

The Affordable Care Act (ACA)

An Overview by the Kaiser Family Foundation

NBC News Editorial Roundtable

June 26, 2013

1. The Basics of the Affordable Care Act (ACA)

Expanded Medicaid Coverage Starting in 2014

- For states that chose to, Medicaid will be expanded to cover adults with incomes up to 138% of the federal poverty level (about \$16K per year for a single person, \$21K for a couple). The Supreme Court ruling on the ACA changed the expansion from a nationwide action to a state option.

New Protections and Subsidies for People Who Buy Their Own Insurance

- New health insurance “marketplaces” (also called “exchanges”) will provide options for individuals buying insurance on their own. Enrollment begins Oct. 1 2013 thru March 31, 2014. Tax credits will be available to persons with incomes from 100% to 400% of the federal poverty level (about \$46K for an individual and \$94K for a family of four) to help offset costs.
- Insurers will be required to provide coverage to everyone regardless of pre-existing health conditions. Variations in premiums limited for age and prohibited for gender and health status.
- All insurance plans sold to individuals and small businesses will have to provide a minimum level of coverage, including preventive care, maternity, mental health, and prescription drugs.

Employer Requirements

- Employers with 50+ workers must offer affordable insurance to their workers or pay a penalty.
- As of end of 2010, parents are now able to keep children on their insurance up to age 26.

Individual Mandate

- To help insurance reforms work and keep premiums down, most Americans will be required to have insurance or pay a penalty (the “individual mandate”).

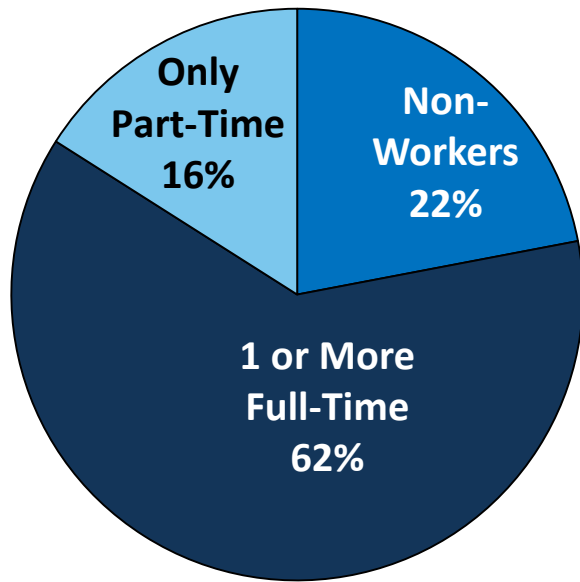
2. Experiences with and Worries about Health Care Insurance

- According to the U.S. Census Bureau, almost 48 million Americans under the age of 65 (“non-elderly”) – 18% of this population -- were uninsured in 2011.
 - Thirty percent of Americans ages 18-64 – and an even higher share of young adults ages 18-29 (42%) – surveyed by Kaiser in August 2011 say they were uninsured *at some point* in the prior 12 months.
- Two thirds (68%) of Americans ages 18-64 are worried about medical costs in the event of a serious illness or accident and half (49%) are worried about paying for routine medical care.
- One in two (50%) of Americans ages 18-64 *who are currently insured* are worried about losing their health insurance coverage.
- Half (49%) of Americans ages 18-64 say they or a family member have a pre-existing condition.
 - Among this group, one in four (25%) say they or someone in their household has been denied coverage or had their premiums increased because of a pre-existing condition.

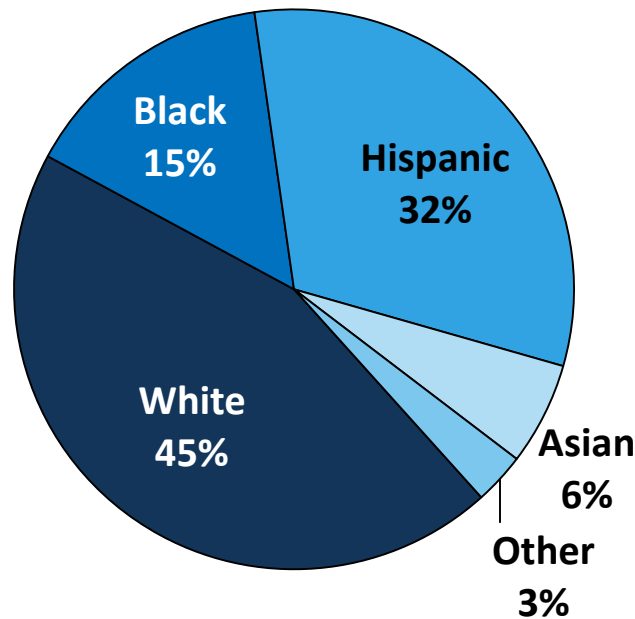
3. Uninsured are a Diverse Group; Most in Working Families

