

CONGRESSWOMAN LUCILLE ROYBAL-ALLARD'S HEALTH CARE REFORM *Report*



The health care reform law:

- Builds on what works in today's system – protecting people who like the coverage they already have.
- Reforms the health insurance marketplace by creating Health Insurance Exchanges in 2014, where individuals can comparison shop for coverage. By letting people who are buying coverage on their own pool together, the marketplace is more competitive.
- Bans the worst behavior by insurers by ending their ability to: deny coverage based on pre-existing conditions; drop coverage when people get sick; and charge people more based on their gender or occupation.
- Requires shared responsibility among individuals, businesses, and government.
- Assures that health care is affordable by providing tax credits to low- and moderate-income families.
- Provides tax credits to small businesses to help them provide coverage to their employees.
- Ends the Medicare prescription drug donut hole, provides free preventive services in Medicare, and extends the life of the Medicare Trust Fund by more than a decade.

CALIFORNIA'S 34TH CONGRESSIONAL DISTRICT  SUMMER 2010

QUALITY, AFFORDABLE HEALTH CARE FOR ALL

HISTORIC HEALTH CARE REFORM BECOMES LAW



As the chair of the Congressional Hispanic Caucus Health Task Force and a leader in promoting public health initiatives, Congresswoman Lucille Roybal-Allard (CA-34) joined President Obama to announce nearly \$600 million in Recovery Act awards to support community health centers nationwide. Four months later, health care reform included vital provisions to further strengthen and expand health centers. In the 34th Congressional District, more than 100,000 patients annually receive care from community clinics and health centers.

This spring, Congress and the President made history by enacting comprehensive health care reform that guarantees affordable, quality coverage for all Americans. I was proud to support this vital legislation.

The Affordable Care Act is estimated to extend health insurance coverage to 32 million additional Americans. More than 94 percent of Americans will be insured. It provides security to those who already have coverage, and helps lower costs for individuals and families. The law reduces the deficit by \$143 billion over the next 10 years, and reduces the deficit by \$1.2 trillion over the following 10 years.

Much of the reform will take effect at the beginning of 2014, when Health Insurance Exchanges are created to offer Americans a new competitive marketplace to shop for coverage. However, many important reforms are already, or will soon be, implemented (see article on “immediate reforms”).

WHAT DOES HEALTH CARE REFORM DO FOR ME?

...if I have coverage through my job?

You will see some immediate benefits such as being able to add an adult child up to the age of 26 onto your policy. In addition, when the Health Insurance Exchanges are put in place in 2014, new employer-sponsored plans need to meet certain standards, which will include limits on how much an employee can pay in out-of-pocket costs. With a reformed health insurance marketplace, if you lose your job or you decide to leave it, you will be able to obtain affordable coverage in the Exchanges with financial help if you need it.

...if I buy insurance on my own?

Starting in 2014, you will have access to the Health Insurance Exchanges, competitive marketplaces where you can comparison shop for affordable coverage. Individuals and small businesses will be able to pool their buying power and get more competitive rates. Depending on your income, you will have access to tax credits to help you afford coverage in the Exchanges.

...if I've been denied insurance for a pre-existing condition?

In the coming months, you'll be able to access high-risk pools that will give many people with a pre-existing condition access to purchase coverage. Insurance companies will be prohibited from discriminating against children with pre-existing conditions. Once the Exchanges are set up in 2014, insurance companies will be prohibited from refusing to insure people who have had cancer, heart disease, diabetes, or another pre-existing condition.

...if I'm on Medicare?

Seniors and people with disabilities will continue to receive high-quality, affordable care through the Medicare program. Health care reform will include improvements to the program, such as closing the "donut hole" coverage gap for prescription drugs and eliminating cost-sharing for preventive benefits.

...if I'm on Medicaid?

Medicaid helps more than 60 million low-income Americans have access to health care. Medicaid will continue to provide that coverage, and in 2014 will be extended to anyone with an income below 133 percent of the poverty level, or about \$29,000 for a family of four. To address concerns about the availability of doctors to treat Medicaid beneficiaries, the law will also improve Medicaid payments to primary care physicians for primary care services.

...if I'm a small business owner?

Starting immediately, health care reform provides \$40 billion in tax credits for small businesses to help them offer employee health insurance coverage. More than 60 percent of small employers, or more than 4 million firms, will be eligible for these credits. Once the Exchanges open up, small businesses and their employees can pool their buying power and have access to the same quality plans only available to large firms today.

... if I have TRICARE, TRICARE for Life or Veterans' Health Care?

Enrollees in these programs can rest assured that health care reform has no negative impacts for them. The health care programs for both the military and our veterans all meet the requirements of the health care reform law that calls for every American to be insured with at least a minimum quality of coverage.

IMMEDIATE REFORMS TO OUR HEALTH SYSTEM

Many of the health care reforms will take time to implement. For instance, it will take several years to set up Health Insurance Exchanges where people can comparison shop for coverage. However, there are a number of provisions that take effect in the first year:



MORE FOR YOUR PREMIUM DOLLAR: Requires all health plans to put more of your premiums into your care, and less into profits. The law requires that insurers spend at least 80 percent of premiums on medical services. Insurers that don't meet the required thresholds must provide rebates to policyholders.

HOLDS INSURANCE COMPANIES ACCOUNTABLE FOR UNREASONABLE RATE HIKES:

Supports state efforts that require health insurance companies to submit justification for premium increases.



ENDS RESCISSIONS: Stops the insurance company practice of dropping patients' coverage when they get sick.

SMALL BUSINESS TAX CREDITS: Offers tax credits to help businesses provide health care for their employees – up to 35 percent of employer premium contributions.



PROVIDES IMMEDIATE HELP FOR THE UNINSURED: Creates a new, temporary insurance program until the Exchanges open that provides insurance for people who have been uninsured for six months and have a pre-existing condition.



