

# What's in it for Me?

## The Affordable Care Act and You



CENTER *for*  
RURAL AFFAIRS

Lyons, NE 68038

Population 963

# Who is Here Today?

- Students
- Farmers/ranchers
- Small business owners
- Elected officials
- Employees of non-profit organizations
- Community leaders
- Health care providers

# Status of Federal Health Reform

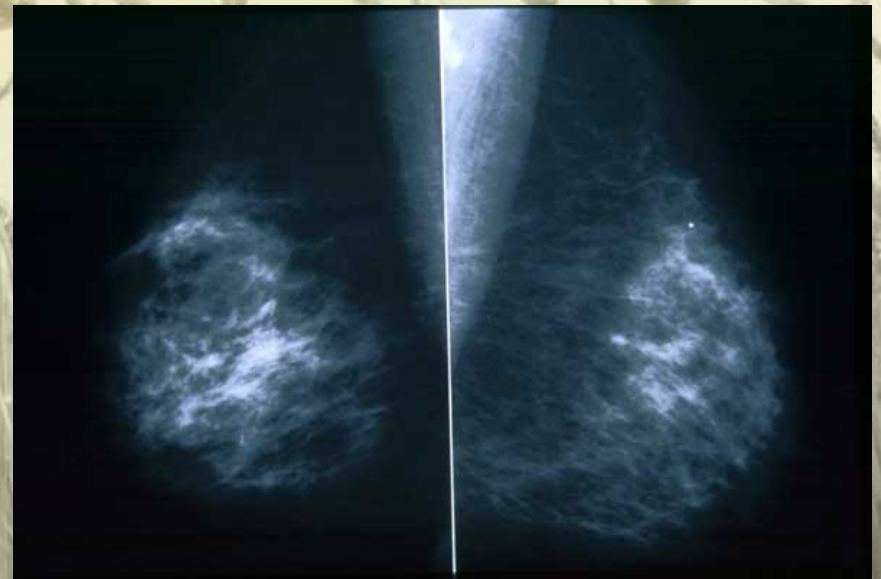
The Affordable Care Act was signed into law on March 23, 2010.

Now what?



# Benefits for All People Now

- Can't drop you if you get sick
- Ends lifetime limits, restricts annual limits
- More value for your \$
- Process for appeals
- Free prevention on new insurance plans





# Benefits to All People Soon

- Health insurance marketplaces (aka “exchanges”) for individuals & small businesses in 2014
- Affordable insurance through subsidies
- No pre-existing conditions
- Age, geography, family size, smoking ONLY factors
- Medicaid expansion

# Rural Benefits

- Area Health Education Centers (AHEC)
- National Health Care Service Corps
- Rural medical residency programs
- 10% incentive payment for primary care doctors practicing in underserved areas
- Increased funding for Community Health Centers

# Young People

- **Benefits Today**
  - Staying on parents' insurance to 26
  - No pre-existing condition for under 19
  - High risk pool
- **Benefits Soon**
  - Affordable Care
  - Freedom to work
  - Toolkit for Graduates





# Small Business (and Farms!)

- **Benefits Now**
  - Small business tax credits to provide insurance for employees
  - Premiums deductible for 2010
- **Benefits Soon**
  - Buying through marketplaces for more affordable insurance (fewer than 100 employees)







# Small Business Tax Credit

- From 2010-2013, small businesses (25 employees or fewer) receive tax credit to offset up to 35% of cost of providing coverage to non-family employees
- For 2010, self-employed people can deduct health insurance premiums from taxes

# Elders



- **Benefits Now**

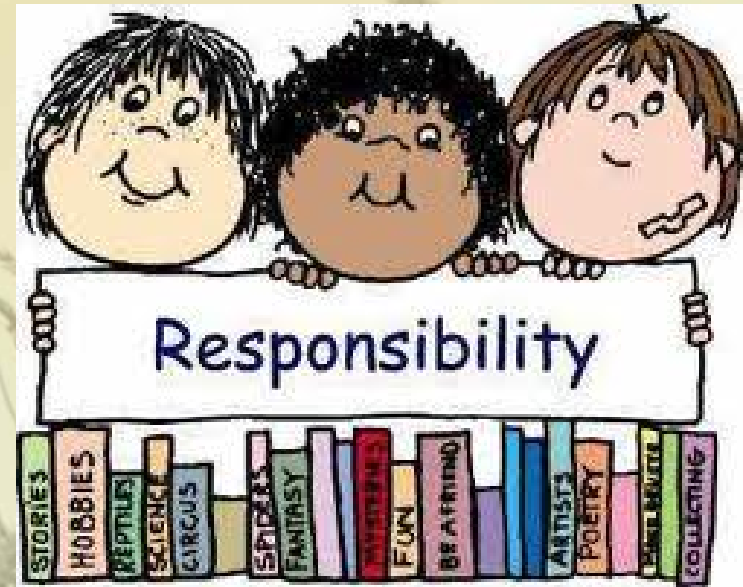
- \$250 rebate for prescriptions if in donut hole
- Prevention care with no co-pay in Medicare
- Helps cover insurance costs of early retirees

- **Benefits Soon**

- Crack down on waste, fraud
- More coordinated care

# Employer Responsibility

- Employers must provide insurance
- Small businesses, those with 50 or fewer employees, are exempt
- Penalizes businesses who don't offer insurance or is not affordable (but only if >50 employees)