47.9 Million Non-Elderly Uninsured in the U.S., 2011

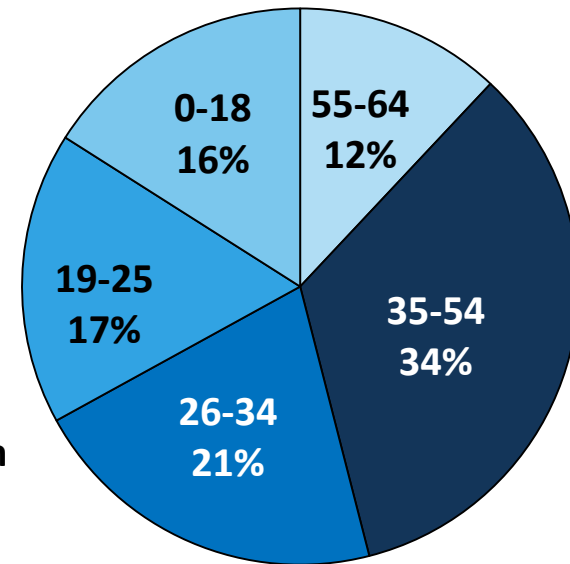
Family Work Status



Race/Ethnicity



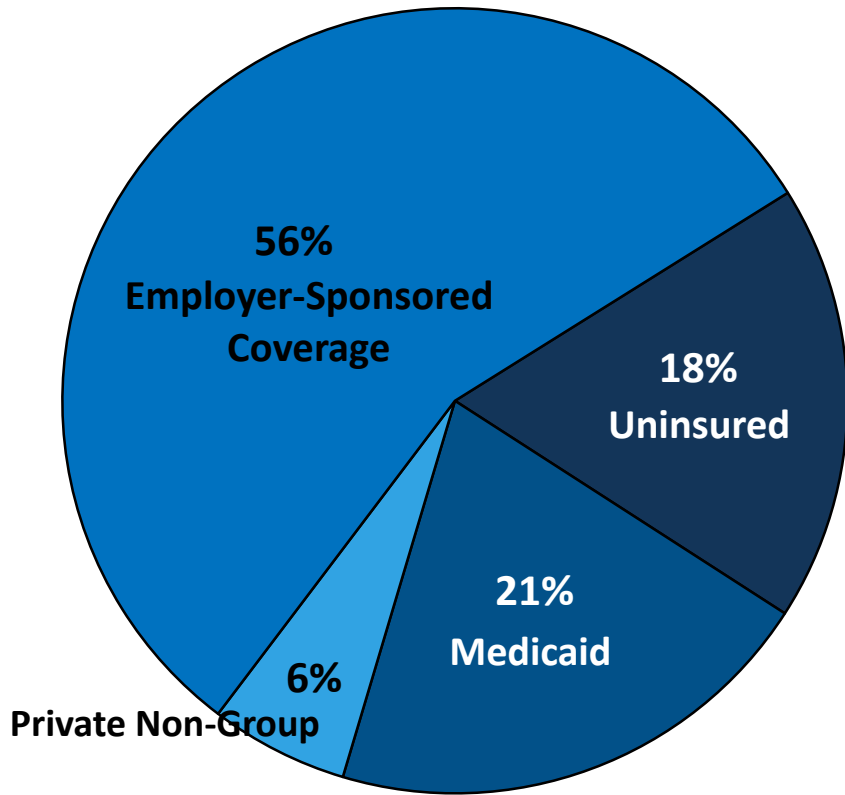
Age



NOTE: Numbers may not add to 100% due to rounding and sample size restrictions.
SOURCE: KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.

