

SOC 3510; WEEK 15, 12/6/16

# AFFORDABLE CARE ACT



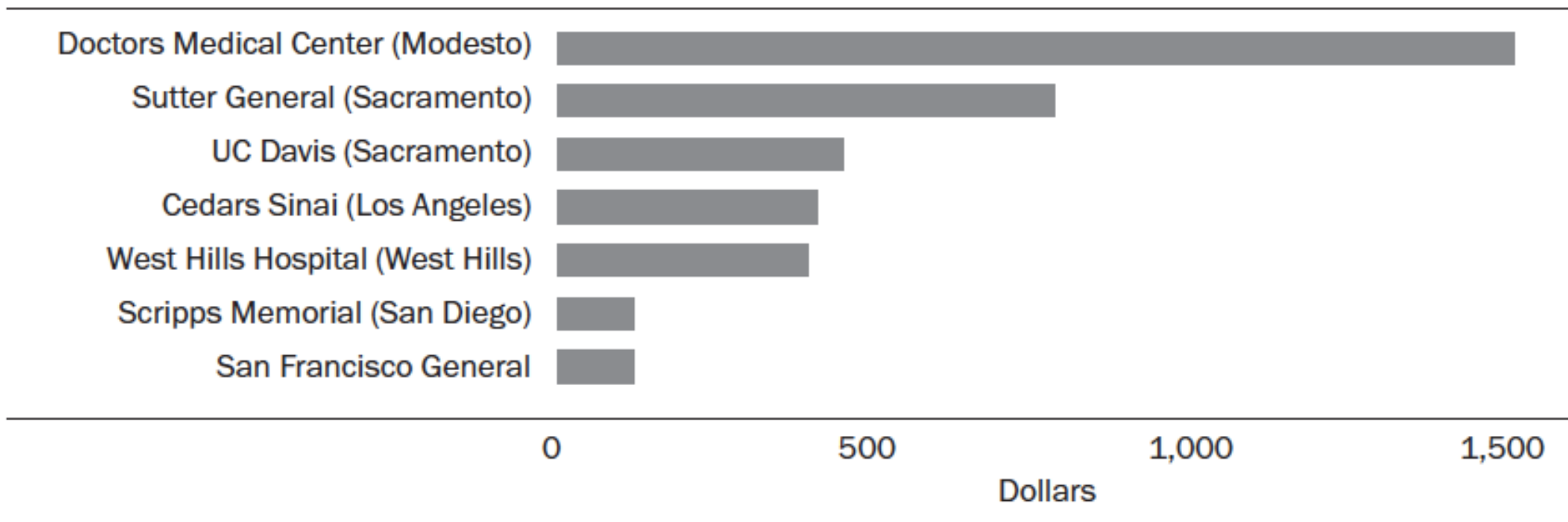
# WHY SO EXPENSIVE?

- For-profit health insurance companies
  - Guaranteed issue
  - Individual mandate
- Complexities of our care system
  - “Quite often, neither the buyer (the patient) nor the seller (the doctor) knows how much a particular treatment costs.” (Reid p. 42)

# THE CHARGEMASTER

## EXHIBIT 1

### Charges For A Chest X-Ray (Two Views, Basic) At Selected California Hospitals, 2004



**SOURCE:** L. Lagnado, "California Hospitals Open Books, Showing Huge Price Differences," *Wall Street Journal*, 27 December 2004.

IS CHANGE  
POSSIBLE?





# AFFORDABLE CARE ACT

**APPROVED**

MAR 23 2010

**86 million**

In 2011, provisions in the Affordable Care Act helped approximately 86 million people access free preventive services like annual wellness exams, cancer screenings, and flu shots.

