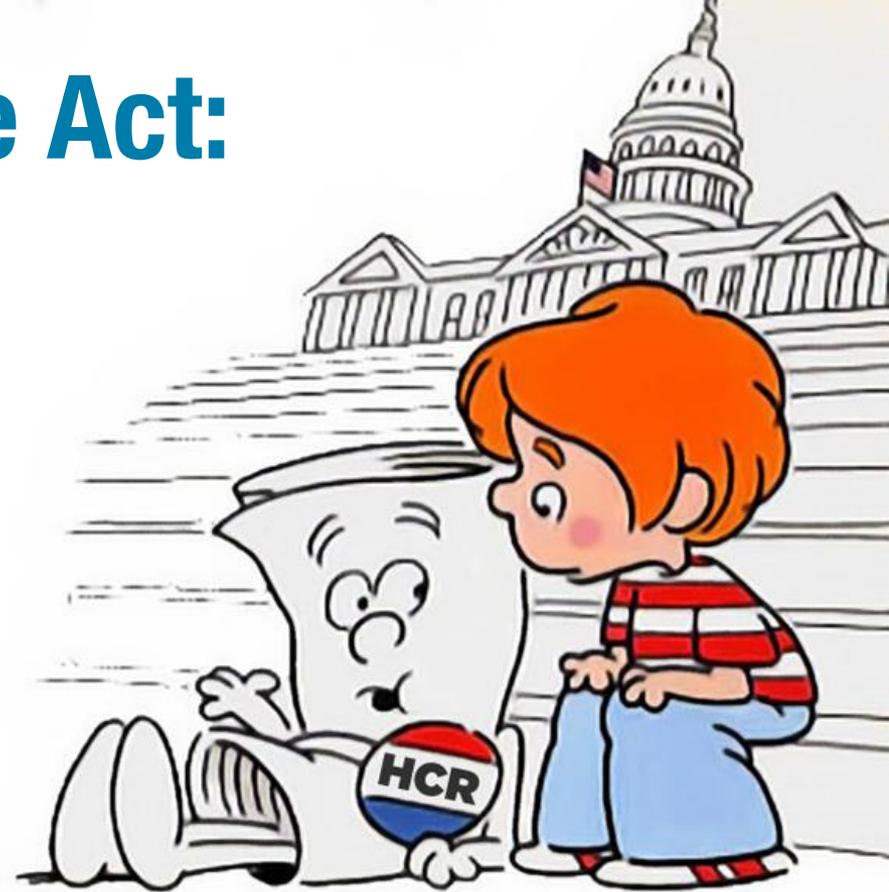


The Affordable Care Act:

What is it?

&

What Does it Mean
for New York?



*I don't know if you know this, but
I'm kind of a big deal.*

Elisabeth R. Benjamin, MSPH, JD
Vice President, Health Initiatives
Community Service Society of New York
April 2013

Outline of Presentation

- Affordable Care Act (ACA) Refresher
 - Why do we need the law?
 - What has the ACA done already?
 - What will the ACA do next?
- The New York Insurance Exchange
 - What impact will the Exchange have on New York?
 - What will the Impact be on the Uninsured?
 - What will the Impact be on Children, Immigrants and People of Color
- Summary: How the ACA Affects New York



ACA REFRESHER



Why Did We Need a New Law?

- **Working people can't find good affordable coverage**
 - 2.6 million New Yorkers are uninsured (47 million in US)
 - 50% of uninsured adults in New York work full-time jobs
 - 1 in 3 New Yorkers say they or someone in their family has postponed medical care or a prescription in the past year due to lack of money or insurance
- **Insurance prices have outpaced wages**
 - Between 2000 and 2009, health insurance premiums in NY grew by 92%, while median earnings only rose by 14%.
 - The average annual cost of insurance in the individual market in NY is over \$12,000 for an individual, or \$24,000 for a family.
 - Employers are cutting back health care benefits, or dropping them altogether.
 - Nearly 800,000 small business workers have lost coverage in past 10 years