# Health Insurance Marketplace

- State-based markets for individuals and small businesses (<100)
- Standardized plans & minimum benefit levels in exchange
- Levels of coverage
- Help small groups pool together for coverage like big businesses do now



# Who can buy?

- Individuals, self-employed
- Businesses with 100 or fewer employees can buy into the exchange
- States can limit exchange to 50 or fewer employees until 2016 if they choose
- Room to grow: small businesses can grow to over 100 and still use exchange if they continue to offer insurance

# Percent of Federal Poverty

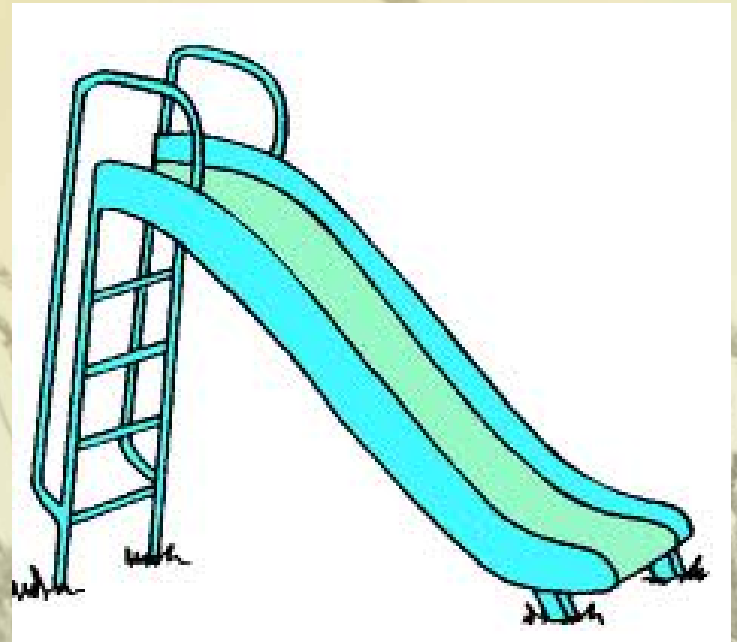
# in Family	100%	133%	150%	200%	300%	400%
1	\$10,830	\$14,404	\$16,245	\$21,660	\$32,490	\$43,320
2	\$14,570	\$19,378	\$21,855	\$29,140	\$43,710	\$58,280
3	\$18,310	\$24,352	\$27,465	\$36,620	\$54,930	\$73,240
4	\$22,050	\$29,327	\$33,075	\$44,100	\$66,150	\$88,200
5	\$25,790	\$34,301	\$38,685	\$51,580	\$77,370	\$103,160
6	\$29,530	\$39,275	\$44,295	\$59,060	\$88,590	\$118,120
7	\$33,370	\$44,249	\$49,905	\$66,540	\$99,810	\$133,080
8	\$37,010	\$49,223	\$55,515	\$74,020	\$111,030	\$148,040



# Individual Tax Credits

- **Sliding scale subsidy**

- Below 133 % of poverty: 2.0 % of income
- 133 up to 150 % of poverty: 3.0-4.0 % of income
- 150 up to 200 % of poverty: 4.0-6.3 % of income
- 200 up to 250 % of poverty: 6.3-8.05 % of income
- 250 up to 300 % of poverty: 8.05-9.5 % of income
- 300 up to 400 % of poverty: 9.5 % of income



# Exchange for a Family of Four

**The Johnsons, a family of four (two adults, two children under age 18), annual income of \$33,075 (150 % of poverty):**

If the **annual premium** for family coverage in the marketplace is **\$4,500**, the **most** the Johnson family would have to spend out of their own pockets would be **4%** of their income, or about **\$1,323** (or about **\$110** a month). The remainder of their premium plan would be covered in the form of a tax credit for **\$3,177**

# Montana state legislation

- HB 105 – Authority to review health insurance premiums and medical loss ratio enforcement (Failed to pass)
- HB 124 – Create Montana Health Insurance Marketplace (Failed to pass)





# Example of Rate Review

You have been purchasing Sky Blue insurance for the past 5 years. You generally like it and would like to keep it. In April, you find out your monthly premium will increase from \$220.00 to \$580.00 for the same plan. No justification was given for the rate increase. Without HB 105, when you call the Commissioner's office, they are unable to investigate the increase.

# Example of Medical Loss Ratio

You read that your insurer, Sky Blue Insurance, spent 50% of their premium dollars on health care last year, and they paid their top staff in Montana millions of dollars. You know you qualify for a refund from Sky Blue. Because HB 105 did not pass, you must navigate the federal rebate system rather than the Commissioner's office in Helena.

# How to Stay Involved

**Voice your opinion.** Write letters to your local paper, discuss with family and friends.

**Reach out to decision makers.**  
Encourage leaders to support health care policy that works for rural people.

**Contact us.**



# Questions?



Steph Larsen  
StephL@cfra.org  
402.687.2100

Cynthia Wolken  
CynthiaW@cfra.org  
406.465.3376

[www.cfra.org](http://www.cfra.org)

**CENTER** *for* **RURAL AFFAIRS**  
Lyons, NE 68038      Population 963