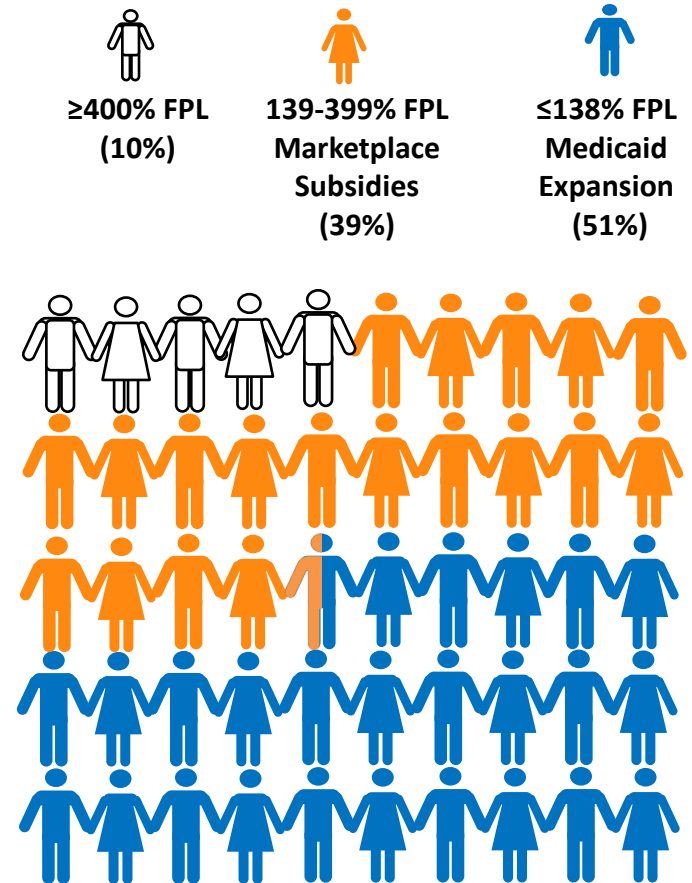
4. Most of the Uninsured are Income-Eligible to Get Coverage through ACA Medicaid Expansion or Subsidies