BEGINS TO CLOSE THE MEDICARE PRESCRIPTION DRUG DONUT HOLE:

Provides a \$250 rebate to Medicare beneficiaries who reach the "donut hole" coverage gap in 2010. Beneficiaries in this gap will receive a 50 percent discount on brand-name drugs starting January 2011. By 2020, the "donut hole" coverage gap will be completely eliminated.



FREE PREVENTIVE CARE IN MEDICARE:

Starting in January 2011, ends co-payments for preventive services, and exempts preventive services from deductibles in Medicare.



HELPS EARLY RETIREES: Assists businesses providing health insurance to early retirees ages 55-64 by reducing premiums for employers and retirees to help preserve their coverage until the Health Insurance Exchanges open.

NO DISCRIMINATION AGAINST CHILDREN WITH PRE-EXISTING CONDITIONS: Prohibits all employer plans and new plans that individuals purchase on their own from denying coverage to children with pre-existing conditions.



EXTENDS COVERAGE FOR YOUNG PEOPLE: Requires health plans to allow young people through age 26 to remain on their parents' insurance policies at their parents' choice.

HOW REFORM HELPS CALIFORNIA'S 34TH DISTRICT

Health care reform will help our community. The House Energy and Commerce Committee has evaluated the effects of health care reform on the 34th District. This law will:

- Extend coverage to 179,000 uninsured individuals.
- Improve coverage for 218,000 people with health insurance.
- Give tax credits and other assistance to up to 148,000 families and 15,100 small businesses to help them afford coverage.
- Improve Medicare for 59,000 beneficiaries, including closing the donut hole.
- Guarantee that 28,500 residents with pre-existing conditions can obtain coverage.
- Protect 1,100 families from bankruptcy due to unaffordable health care costs.
- Allow 63,000 young adults to obtain coverage on their parents' insurance plans.
- Provide millions of dollars in new funding for 48 community health centers.
- Reduce the cost of uncompensated care for hospitals and other health care providers by \$289 million annually.

Para información en español, llame a mi oficina al (213) 628-9230.



Lucille Roybal-Allard
M.C.
PRESORTED STANDARD

Congresswoman Lucille Roybal-Allard
255 E. Temple Street, #1860
Los Angeles, CA 90012

www.house.gov/roybal-allard

Official Business

This mailing was prepared, published and mailed at taxpayer expense.

WE'RE HERE TO SERVE YOU

My staff and I are always pleased to assist you with questions or problems that you might have with federal agencies. For assistance, please call my Downtown Los Angeles office at (213) 628-9230. Appointments with my caseworkers are available at locations throughout the community.

FREQUENTLY ASKED QUESTIONS

The health care reform debate has been plagued with confusion and misinformation. Many people have important questions about how health care reform will affect them. To help respond, I've compiled a list of frequently asked questions.

What will happen to my health insurance premiums?

According to the non-partisan Congressional Budget Office (CBO), costs will go down as more people are covered. Currently, families pay an extra \$1,000 in higher premiums as hospitals and insurance companies shift the cost of treating the uninsured. People buying their coverage through the new Health Insurance Exchanges will benefit from greater competition and choice, and may also qualify for tax credits that will subsidize their premiums and reduce costs.

Will I be required to have health insurance?

Starting when the Exchanges open in 2014, everyone is required to have health coverage, or pay a fine. For people who currently get health coverage through their employers, nothing will change. If you have to buy coverage on your own, you'll have access to more affordable options in a more competitive marketplace. The health care reform law also includes tax credits that will help make insurance affordable for all families.

Can I be denied coverage for a pre-existing condition?

No. Once the new marketplace is implemented in 2014, health care reform will eliminate the ability of health insurers to discriminate against you based on your medical history.

Can my insurer drop my coverage if I get sick?

No. Health care reform will ban the practice by insurers of retroactively denying coverage once an individual gets sick – called “rescissions.” This was scheduled to be implemented in September, but insurance companies have worked with Congress to implement this provision immediately.

Will my Medicare benefits be cut?

No. Seniors and people with disabilities will continue to receive high-quality, affordable care through the Medicare program. Health care reform includes improvements to the program, such as closing the “donut hole” coverage gap for prescription drugs and eliminating cost-sharing for preventive benefits.

According to an April report by the Chief Actuary of the Centers for Medicare and Medicaid Services, health care reform does include savings from the Medicare program. These savings are obtained by scaling back the rate of growth in provider payments – not benefits to beneficiaries. The report also concludes that these savings extend the life of the Medicare Trust Fund by more than a decade.

Will I still be able to participate in Medicare Advantage?

Yes. The non-partisan Congressional Budget Office projects that 9.1 million people will be enrolled in Medicare Advantage programs

in 10 years, and many firms have recently announced that they will continue offering plans under the new guidelines.

Currently, insurance companies participating in Medicare Advantage are paid an average of 14 percent more per enrollee than it would cost Medicare to cover these people. This money that goes to insurance company profits costs taxpayers billions every year, and increases Medicare premiums for everyone. Health care reform revamps the Medicare Advantage program – reducing overpayments to insurance companies, and giving incentives for offering better care.

If I have coverage, will I face unlimited medical costs if I get sick?

No. Health care reform will establish caps on what individuals and families must pay in “out-of-pocket” costs for new insurance plans. These levels will be set at a sliding scale for plans purchased in the individual market to prevent families from facing bankruptcy in the event of an illness.

Will the health care reform law add to the deficit?

No. According to the non-partisan Congressional Budget Office, the law will lower health care costs over the long term, and reduce the deficit by \$143 billion over the next 10 years. In the following 10 years, health care reform reduces the deficit by an additional \$1.2 trillion.