



## Health Insurance Reform

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The Affordable Health Care for America Act will provide security for seniors, guarantee access to health insurance coverage for the uninsured and make health care affordable for the middle class — while responsibly reducing the federal deficit over the next decade and beyond.

Based on our analysis of data for Arizona's 8<sup>th</sup> Congressional District from the U.S. Census, the Centers for Medicare and Medicaid Services and the Department of Health and Human Services, this bill will:

- *Improve employer-based coverage for **447,000** residents.*
- *Provide tax credits and subsidies to help pay for coverage for up to **176,000** households.*
- *Improve Medicare for **135,000** beneficiaries, including closing the prescription medication donut hole for **14,100** seniors.*
- *Guarantee that **10,300** residents with pre-existing conditions can obtain coverage.*
- *Allow **15,200** small businesses to obtain affordable health care coverage and provide tax credits to help reduce health insurance costs for up to **13,400** small businesses.*
- *Provide coverage for **40,500** uninsured residents.*
- *Allow **57,000** young adults to obtain coverage on their parents' insurance plans.*
- *Protect up to **900** families from bankruptcy due to unaffordable health care costs.*
- *Reduce the cost of uncompensated care for hospitals and health care providers by **\$38 million**.*

**Employer Sponsored Insurance:** Some **447,000** district residents receive health care coverage from their employer. Under the legislation, individuals and families with employer-based coverage can keep the health insurance coverage they have now, and it will improve.

- No co-pays or deductibles for preventive care.
- No more rate increases or coverage denials for pre-existing conditions; 10,300 district residents have pre-existing medical conditions that prevents them from buying insurance.
- Guaranteed oral, vision, and hearing benefits for children.

**Currently Uninsured:** Those without insurance will be able to purchase coverage at group rates through a health insurance exchange.

**Affordability:** Middle class individuals and families will receive affordability credits to ensure they can pay for the coverage they need.

- There are **176,000** households in the district that could qualify for affordability credits to purchase insurance.
- The bill caps annual out-of-pocket costs at \$5,950 for individuals and \$11,900 for families and eliminates lifetime limits on insurance coverage, ensuring that no citizen will have to face financial ruin because of high health care costs.

**Strengthening Medicaid:** Expands Medicaid coverage (AHCCCS in Arizona) and dramatically increases federal reimbursement to states for the costs of the program.

**Improving Medicare: 135,000** Medicare beneficiaries in the district will see improvements to Medicare through:

- free preventive and wellness care;
- improved primary and coordinated care, improved nursing home quality; and
- strengthening of the Medicare Trust Fund, extending its solvency from 2017 to 2026

More than **14,000** district residents will see the Medicare donut hole reduced by \$500 in 2010, cutting brand-name drug costs in the donut hole by 50%, and completely eliminating the donut hole by 2019.

**More Employer Sponsored Coverage:** Small businesses with up to 100 employees will be able to join the health insurance exchange, benefiting from group rates and a greater choice of insurers.

- There are 15,200 small businesses in the district that will be able to join the health insurance exchange.
- Businesses with 25 employees or less and average wages of less than \$50,000 will qualify for tax credits of up to 35% of the costs of providing health insurance. There are up to 13,400 small businesses in the district that could qualify for credits.
- Beginning in 2014, the small business tax credits will cover 50% of premiums.

**No deficit spending:** The Affordable Health Care for America Act is fully paid-for and cuts the deficit.

- No tax increase for 99% of district residents.
- Half of the costs are paid by eliminating waste, fraud, abuse and excessive profits for private insurers in Medicare and Medicaid
- According to the Congressional Budget Office, the bill will cut the deficit by over \$138 billion over the next decade and by \$1.2 trillion in the second ten years.

**Timeline:** Many aspects of the bill are implemented between now and 2013. Here are the major benefits and when they will be in effect:

#### **2010**

- Prohibits insurance companies from using pre-existing conditions to exclude children from coverage
- Provides a \$250 rebate to Medicare beneficiaries who hit the donut hole in 2010
- Offers tax credits of up to 35 percent of premiums to small businesses that choose to offer coverage
- Provides free preventative care under Medicare
- Bans insurance companies from dropping people from coverage when they get sick
- Prevents insurance companies from placing lifetime caps on coverage
- Extends coverage for young people up to 26<sup>th</sup> birthday through parents' insurance
- Prohibitions on post-retirement reductions of retiree benefits
- Expansions of public health workforce, preventive health services and community health centers
- Eliminates cost sharing for preventative services in Medicaid and Medicare

#### **2011-2012**

- Free, annual wellness visit and personalized prevention plan services for Medicare beneficiaries
- Provides a 10 percent Medicare bonus payment for primary care physicians and general surgeons

#### **2014**

- Full implementation of all health insurance reforms
- Insurers can no longer exclude coverage based on pre-existing conditions, gender, or other factors
- Start of insurance exchanges
- Start of affordability credits
- Provides a choice of coverage through a multi-State plan, available nationwide
- Implements second phase of small business tax credits (up to 50% of the cost of premiums)

#### **2014 and Beyond**

- Expands Health Insurance Exchange to increasingly larger employers
- Completely closes the donut hole for seniors by 2020