[WWW.WHITHOUSE.GOV](http://WWW.WHITHOUSE.GOV)

Barack Obama

# ACA: THE BASICS

- Individual mandate
- Guaranteed issue and no lifetime limits on insurance benefits
- Young adults now can be covered by parents plan until the age of 26
- Essential care defined and mandated

# ACA: ESSENTIAL HEALTH BENEFITS

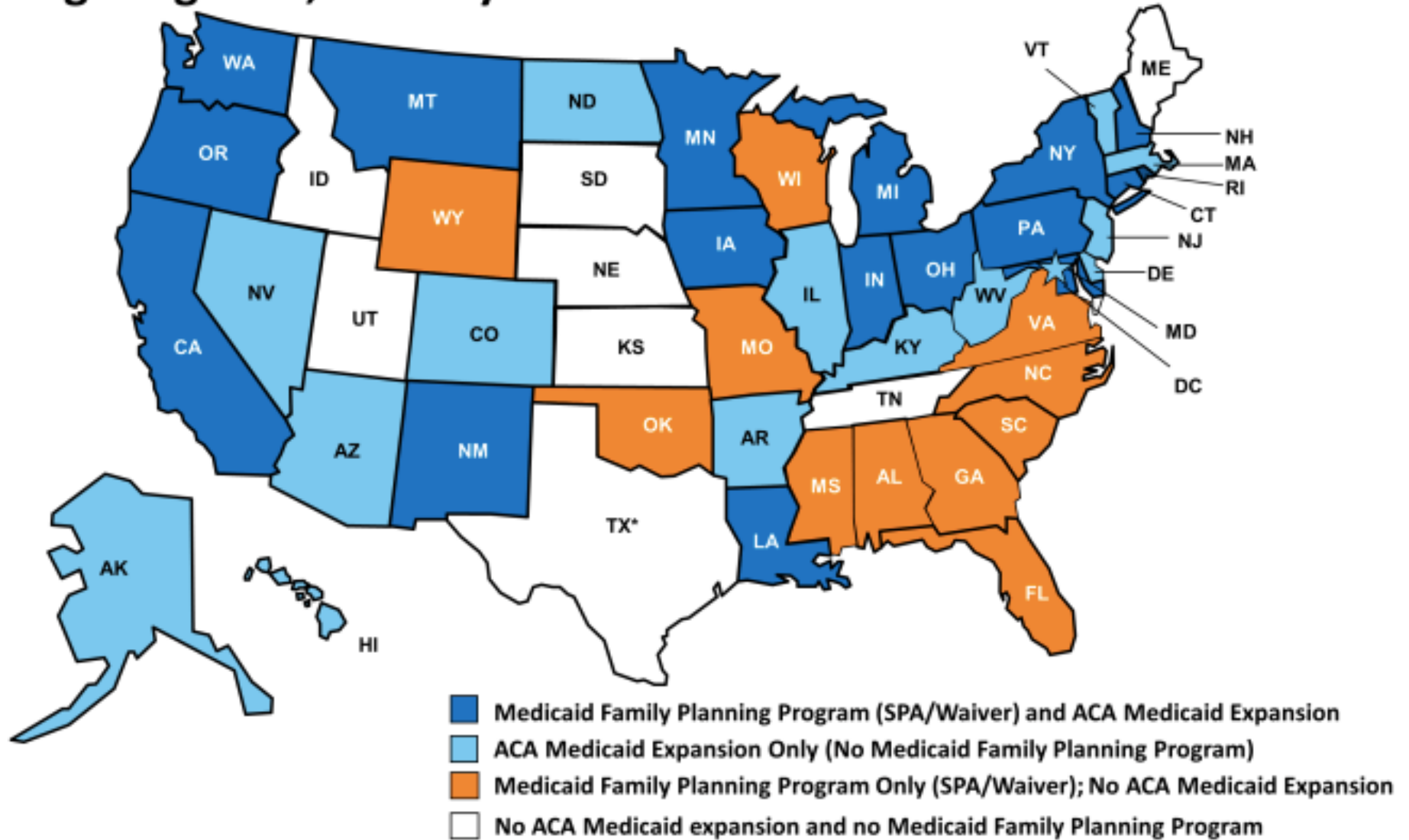
- Addiction treatment, ambulatory patient services, care for newborns and children, chronic disease treatment, emergency treatment, hospitalization, laboratory services, maternity care, mental health services, occupational and physical therapy, Rx drugs, preventative and wellness services, speech-language therapy
- May still have to pay for copay or coinsurance, but these treatments must be recognized by provider