Health Insurance Coverage for Non-Elderly, 2011



266.4 Million Nonelderly

By Income Level

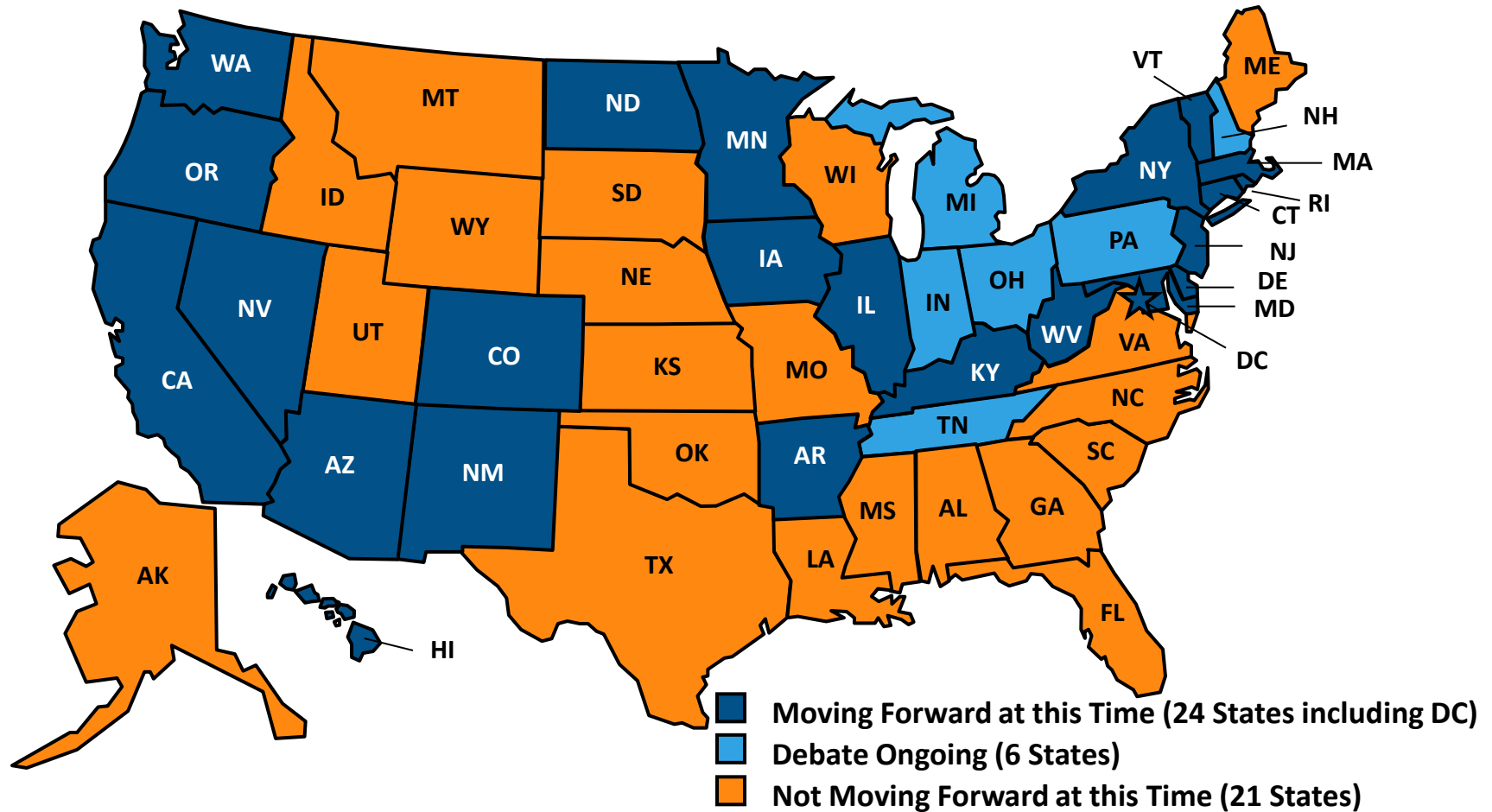


47.9 Million Currently Uninsured

NOTES: Numbers may not add to 100% due to rounding.
SOURCE: KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.

