

The Affordable Care Act: Already Expanding Access, More to Come

Since becoming law in 2010, the Affordable Care Act has already done a great deal to help make health insurance a better buy for consumers, expand access to insurance, and make care more affordable. Additionally, there are many improvements still to come, like the ability to purchase individual health insurance on a health care exchange and tax credits to help low-income and middle class families afford health insurance that's worth purchasing.

Provisions Already In Effect

- Insurance companies must now spend at least 80% of the premiums they collect on health care for those they insure – and if not, they must refund some of the premium to make up for it. As a result, Connecticut families have received about \$18.5 million in rebates in 2012 and 2013.
- Insurance companies must now provide certain preventive services for free. Since the law's enactment, Connecticut residents have been provided with 945,000 free preventive services, including mammograms, well-child visits, flu shots, and colonoscopies.
- The Medicare Prescription Drug "Donut Hole" is closing. In 2012, the average Connecticut senior facing the coverage gap saved \$880 in discounts to their out-of-pocket costs. These savings will increase annually until the gap is closed completely by 2020.
- Insurance companies can no longer impose lifetime limits on coverage; starting in 2014, annual limits will also be prohibited.

Provisions Still to Come

Affordable health insurance exchanges

- Beginning October 1, 2013, individuals and small businesses will be able to shop for health insurance and compare plans through transparent, competitive affordable insurance exchanges. This coverage begins January 1, 2014, and tax credits (see below) will be available to help low and middle-income families buy coverage.
- If your employer doesn't offer insurance, you will be able to choose a private plan directly in this one-stop online marketplace.

Tax Credits

- Individuals and families who qualify will receive an instant tax credit that will cover a significant portion of their health insurance premiums when purchasing insurance through the Connecticut state exchange.
- Tax credits vary according to family size and income level. Families and individuals with incomes up to 400% of the poverty level will qualify for instant tax credit to help cover premium costs:
 - Individuals making up to \$45,960 per year will qualify for tax credits to help pay for health insurance.
 - A family of four making up to \$94,200 will qualify for tax credits to help pay for health insurance.
- The Small Business Tax Credit will be expanded so that small businesses who wish to provide health coverage for their employees can more easily afford to do so.

Medicaid Expansion

- Starting in January 2014, Connecticut will expand Medicaid to individuals under 65 years of age with income below 133% of the federal poverty level (about \$14,000 for an individual and \$29,000 for a family of four).
- Connecticut will receive 100% federal funding for the first three years to support this expansion.
- Medicaid and Children's Health Insurance Program (CHIP) eligibility and enrollment will be simpler.

Decreasing the Rate of Rising Costs

Before health care reform was passed, health care costs were growing at a rate of 6-10% per year. This rate is now down to just 4%. This means the provisions in the ACA to help slow the cost of health care overall are working. These programs include:

- Limits on payments to private insurance companies that operate the Medicare Advantage program;
- Reductions in annual market-based updates for Medicare payment rates to hospitals, skilled nursing facilities, and hospices;
- Reductions in payments to hospitals with high levels of readmissions; and
- Pilot programs that reward hospitals and doctors with federal funding if they successfully save money by using new delivery methods.
- The open, transparent insurance exchange will further slow the rising cost of care as insurance companies compete directly with one another for business.