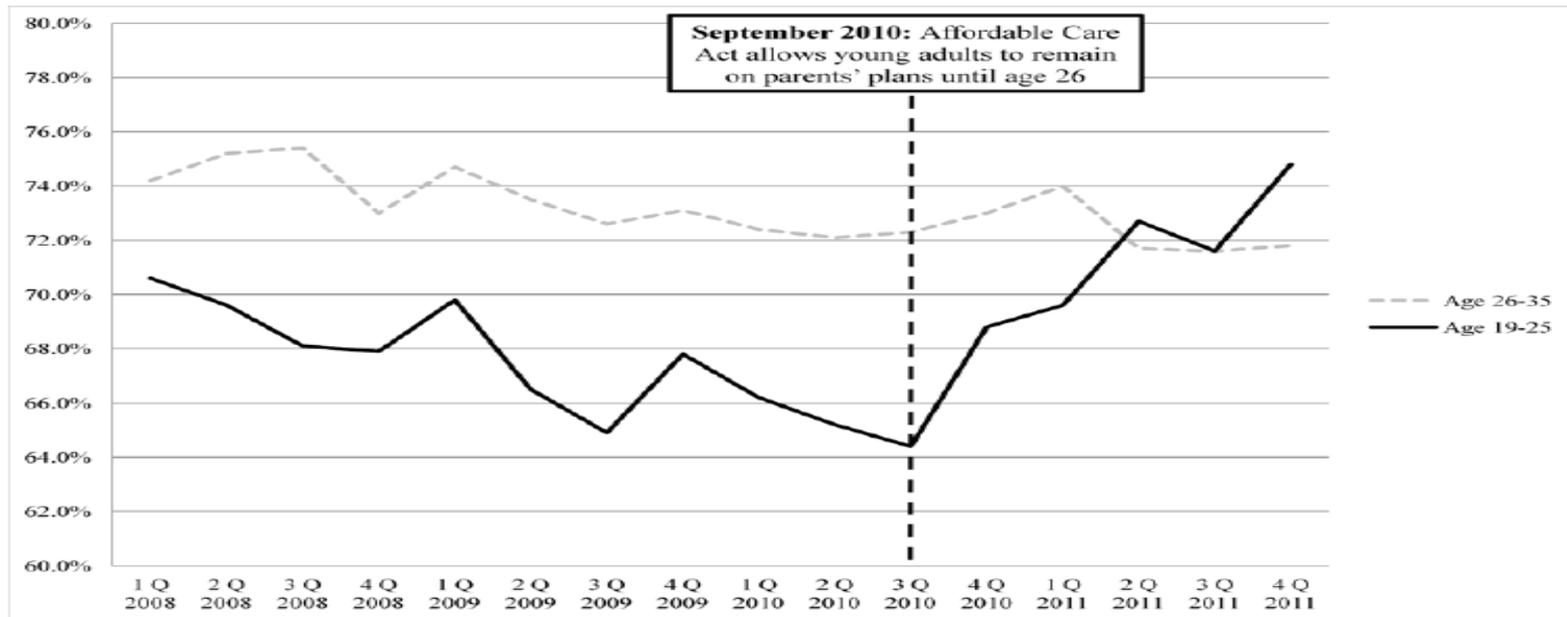
What Has the ACA Done Already?



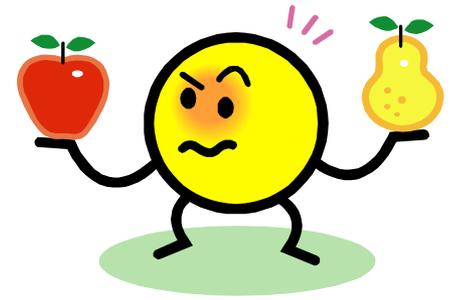
- Parents can now keep their children on their insurance until age 26.
 - **160,000 young adults in NY have gained coverage under the ACA**
- The Medicare “donut hole,” is being phased out.
 - **New Yorkers with Medicare have saved over \$407 million on prescription drugs since the ACA was enacted.**
- Insurance plans must cover many preventive services for free.
 - **4.4 million New Yorkers have gained free preventive services**
- Lifetime dollar limits on health benefits are banned.
 - **6.4 million New Yorkers no longer have to worry about running out of insurance benefits if they get sick.**
- Small businesses can get tax credits to cover up to 35% of the cost of providing health insurance to their employees
 - **Roughly 285,000 New York small businesses are eligible: 4 out of 5**

Big ACA Winners to Date: Young Adults

Percentage of Young Adults With Health Insurance, 2009-2011 by Quarter & Age Group



Source: Cohen RA, Martinez ME. Health insurance coverage: Early release of estimates from the National Health Interview Survey, 2011. National Center for Health Statistics. June 2012. (Accessed at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/Insur201206.pdf>)