# ACA: THE BASICS

- State-run health insurance to be created to help those uninsured, self-employed, between jobs
- Subsidies to help those with incomes less than 400% FPL
- Small business tax credits
- States must expand Medicaid to cover those at effectively 138% of the poverty line or opt-out
- Unlawful now to have higher health insurance costs for women



## State Decisions on ACA Medicaid Expansion and Medicaid Family Planning Programs, January 2016



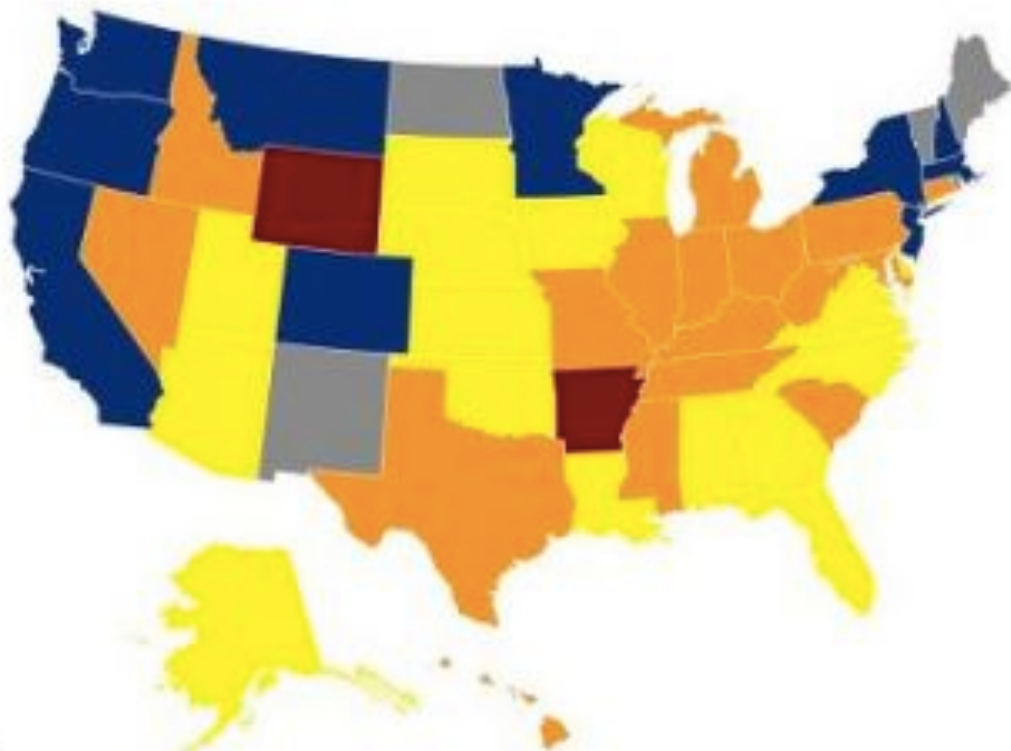
NOTES: The federal poverty level (FPL) for 2015 is \$11,770 for an individual in 2015. \*Texas has a state-funded program that extends coverage of family planning services to adult women with incomes up to 185% FPL. Wisconsin did not adopt Medicaid expansion under the ACA, but extends coverage to adults up to 100% FPL.

SOURCES: Kaiser Family Foundation, *Status of State Action on the Medicaid Expansion Decision*. Guttmacher Institute, *State Policies in Brief*, February 1, 2016.