5. Current Status of the Medicaid Expansion Decision

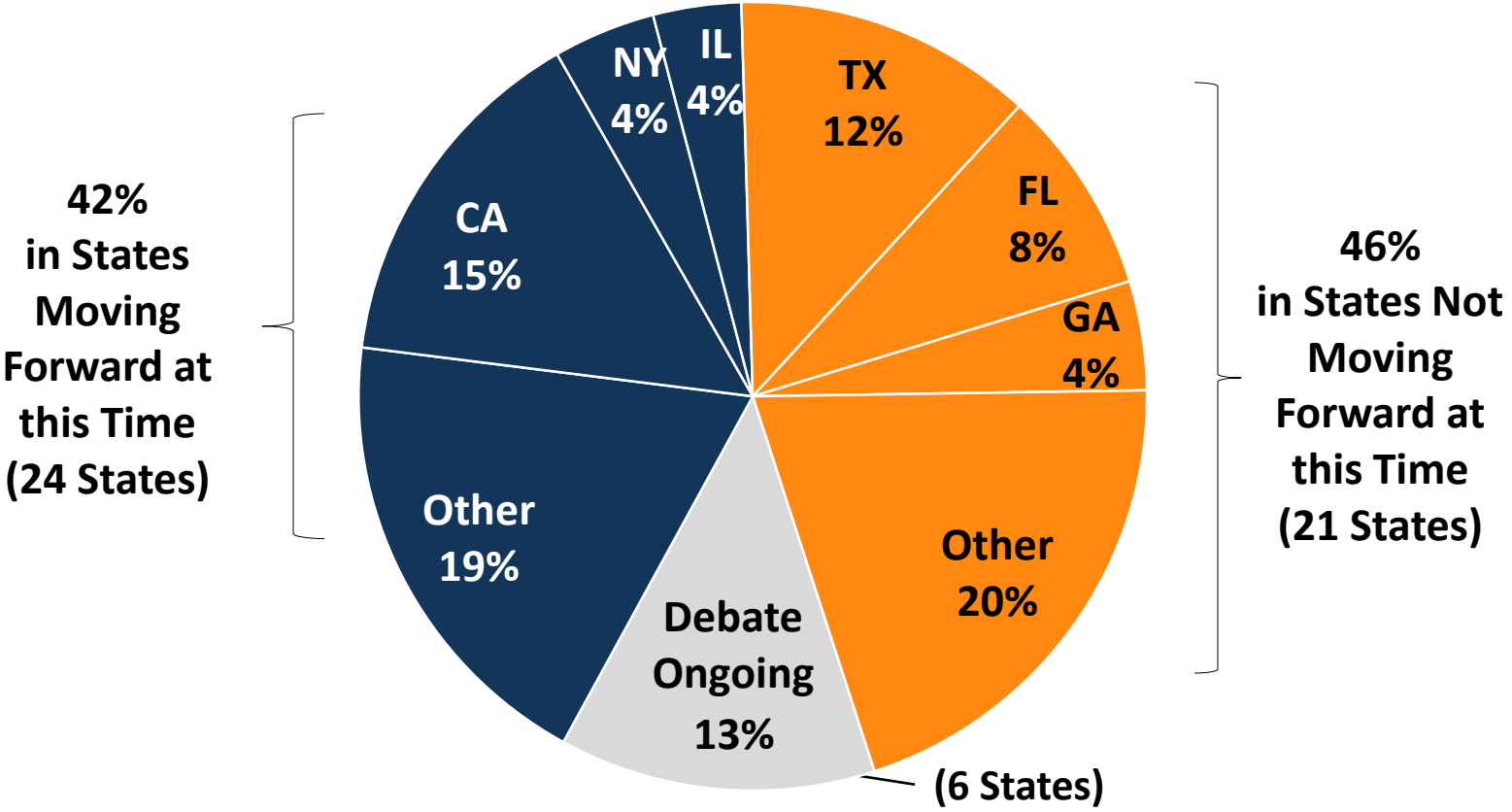
as of June 20, 2013



SOURCE: Based on KCMU analysis of recent news reports, executive activity and legislative activity in states.

6. Decisions of a Few States will Affect Large Numbers of the Uninsured; Leaving Some “Too Poor” for Coverage

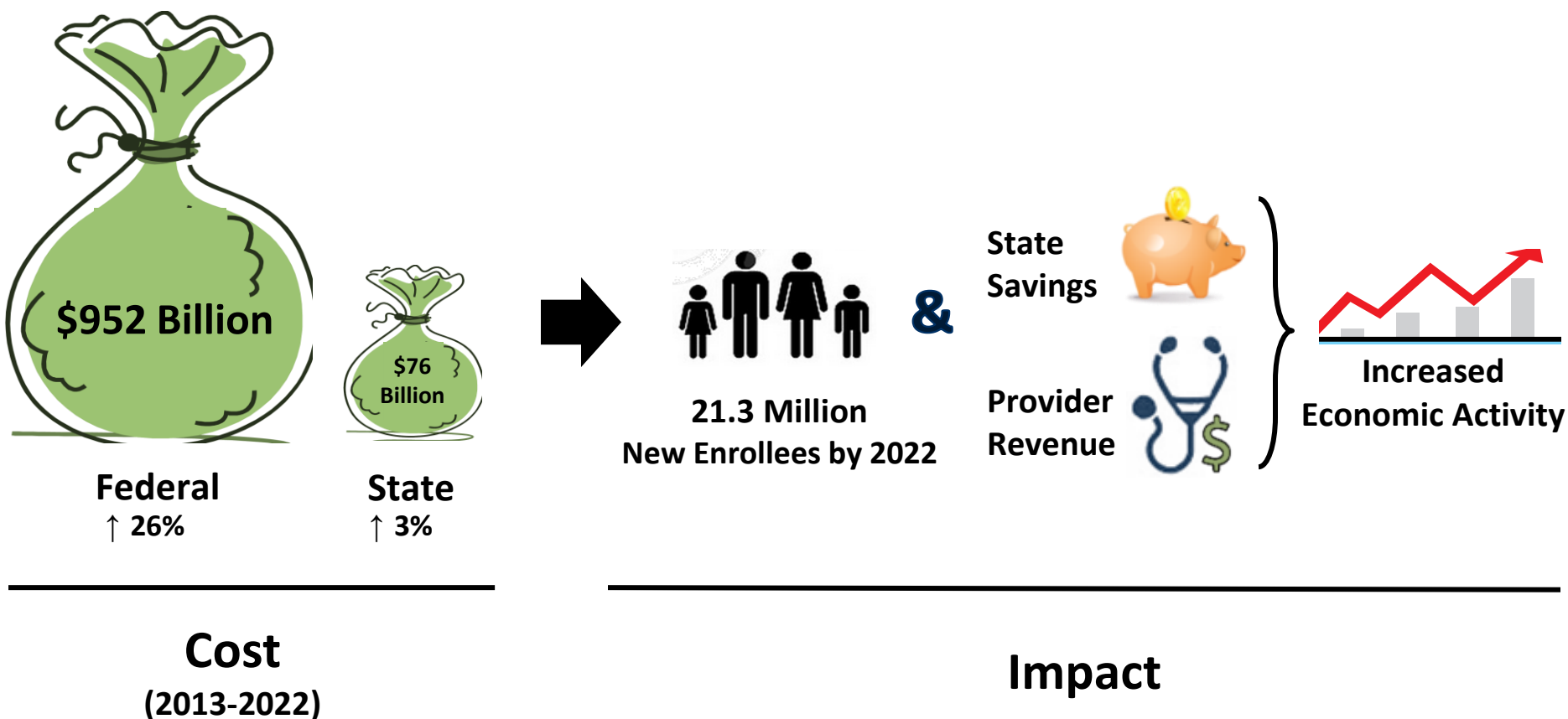
Distribution of Uninsured Non-Elderly who are Income Eligible for Medicaid Expansion (25.4 Million)



Note: Totals do not sum due to rounding.

