

What's in it for Me?

The Affordable Care Act and You

Community Forum

Nebraska City, NE

June 22, 2011



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)

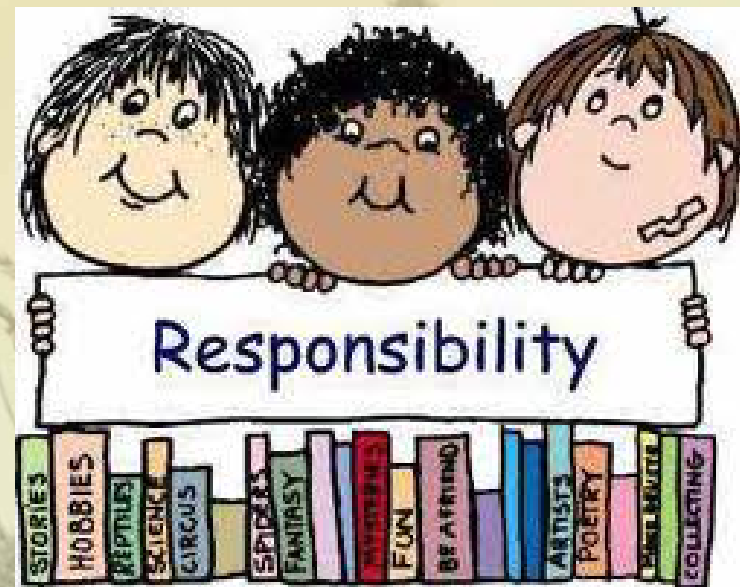


Small Business Tax Credit

- 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

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)



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

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

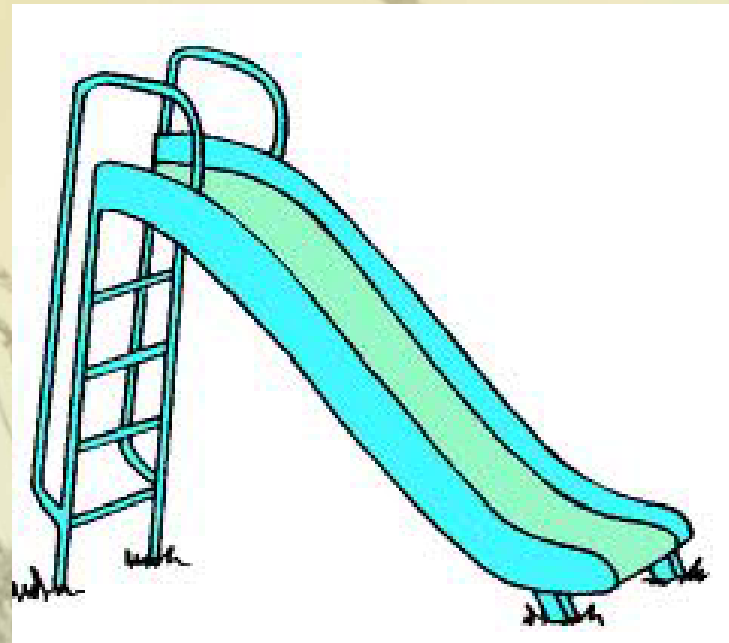
Percent of Federal Poverty

| # 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**

How to Stay Involved

Voice your opinion. Write a letter to the Department of Insurance tonight.

Reach out to decision makers.

Encourage leaders to support health care policy that works for rural people.

Contact us.

Questions?



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