## How much more do women pay for health insurance?



### Before the Affordable Care Act



### After the Affordable Care Act (starting in 2014)



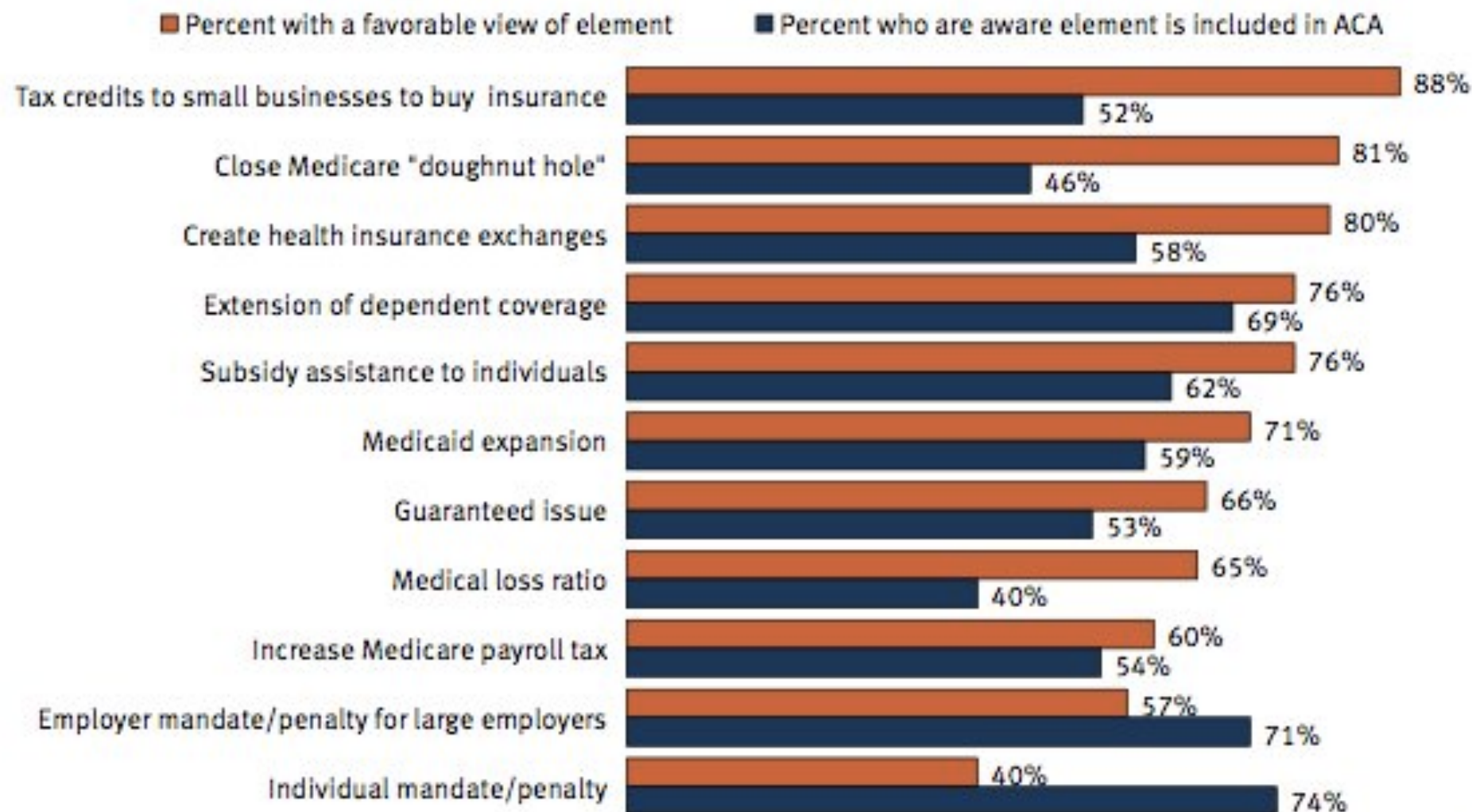
National Women's Law Center, "Turning to Fairness".

Based on comparable insurance plans for 25 year old women and men living in capitol cities.

