



## **Health Reform for Rural Americans**

### **The Affordable Care Act Gives Rural Americans Greater Control Over Their Own Health Care**

#### **Lower Costs for Rural Americans**

##### **✓ Insurance Reforms that Save Families Money**

- This year, eliminates all lifetime limits on how much insurance companies cover if beneficiaries get sick and bans insurance companies from dropping people from coverage when they get sick. The Act also restricts the use of annual limits in all new plans and existing employer plans this year, until 2014 when all annual limits for these plans are prohibited.
- Going forward, plans in the new Health Insurance Exchanges and all new plans will have a cap on what insurance companies can require beneficiaries to pay in out-of-pocket expenses, such as co-pays and deductibles.
- These reforms will help rural families, who pay for nearly half of their health insurance costs out of their own pocket, and the one in five farmers in medical debt, with their health care bills and provide the peace of mind that they will have coverage when they need it.

##### **✓ Financial Relief for Families and Seniors**

- Provides tax credits starting in 2014 for rural Americans who cannot afford quality health insurance.
- This year, provides a \$250 rebate to Medicare beneficiaries who hit the donut hole in 2010. Beginning in 2011, the Act institutes a 50 percent discount on brand name drugs in the donut hole, and the Act will completely close the donut hole for all prescription drugs by 2020.
- Supports States starting in plan year 2011 in requiring health insurance companies to submit justification for requested premium increases, and insurance companies with excessive or unjustified premium exchanges may not be able to participate in the new Exchanges.
- Cracks down on excessive insurance overhead starting in 2011 by applying standards to how much insurance companies can spend on non-medical costs, such as bureaucracy, executive salaries, and marketing, and provides consumers a rebate if non-medical costs are too high.

#### **Greater Choices for Rural Americans**

##### **✓ Eliminates Insurance Company Discrimination**

- This year, prohibits insurance companies from denying children coverage based on pre-existing conditions. Going forward, the Act will prohibit insurance companies from denying coverage to all individuals. The Act will also end discrimination that charges beneficiaries more if they are sick and limit the amount an insurance company can increase an individual's premium simply due to their age.
- This year, provides access to affordable insurance for uninsured Americans with pre-existing conditions through a temporary subsidized high-risk pool, which will help protect them from medical bankruptcy. This high risk pool is a stop-gap measure that will serve as a bridge to a reformed health insurance marketplace.

##### **✓ More Affordable Choices and Competition**

- Creates state-based health insurance Exchanges to provide the same private insurance choices that the President and members of Congress will have, including multi-state plans to foster competition and increase consumer choice. In many rural states, one insurance company dominates more than 80 percent of the market, meaning that there are often only one or two insurance companies offering health plans in the individual and small group markets.
- ✓ **One-Stop Shopping - Putting Families in Charge**
  - Provide standardized, easy-to-compare information through the Exchange on different health insurance plans offered in their geographic area so that they can easily compare prices and health plans and decide which quality affordable option is right for them and their families. This will particularly benefit one-third of farmers who purchase health insurance directly from an insurance company – more than three times the national average.
- ✓ **Insurance Security**
  - Ensures that rural families always have guaranteed choices of quality, affordable health insurance whether they lose their job, switch jobs, move or get sick, through creation of Exchanges.

### **Quality, Affordable Health Care for Rural Americans**

- ✓ **More Doctors Where People Need Them**
  - Invests in the health care workforce to ensure that people in rural areas have access to doctors, nurses, and high quality health care. Beginning next year, the Act will provide funding for the National Health Service Corps (\$1.5 billion over five years) for scholarships and loan repayment for primary care practitioners, including doctors and nurses, who work in areas with a shortage of health professionals.
  - The Act also provides more resources to medical schools to train physicians to work in rural and underserved areas, and establishes a loan repayment program for pediatric specialists who agree to practice in medically underserved areas such a rural regions. These provisions will help rural Americans who do not have access to primary care.
- ✓ **Preventive Care for Better Health**
  - This year, requires new plans to cover prevention and wellness benefits at no charge to American families by exempting these benefits from deductibles and other cost-sharing requirements.
  - Eliminates co-payments for preventive services and exempts preventive services from deductibles under the Medicare program beginning in 2011.
  - Invests in prevention and public health to encourage innovations in health care that prevent illness and disease before they require more costly treatment. Rural Americans are less likely to receive needed preventive care, such as mammograms and pap smears for women, or routine foot, eye, and blood testing for diabetics.
- ✓ **Tax Credits for Rural Small Businesses**
  - Nearly one-third of rural Americans work for small businesses, and more than half of them remain uninsured as their employers struggle to provide health benefits.
  - This year, offers tax credits to small businesses to make employee coverage more affordable and to help rural small businesses provide health benefits to their employees. Tax credits of up to 35 percent of employer premium contributions will be available this year to firms that choose to offer coverage, and small non-profit organizations can receive a credit up to 25 percent. Beginning in 2014, the small business tax credits will increase to up to 50 percent of employer premium contributions, and up to 35 percent for small non-profits.
- ✓ **Protect Access to Care in Rural Communities**
  - Ensures that hospitals and other providers in rural and remote communities receive the reimbursement they need to offer quality care to patients and keep their doors open. Ensures that rural health care providers receive appropriate Medicare reimbursements to address

longstanding inequities that exist among providers from different geographic regions. Helps the many small and rural communities where patients must travel long distances between health care providers to receive medical care.