insurance, or drop you when you get sick.
- No more preexisting condition exclusion.
- Children can stay on their parent's insurance until they are 26.
- Discounts on prescription drugs for seniors—and the doughnut hole will be closed
- Free preventative services
- Small businesses get tax credits for offering insurance to employees
- The ability for individuals and businesses to purchase insurance through a regulated marketplace. Subsidies are available to those who make incomes between 200 and 400 percent of the federal poverty line.
- Medicaid expansion to adults who fall below 138% of the Federal Poverty Line

The ACA is Great for Women!

- You can get prescription birth control for free (no copay).
- You can get annual well-woman exams, as well as HIV and STD screenings, for free (no copay).
- Insurance companies can no longer deny you coverage because of a pre-existing condition, like diabetes or cancer.
- You cannot be charged more for insurance simply because you're a woman.

Health Care Marketplace

- Think of the marketplace as a “virtual shopping mall,” where you will be able to shop and compare health plans until you find one that fits your needs and budget

Important Dates

- **October 1, 2013**
 - Marketplace opens!
- **January 1, 2014**
 - Coverage begins
- **March 31, 2014**
 - Marketplace closes and will not reopen until the next enrolment period in October

How the Marketplace works



WHAT YOU NEED TO HAVE READY TO GET COVERED



Your Social Security number, and those of any members of your family who will be enrolling



Information about employment and income of all members of the household who will be enrolling, and current health coverage information



Whether or not health coverage is being offered through your employer



Your budget. How much can you afford to pay each month for health insurance?

Get more info at plannedparenthoodhealthinsurancefacts.org

1. Create an Account

- Provide basic information about yourself (name, address, etc)
- Choose a username, password, and security questions

2. Apply for Marketplace Coverage

- Enter information about you and your family including things like your household size, social security numbers, employer and income information for every member of your household that needs coverage, and policy numbers for any current health insurance plans

3. Pick a plan

- After applying for the marketplace all the plans you are eligible for will appear
- Pick a plan based on your personal wants and needs

4. Enroll

- Choose the health care plan that best suits you and enroll!
- Coverage can begin as soon as January 1, 2014

What plans are available?

To make comparing plans easier, plans will be presented in 5 categories:

- Bronze
- Silver
- Gold
- Platinum
- Catastrophic

Bronze Plan

- Lowest cost plan available
- Lowest premiums and in exchange has the lowest actuarial value (high out of pocket costs)
- Actuarial value of a bronze plan is 60%

Silver Plan

- Second lowest cost plan
- Has an actuarial value of 70%
- The silver plan is the standard choice for most reasonably healthy families who historically use medical services