<http://www.nwlc.org/resource/report-turning-fairness-insurance-discrimination-against-women-today-and-affordable-care-act>

# Most Popular Provisions Among Least Widely Recognized (And Vice Versa)

Percent who say they feel favorable about each of the following and percent who say they are aware each is included in the health reform law:



NOTE: Items asked of separate half samples. Question wording abbreviated. See topline (<http://www.kff.org/kaiserpolls/8425.cfm>) for complete wording.

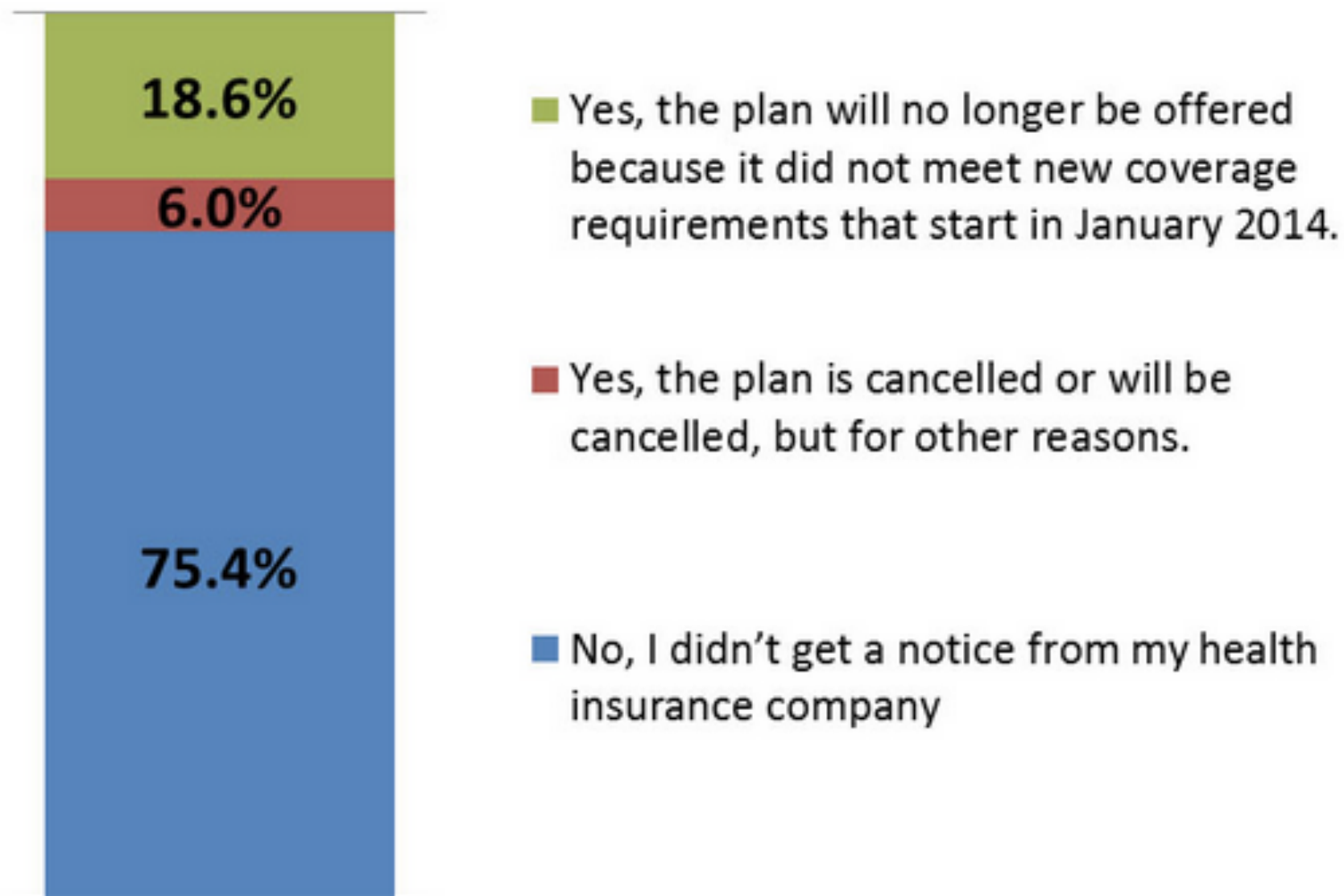
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted March 5-10, 2013)

