

# HEALTH CARE REFORM FOR EVERYONE

The Patient Protection and Affordable Care Act will provide health security into the future for all Americans, including those satisfied with the health insurance they currently have.

## Consumer Protections and Transparency

For far too long, insurance companies have been denying or cutting off coverage to those who need it while enjoying record profits. Health insurance reform will contain many consumer protections and insurance industry regulations that will benefit all Americans.

- Now that the Patient Protection and Affordable Care Act is law, insurance companies can no longer deny children coverage because of preexisting health conditions.
- Insurers will be prohibited from denying individuals health insurance coverage due to a pre-existing condition and from charging individuals with pre-existing conditions higher premiums. Insurers will also be prohibited from charging higher premiums due to gender, health status, family history, or occupation. These consumer protections take effect when the Exchanges are operational in **2014**.
- Insurance companies will have annual caps on what they can charge beneficiaries for out-of-pocket expenses, like co-payments or co-insurance charges. This will help Americans from being forced into bankruptcy because of exorbitant medical costs. This provision takes effect in **2014**.
- **Six months from now**, insurers will no longer be able to drop patients from their health insurance plan simply because they have gotten sick.
- Americans' choice of doctor is preserved by allowing patients to visit any participating physician in the insurance plan without a referral or plan authorization beforehand.
- **Six months from now**, insurers cannot impose any lifetime limits on cost or benefits.
- Each year, insurers will have to report the percentage of Americans' premiums they spend on items other than health care costs, such as bureaucracy, marketing, or executive compensation. If any health insurer's non-medical costs exceed 15 percent of premium costs in the group market or 20 percent in the small group and individual market then consumers will receive a rebate from their insurer. This provision takes effect **January 1, 2011**.
- **Within six months**, health insurers will be required to establish an appeals process that will provide consumers with a process to review their file and present evidence in their appeal.
- Consumers who are shopping for health insurance will now have the ability to compare plans using standardized data to make the best choices on health coverage for themselves and their families.

## **Lowering Health Care Costs**

Some may think that doing nothing on health care was the safe option, but it was anything but that. Without reform, the very same insurance coverage a family had in 2008 is projected to nearly double in cost, to \$24,291 by 2016, consuming 45 percent of projected median family incomes. Premiums would continue to double every several years, making health insurance vastly unaffordable for many Americans. In contrast, the Patient Protection and Affordable Care Act will work to bend the cost curve so health insurance costs do not continue to grow at such an unsustainable rate.

- Under health insurance reform, insurance plans will now have incentives to keep the cost of their plans down, while still offering affordable and comprehensive care.
- For those who still find health care costs too expensive, the Patient Protection and Affordable Care Act will offer tax credits and subsidies to help small businesses and individuals who are struggling to afford coverage.
- The Patient Protection and Affordable Care Act also invests in grant programs to reward states that keep health care costs down through coordinating care in a way that keeps patients healthy and out of the hospital.

## **Building a Healthier America with Investments in Prevention**

- **Six months from now**, insurance companies will be required to cover a range of preventive services without any co-pay. Currently, many Americans forgo needed care, even those who have insurance because the cost sharing is too expensive. Americans will not have to choose between seeing a doctor so illness and disease can be prevented and waiting until it is too late and costs more.
- In order to increase use of preventive services already available, the Patient Protection and Affordable Care Act helps to change the way health care providers are reimbursed for their services. Current payment systems focus on volume of care over value, so that while physicians certainly have a personal interest in keeping their patients healthy, they have no economic incentive to provide the preventive services that will help their patients achieve that goal. Now, doctors and hospitals will be given incentives for keeping their patients healthy and not solely reimbursed for the number of services they provide.

## **Protecting Medicare for Generations to Come**

Without reform, Medicare was estimated to be insolvent within 10 years, leaving behind generations of Americans who have supported today's seniors. The Patient Protection and Affordable Care Act will keep the Medicare trust fund solvent for at least nine additional years while making investments into the program that will bend the cost curve.

- Health care reform will strengthen our laws to prevent fraud and abuse in the Medicare program, helping to keep costs down for Medicare beneficiaries. Some of these provisions include additional funding for prosecutors to combat fraud and early screening programs to help stop fraudulent claims before they occur.
- Overpayments to insurance companies who participate in the Medicare Advantage Plan are driving up costs for everyone. In fact, Medicare costs for those in the Medicare Advantage program have been 14 percent higher than those in traditional Medicare, representing higher premiums for traditional Medicare beneficiaries. By eliminating the overpayments, the government will save hundreds of billions of dollars over 10 years.