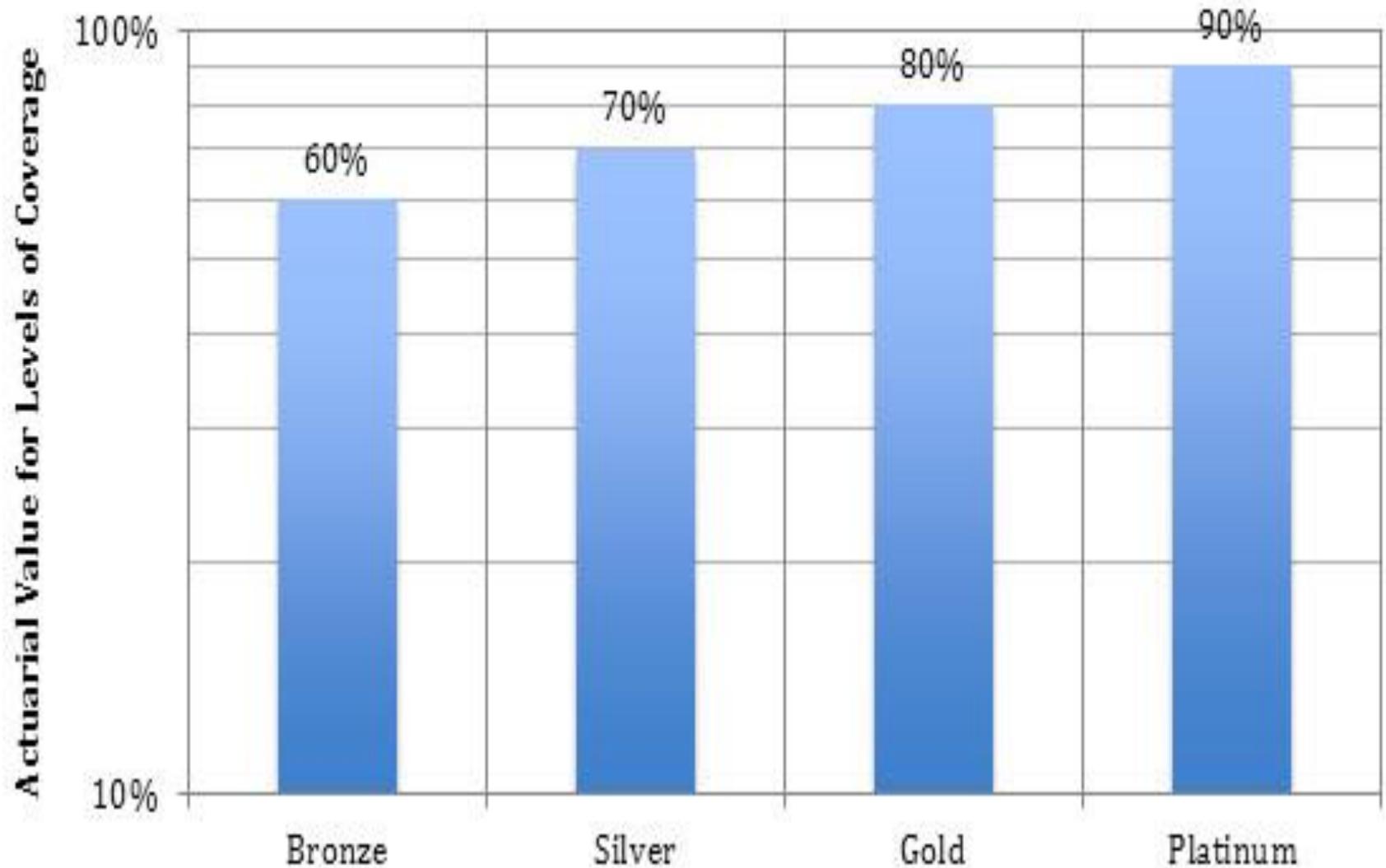
Gold Plan

- Second most expensive plan
- Actuarial value of 80%

Platinum Plan

- Most expensive plan
- Actuarial value is 90%
- Highest premiums but lowest out of pocket costs

Actuarial Values for Levels of Coverage Provided by Qualified Health Plans



Catastrophic Plan

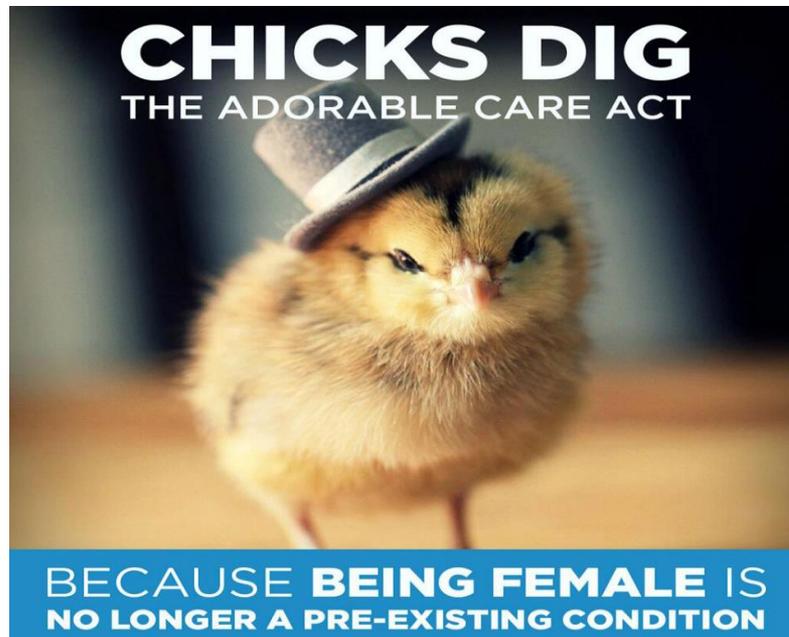
- Only for those under age 30 who cannot find coverage for less than 8% of their income
- Covers 3 primary care visits and specified preventative services
- Premium tax credits are not available

Picking a Plan

Before shopping in the marketplace consumers will fill out an application that will only generate plans that fit their financial capabilities. The application will also determine if they are eligible for things such as premium tax credits and the catastrophic plan. Buyers will be able to compare plans side by side in easy to understand language to help them make the best decision based on their needs.

What do these plans cover?

Insurance plans in the marketplace are offered by private companies. They cover the same core set of benefits called the essential health benefits. No plan can turn you away or charge you more because of an illness or a pre-existing medical condition, and they must cover treatments of these conditions. Many preventative services are also covered at no cost to you and **for the first time women can't be charged more than men for the same plan.**



Marketplace Costs

- Obamacare makes quality health insurance plans more affordable, and millions of Americans will get help paying for their new insurance plans
- Most people making less than \$45,960 per year, and most families of 4 making less than \$94,200 can get financial help
- Depending on income and what state you live in some people may also be eligible for low cost or free health insurance through Medicaid

Tax Penalty

- 2014 = \$95 or 1% of income
- 2015 = \$325 or 2% of income
- 2015 = \$695 or 2.5% of income

There are some exceptions, including Native American Indians, people with certain religious backgrounds and also people who would have qualified for Medicaid if PA would have expanded. These are individuals whose income is below about \$16,000

Medicaid

Pennsylvania is NOT expanding Medicaid..

Who's left out?

Medicaid Expansion- Update

- Originally, PA was a non-expansion state – leaving 400,000 Pennsylvanians without coverage who fell in the hole between being eligible for subsidies and eligible for Medicaid.
- In September, Governor Tom Corbett rolled out a plan he called “Healthy PA.” This plan:
 - -Instead of expanding Medicaid eligibility, uses federal funds to direct those eligible towards the private market
 - -Aligns Medicaid benefits with the EHB package
 - -require work search and linkages to job training for all unemployed working- age Medicaid beneficiaries
 - - promotes good public health, prescription drug monitoring, and eliminates CHIP waiting period

Planned Parenthood is here

- **Planned Parenthood will continue to provide quality healthcare to all women, whether they are insured or not**
- The marketplace will have about 36 plans to choose from in Pittsburgh, if clients want to continue to come to Planned Parenthood for services make sure they look for a plan that includes us
- If there are ANY questions or concerns regarding the ACA, contact [**healthcareinfo@ppwp.org**](mailto:healthcareinfo@ppwp.org)

Resources

- www.healthcare.gov
- www.cms.gov
- www.obamacarefacts.com
- www.plannedparenthoodhealthinsurancefacts.org
- www.plannedparenthoodasegurate.org
- <http://kff.org/interactive/subsidy-calculator/>