# ACA: WHO PAYS FOR REFORM?

- Annual fee on health insurance companies
- Annual fee on pharmaceutical manufacturers
- Tax rate increase for individuals earning over \$200,000 or \$250,000 for families
- Penalty payments for individuals not enrolling and for businesses with at least 50 employees not offering insurance
- Tax on high-cost insurance plans
- Cost savings from new system's anticipated gains from increased efficiency



**Figure 1. Did you receive a notice of that your nongroup policy would no longer be offered at the end of 2013?**

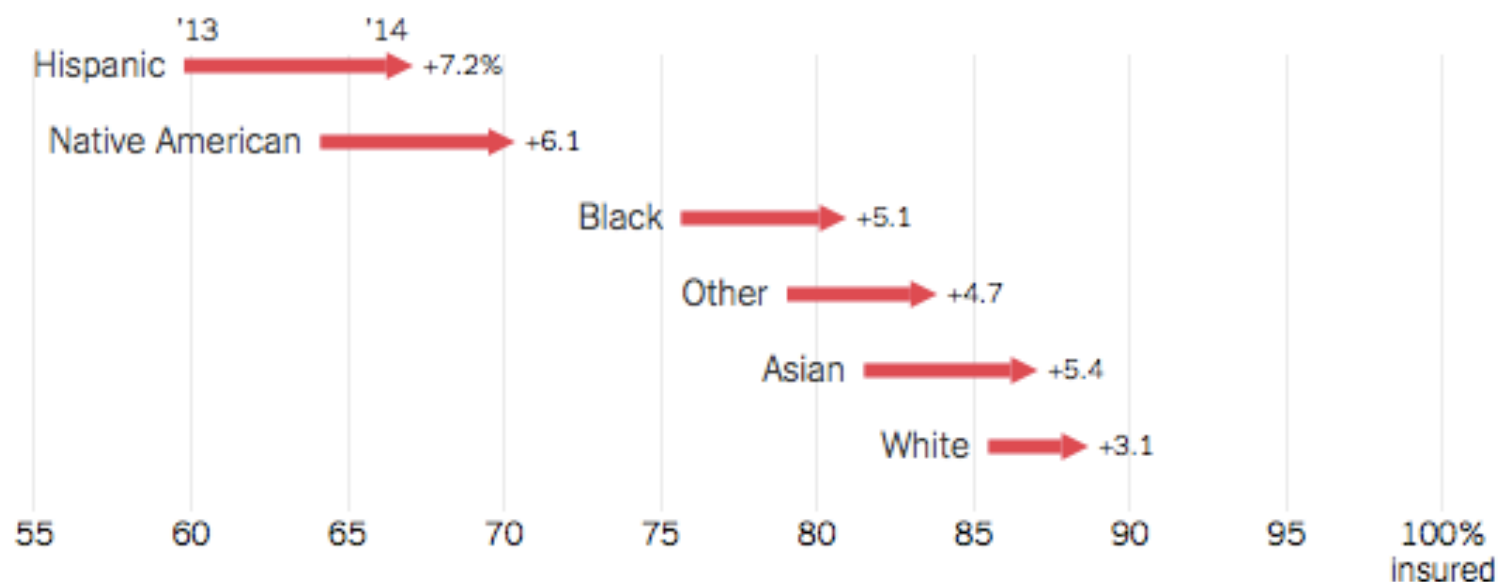


Notes: Sample includes only those reporting nongroup coverage, N=522.

Source: The Urban Institute's Health Reform Monitoring Survey (HRMS), quarter 4 2013. For more information about the survey, see <http://hrms.urban.org/>.

