Health Care for All!

The Affordable Care Act *Will* Affect You—Here's How

The odds are good that you're reading this article without health insurance. According to the Urban Institute, this year 50.2% of Baltimore city residents are living uninsured. A much-discussed and popularly misnamed piece of legislation ("Obamacare") has the potential to change this situation, securing insurance plans for thousands citywide and millions nationwide.

The Patient Protection and Affordable Care Act (ACA) became law in March 2010, and the Supreme Court upheld its constitutionality two years later (567 U.S. ____ (2012)). The legislation, passed by the 111th U.S. Congress and signed by President Obama, represents the most extensive reforms in the American healthcare system since the introduction of Medicare and Medicaid in 1965.

This article describes four important ACA provisions affecting the UB community: consumer protection, accountability of health insurance companies, quality of care, and universal access to health insurance.

Consumer Protection

Already, the ACA has greatly improved measures to protect you and your family. Your insurance company is now prohibited from imposing lifetime dollar limits on essential benefits (like ambulatory services, emergency services, hospitalizations, maternal and newborn care, prescriptions, etc.) as well as canceling your coverage except in cases of actual fraud. Insurers cannot charge higher premiums based on your current or projected health status. That means insurers cannot determine your future risk (and, therefore, set premiums) based on anything other than your age, geographic location, family history, and tobacco use. The law also provides you with a way to appeal coverage or claims decisions to your insurance company and establishes an external review process if you're unsatisfied with your health insurance company's performance.

Accountability of Health Insurance Companies

Insurance companies must use your premium dollars primarily on health care. At least 80% of premiums (depending on the benefit plan) must be spent on medical care and quality improvement. This is known as the medical loss ratio (or the "80-20 Rule"). If your insurance company does not meet these requirements—because administrative costs, executive bonuses, or profits are too high—it must provide rebates to you (or your benefit plan). In 2012, the Centers for Medicaid and Medicare Services reported that 8.5 million people received over $504 million in total rebates under the 80-20 Rule.

Quality of Care

A primary focus of the ACA is increasing the quality of care and preventing disease. The point is to emphasize preventative care by better managing chronic conditions. Your insurance plan must now provide free preventative care without charging you for deductibles, co-payments, or co-insurance. Types of preventative care include blood pressure and cholesterol screenings, annual check-ups and well-baby visits, mammograms, colonoscopies, as well as immunizations and vaccines (remember: flu season looms!), and even birth control. Employers and insurers alike are encouraged (through financial incentives) to offer proven prevention and public-health programs, from smoking cessation to combating obesity.

Universal Access

Beginning in Sept. 2010, children under the age of 19 could no longer be denied insurance coverage because of pre-existing conditions (like asthma, diabetes, cerebral palsy, sickle cell anemia, etc.). The law also extended coverage for young adults; dependent children (like college students) are now allowed to stay on their parents' insurance plans until they turn 26 years old. These two aspects of the ACA have secured health insurance for 23.6 million previously uninsured individuals, as calculated by the Kaiser Family Foundation.

While these new provisions represent a tremendous change in the U.S. healthcare system, the most dramatic changes will occur in 2014. First, ACA extends the ban on pre-existing condition denials to adults. So historically problematic conditions such as high blood pressure, pregnancy, or migraines can no longer bar an individual from coverage. Additionally, insurance companies will be prohibited from imposing *annual* dollar limits on your essential benefits (and not just lifetime limits) beginning in 2014 or 2015 (depending on your plan).

The "individual mandate" is the most powerful and, arguably, the most controversial portion of the act. Under the individual mandate, *all* American citizens must have health insurance beginning in 2014, or they will have to pay a penalty. If you cannot afford insurance, the ACA offers federal subsidies to help you buy insurance through the newly-created health benefit exchanges. Most people covered under employer plans are not affected.

"Exchanges" and "marketplaces" are somewhat vague terms that refer, happily, to something very accessible: online venues for the selection and purchase of health plans. Marylanders will use www.marylandhealthconnection.gov (MDHC) to shop plans from 13 providers and to figure eligibility for tax credits towards their new coverage. MDHC and other state exchanges open for enrollment on October 1 of this year; enrollment remains open until March 31, 2014. This more generous window will narrow in 2015, with marketplaces closing on December 7 of that year. The Maryland Health Connection is currently live, with FAQs, plain-language explanations, and helpful links. Additionally, according to *The New York Times*, Maryland is spending $24 million on a "navigator" program that will soon place trained assistants around the state to help residents understand and select health plans that best suit their individual needs.

Maryland is one of 23 states expanding Medicaid, and you and your family may qualify to receive these new benefits.

Table 1: Maryland Income Eligibility for Adults

Number of Dependents	Eligible for Medicaid if Income*	Eligible for Lower Insurance if Income*
1	$15,856	$15,857 - $45,960
2	$21,404	$21,405 - $62,040
3	$26,951	$26,952 - $78,120
4	$32,499	$32,500 - $94,200

Information Source: Maryland State Department of Health and Mental Hygiene, Medicaid Planning Administration

*Income eligibility levels for children and pregnant women are higher.

According to an August 2013 Kaiser Family Foundation study, 48% of families currently buying their own coverage will be eligible for tax credits next year, averaging $5,548 per family (or 66% of the average cost of a "silver policy offered through the new state marketplaces). According to Kaiser, "The people who get help will get quite a lot of help."

The Federal Poverty Limit (FPL) is used to determine your maximum premium costs under the ACA. The U.S. Department of Health and Human Services asserts that approximately 33% of the U.S. population earns less than 400% of the FPL.

Table 2: Premium Limits Based on Income

Income % of FPL	Premium Cost as % of Income	Max Out-of-Pocket Expenses
Up to 133%	2%	$1,983/person
133–150%	3-4%	$1,983
150–200%	4-6.3%	$1,983
200–250%	6.3-8.05%	$2,975
250-300%	8.05-9.5%	$2,975
300-400%	9.5%	$2,975

Information Source: Congressional Research Service, July 31, 2013

The ACA will, ideally, demystify one of Americans' most confusing necessities—and allow that 50.2% of us to participate more fully in our own health and well-being.

Note: This article is reprinted with permission from *The UB Post*, the official campus newspaper of the University of Baltimore. (September 2013 edition)