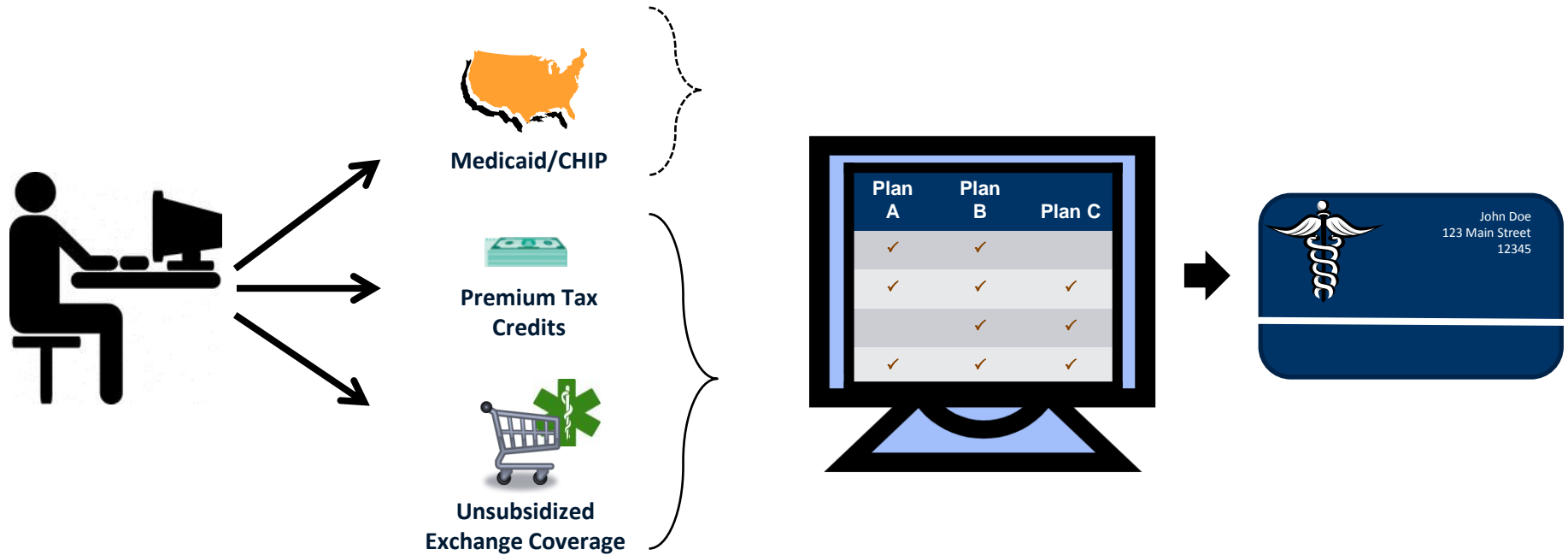
SOURCE: KCMU analysis of 2011 American Community Survey and recent news reports as well as executive and legislative activity in states as of June 20, 2013.

7. State Medicaid Expansion Decisions will also Impact State Budgets and Provider Revenues.



NOTE: Projections assume all states expand Medicaid.
SOURCE: Urban Institute estimates prepared for KCMU, November 2012.

