

Report on Health Care Reform for COPA Institutions and Why Report to COPA?

"On March 23, 2010, President Obama signed into law the Affordable Care Act. The law puts into place comprehensive health insurance reforms that will hold insurance companies more accountable and will lower health care costs, guarantee more health care choices, and enhance the quality of health care for all Americans."

This year, members of the COPA Healthcare Team are undertaking a research action focusing on the issues surrounding healthcare in the United States and here within California. What is this healthcare research action? Simply stated, it is an attempt to become better acquainted with changes in the area of healthcare, with particular emphasis on how legislation is changing, and the impacts and opportunities that each of these changes have on our communities, our congregations, and us as families and individuals. As well as a healthcare issue, this is also an economic issue. It affects our individual pocketbooks, as well as our institutions as small employers. This is COPA's attempt to present the new policies effective in 2010 in a comprehensive and concise manner with direction to obtain further information as the new laws affect you as an individual, your family and COPA institutions as employers.

One major point for COPA members to know and share is, this plan is fully paid for - either by eliminating waste and fraud and inefficiencies in programs (thus saving money), or by imposing taxes on high salaried individuals (who make more than \$200,000/year) or through other industry fees and taxes. That means this law will not increase the federal deficit.

SUMMARY OF THE BILL

Insurance companies are prohibited from discriminating against persons based on pre-existing conditions, health status and gender.

Medicare solvency is extended by at least 9 years.

The "donut hole" in Medicare Part D will be closed and those who hit it this year will get an automatic rebate of \$250.

Co-payments for preventive services are eliminated. Preventive services are exempted from deductibles under the Medicare program.

Insurance companies are banned from dropping people from coverage when they get sick.

No lifetime caps! Insurance companies cannot place lifetime caps on coverage anymore.

Adult children can stay on their parents' health insurance policy up to age 26, even if they marry.

(While all components will ultimately become law by 2014, there are provisions which began/begin in 2010 through January 1, 2011)

What's Happening in 2010? For Everyone Effective September 23, 2010

No More Rescissions

Health plans can no longer drop you from coverage when you get sick. So you don't have to worry anymore about your insurance suddenly being cancelled in the midst of a costly health care episode like surgery or cancer.

No More Lifetime Limits on Coverage

Health plans can't limit how much they will cover you over the life of your policy.

No More Annual Limits on Coverage

Similar to the ban on lifetime limits, the new law says if treatment is covered, it's covered. It's not cut off once it reaches an arbitrary dollar level for the year.

Appeal Options

Starting as early as September 2010, if a new insurance plan doesn't pay for services you believe were covered, you will have new, clear options to appeal the decision.

Preventative Care

Starting as early as September 2010, new health plans must cover certain preventive services without cost sharing.

For Seniors and Those on Medicare

Medicare Donut Hole

As of March 23, 2010 this law says that if you're a Medicare beneficiary and you hit the "donut hole" on your prescription drug coverage, you will automatically get a \$250 rebate. Those rebate checks started going out on June 1. Eventually the donut hole will be closed entirely but in the meantime this extra rebate will help seniors deal with high prescription drug prices.

Preventive Care

Starting January 1, 2011, Medicare will cover certain preventive services without charging you the Part B coinsurance or deductible. You will also be offered a free annual wellness exam.

Prescription Drug Cost Help

Starting January 1, 2011, if you have high prescription costs that put you in the donut hole, you'll get a 50% discount on covered brand-name drugs while you're in the donut hole.

For Individuals with Pre-existing Conditions unable to obtain Health Insurance in the past

Beginning in 2014, uninsured persons can buy insurance through a private insurer either in the regular private market, or if they can't afford it there, off an Exchange (similar to Expedia.com). Those who qualify may receive subsidies to pay for their insurance. ***Until the Exchange comes on line, there will be immediate access to insurance for Americans who are uninsured because of a pre-existing condition through a temporary high-risk pool.***

This high risk pool is already in operation. It began June 23, 2010. In California you can request an application for the program by emailing your name and address to FHRP@mmib.ca.gov or by regular post to Pre-Existing Condition Insurance Plan, California Managed Risk Medical Insurance Board, PO Box 2769, Sacramento, CA 95812-2769.

For Families

What's Happening Effective September 23, 2010

Adult Children Coverage

Children up to the age of 26 can remain on their parents' insurance policy. Though technically this takes effect in September, the Administration has been able to successfully encourage major health plans to implement it earlier, so many plans are already extending this coverage to families with older children. But as of September 23, all insurers will have to do it.

For Children under 19

Job-based health plans and new individual plans won't be allowed to deny or exclude coverage for your minor children (under age 19) based on any pre-existing conditions including a disability and cannot deny or exclude coverage to your newborn baby, including babies born with health problems.

For Small Employers (less than 25)

Small Business Tax Credits

The other thing this bill did immediately was to provide tax credits to small businesses to make employee coverage more affordable. Small businesses can get up to 35% (up to 25% for non-profits) in tax credits for offering basic health insurance for their employees. That makes it affordable for businesses to offer and employees to contribute. This is one way that the law helps to cover previously uncovered persons. (Beginning in 2011, the small business tax credit will increase to 50% of premiums providing even more help to small businesses to cover their employees.)

Coverage for Early Retirees 55-64

Employer Based Plans that provide health insurance to retirees ages 55-64 will be able to get financial help through the Early Retiree Reinsurance Program that began in June 2010:

<http://www.google.com/url?q=http%3A%2F%2Fhealthreform.gov%2Faffordablecareact.html&a=D&sentz=1&usg=AFQjCNGfY4c9NWCD3n2rhAyDBGkyWfNsWg>.

This program is designed to lower the cost of premiums for all employees and reduce employer health costs. ***On the Horizon; For Under Employed or Disabled Adults under 65 without Insurance (HOPE!)***

Medicaid covers many people with disabilities now, and in the future it will provide insurance to even more Americans. Starting in 2014, most adults under age 65 with incomes up to about \$15,000 per year for single individual (higher income for couples/families with children) will qualify for Medicaid in every state. State Medicaid programs will also be able to offer additional services to help those who need long-term care at home and in the community.

You may be able to join and get benefits from a voluntary, enrollment-based insurance program that will be available after October 2012 called the Community Living Assistance Services and Supports (CLASS) Program. It will provide assistance to people who need help with daily activities. Under this voluntary program, you'll get a cash allowance so you can get care and other supports to help you keep your independence.

For a Comprehensive Time Line of the Health Care Reform Act of 2010 and for further in depth information for individuals, families and employers go to <http://www.healthcare.gov/>.

For more information or clarifications about this document, please contact Kathy Ruiz Goldenkranz at k.ruiz.goldenkranz@gmail.com.