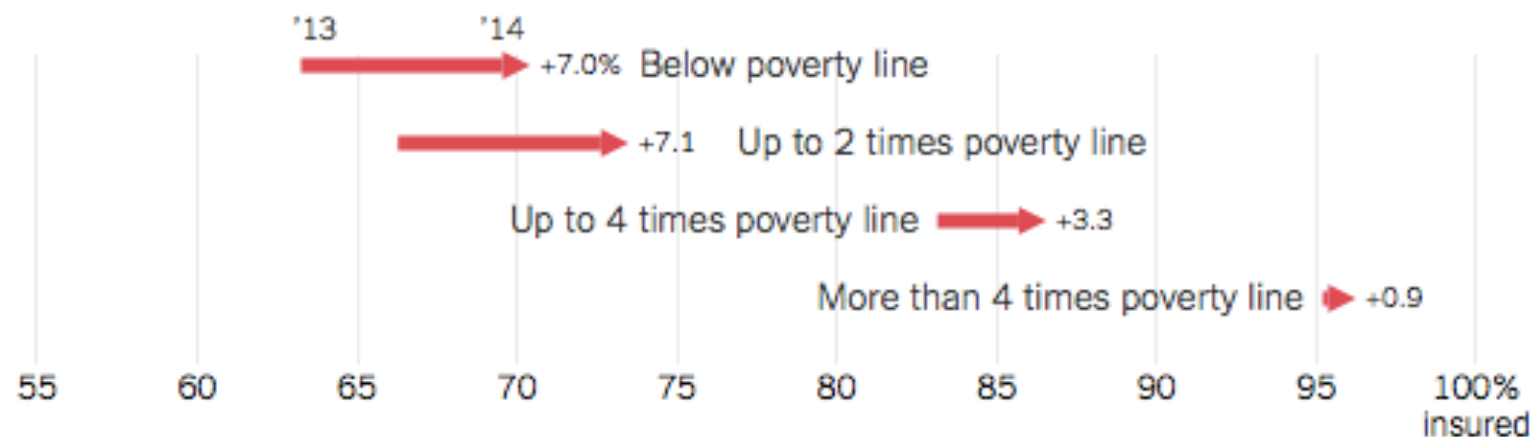
### Percent Insured by Race

Change from 2013 to 2014



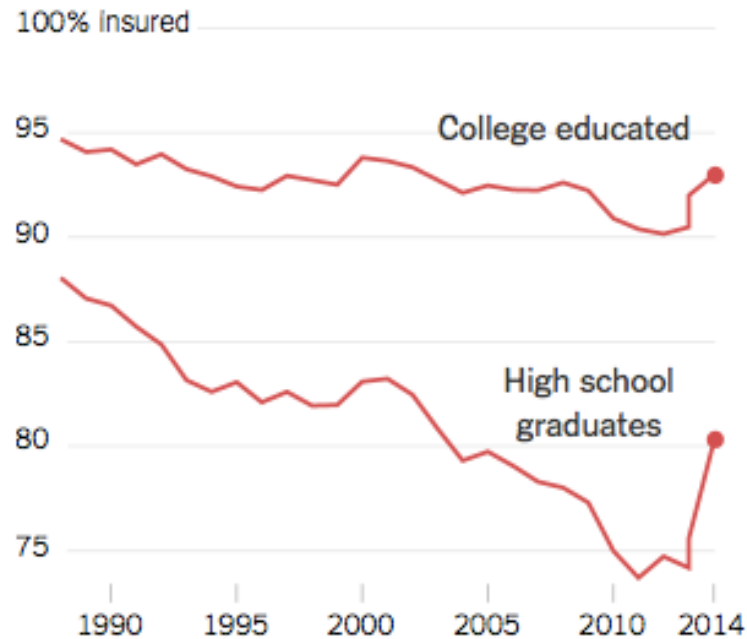
### Percent Insured by Poverty Level

Change from 2013 to 2014

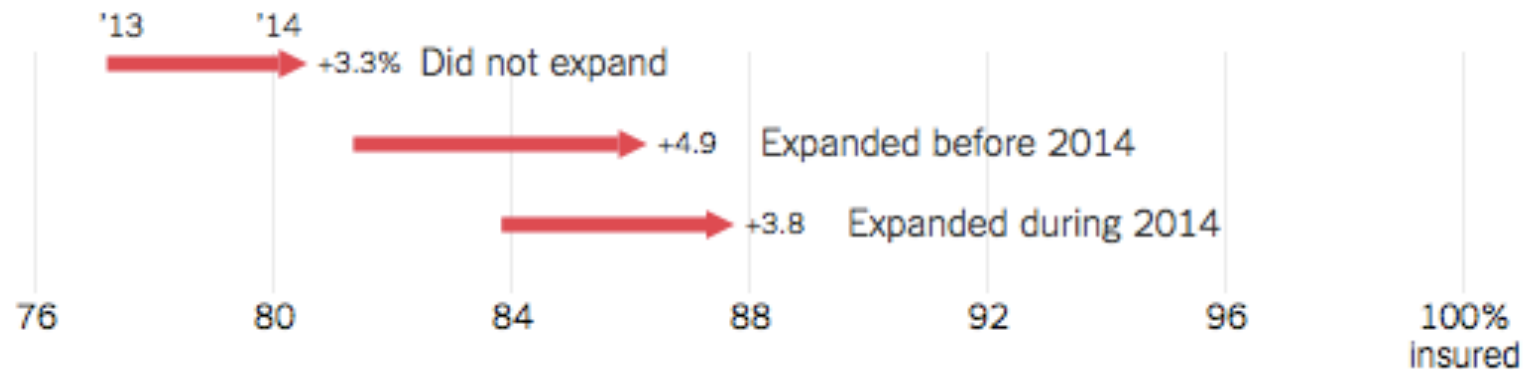




### The Insurance Gap



### Percent Insured by State A.C.A. Status Change from 2013 to 2014



# HEALTH INSURANCE TERMS

- Premium - amount you pay for the coverage every month whether or not you use any health services
- Deductible - amount you have to pay before insurance begins to pay
- Copayment - fixed amount that you pay for certain services; typically do not count towards deductible