8. Health Insurance Marketplace will Facilitate Enrollment Into Coverage for those without Employer Offered Coverage



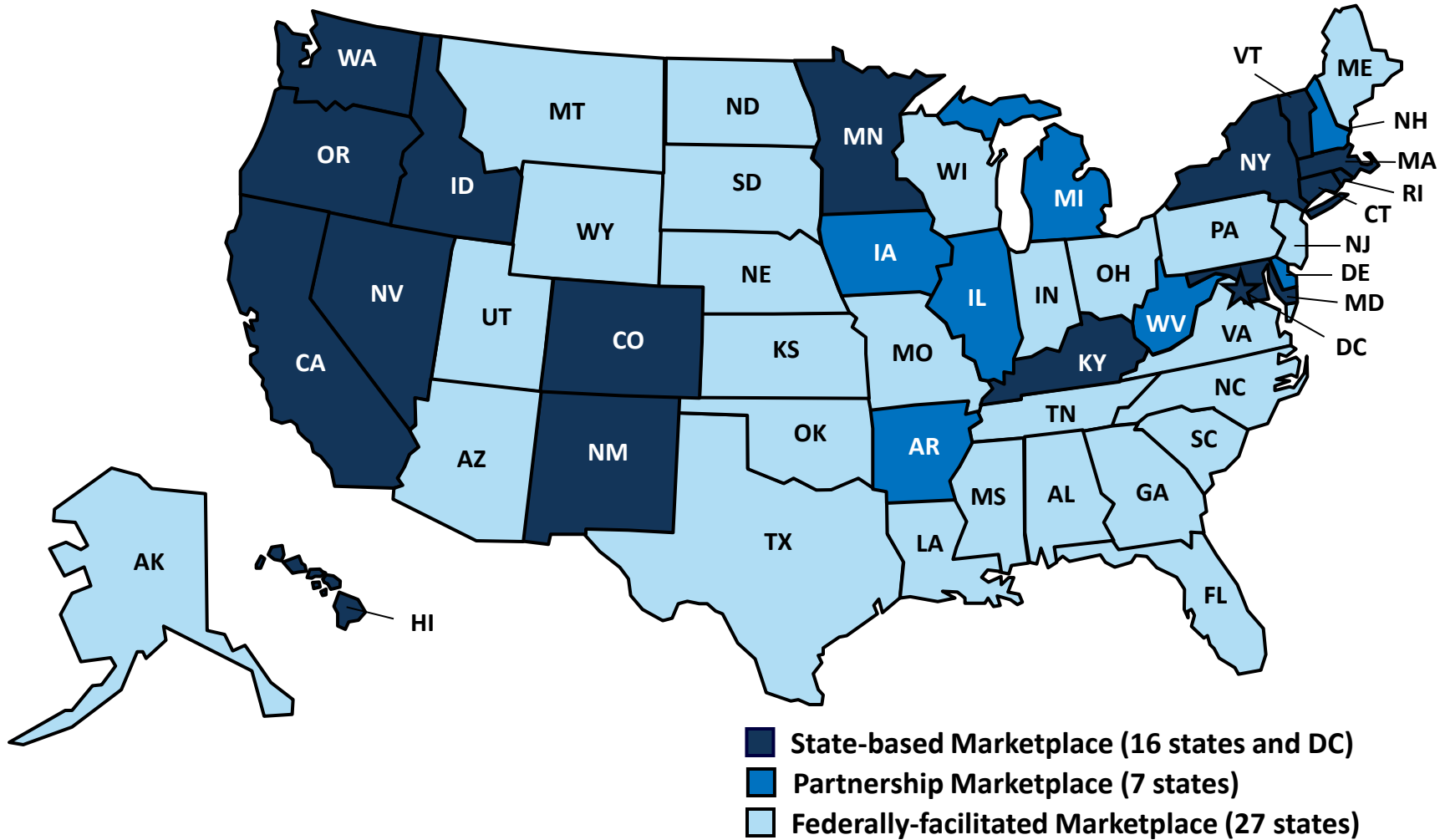
Eligibility for Multiple Programs Determined in Real Time

Information Provided on Available Plans for Comparison

Enrollment Into Selected Plan

9. State Health Insurance Marketplace Decisions

as of May 28, 2013



10. Examples of Coverage Options for Individuals and Small Businesses

Plan Type	“Actuarial Value”	Typical Deductible	Coinsurance	Maximum Out-of-Pocket Cost
Bronze	60%	\$4,000 to \$6,000	20%	\$6,350
Silver	70%	\$1,500 to \$2,000	20%	\$6,350
Gold	80%	\$250 to \$500	20%	\$6,350
Platinum	90%	\$0	10%	\$6,350
Catastrophic (up to age 30)	NA	\$6,350	0%	\$6,350

All figures are for single coverage. Amounts for families would be double.

All plans have to cover a wide range of benefits.

11. Premium Subsidy Examples

- **Single 25 year old making \$20,000**

Unsubsidized silver premium = \$3,030

Individual contribution = \$1,021

Tax credit = \$2,009

- **40 year old parents with two kids making \$50,000**

Unsubsidized silver premium = \$11,547

Family contribution = \$3,365

Tax credit = \$8,182

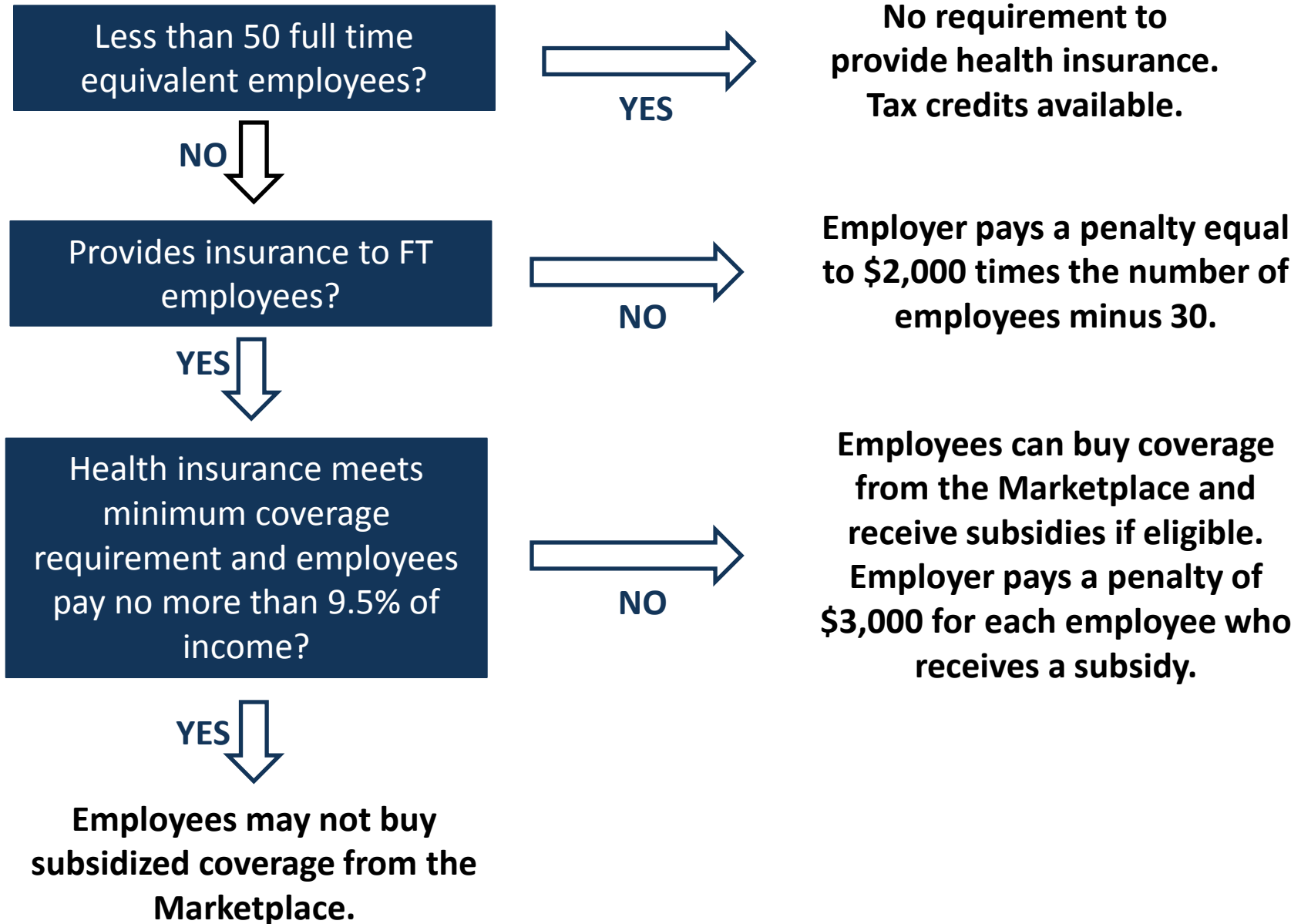
- **60 year old couple making \$50,000**

Unsubsidized silver premium = \$16,382

Family contribution = \$4,750

Tax credit = \$11,632

12. Employer Requirements



13. Opportunities and Challenges Looking Ahead

- Historic opportunity to: expand coverage to tens of millions of uninsured Americans and make it accessible to everyone; eliminate longstanding abuses in the insurance system; reduce the financial burden of health expenses for people; and help control costs mainly by reducing the growth in Medicare spending.
- Enrollment may be low at first. Effective outreach, especially to the young and healthy, is key to the ACA's success.
- Implementation will be uneven across the country initially, but things will even out a lot over time.
- There will inevitably be technical glitches. It will matter how they are perceived, and whether they get fixed quickly.
- Some people will be worse off as a result of reform, and will likely blame it on the ACA. Many people will be better off, and may or may not credit the ACA.
- Employer health benefits will likely be stable in the near future, but could be in for big changes in the years ahead.
- Our health care cost problem has not been solved. Cost pressures will increase in the coming years due to improvements in the economy, but may be blamed on ObamaCare.
- 2014 is not the end. More states will likely expand Medicaid and operate the new health insurance marketplaces. Reform will keep getting reformed.