- Coinsurance - share of the costs of health care that you pay; typically a fixed percentage

# ACA: BENEFIT PLANS

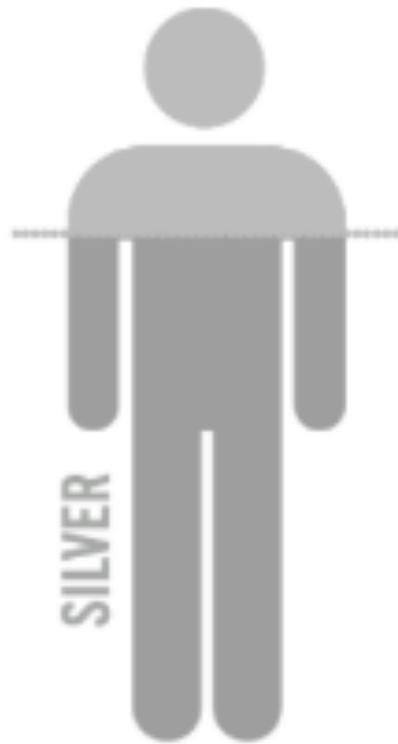
## THE KEY TO UNDERSTANDING METALLIC TIERS

YOU PAY **40%**



INSURANCE  
PLAN PAYS **60%**

YOU PAY **30%**



INSURANCE  
PLAN PAYS **70%**

YOU PAY **20%**



INSURANCE  
PLAN PAYS **80%**

YOU PAY **10%**



INSURANCE  
PLAN PAYS **90%**

# Need 2015 coverage? Act by December 15

Your last chance to enroll in coverage that starts January 1 is **Monday, December 15**

SEE PLANS & PRICES

GET STARTED

Have a baby or adopt in the last 60 days? [See if you can get coverage through the end of the year.](#)