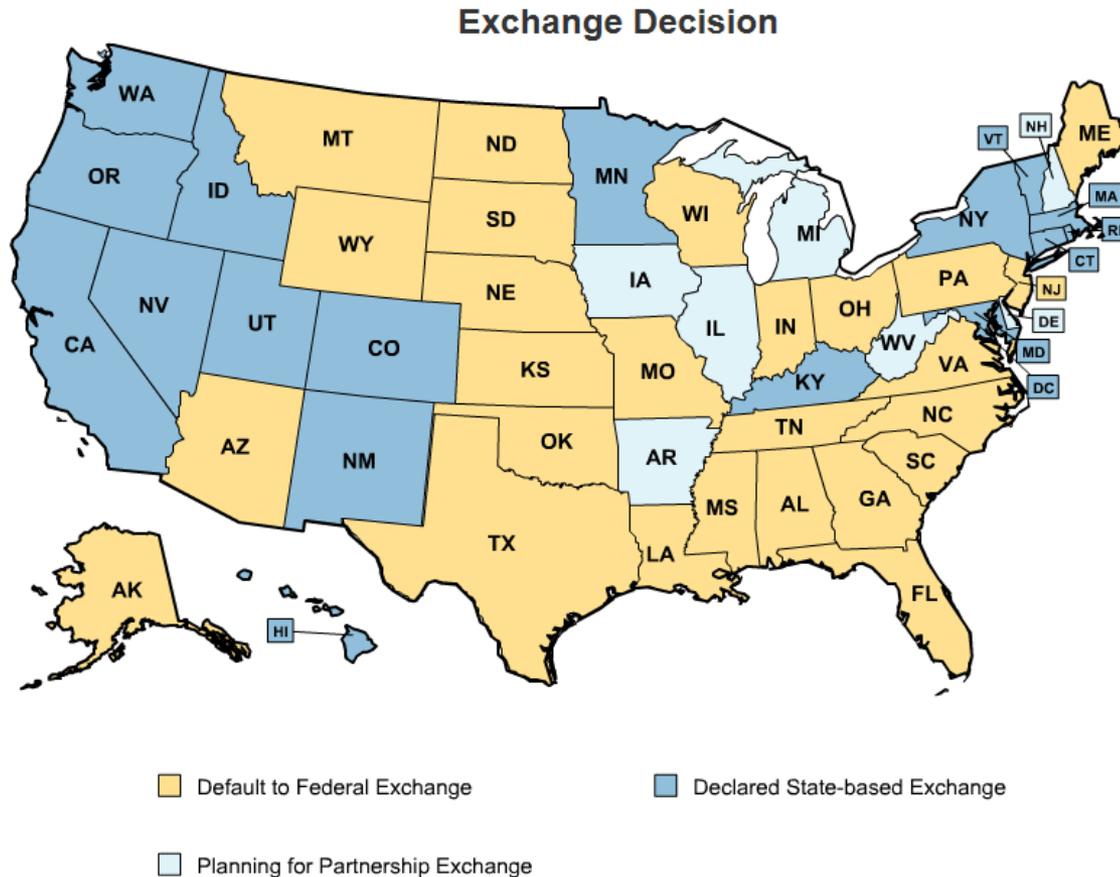
What's Next?

- Individual mandate, guaranteed issue, community rating
- Large- and mid-sized employer mandates; small employers may qualify for tax credits
- Establishes a coverage continuum:
 - Job-based coverage, optional Medicaid expansion (a little bit in NY), Advanceable Tax Credits
- New York's Health Benefit **Exchange** opens on October 1, 2013. Consumers and small businesses can:
 - Compare plans on an “apples to apples” basis on a website
 - Enroll in Medicaid or get subsidies to buy commercial coverage
 - Apply for tax credits and other back office functions for small businesses
 - Benefit from lower prices due to bulk purchasing (like at Costco or BJ's) and the spread of insurance risk over a greater population.

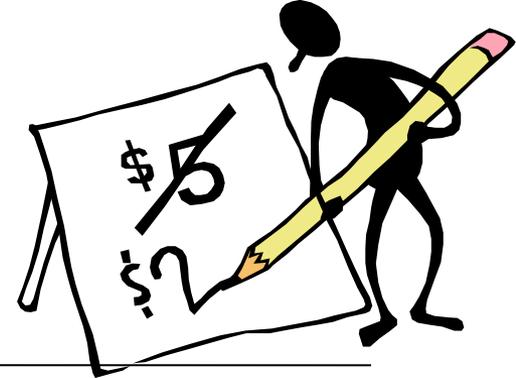
THE NEW YORK HEALTH BENEFIT EXCHANGE



19 States are Moving Forward with Exchanges



What Impact will an Exchange Have in New York?



- Exchange will run two programs
 - Individual Exchange
 - Small Business Health Options Program (SHOP)
- Exchange (with the mandate) will offer much more affordable insurance
 - Costs of individual and family coverage will drop by 66% (now costs \$1,200 per month for an individual; \$3,400 for family of 4)
 - New Yorkers will receive \$2.4 billion in tax credits annually for coverage
 - Costs of small business coverage will drop by 5-22%
 - Small businesses will get \$220 million in tax credits

Subsidies for People Who Use the Exchange

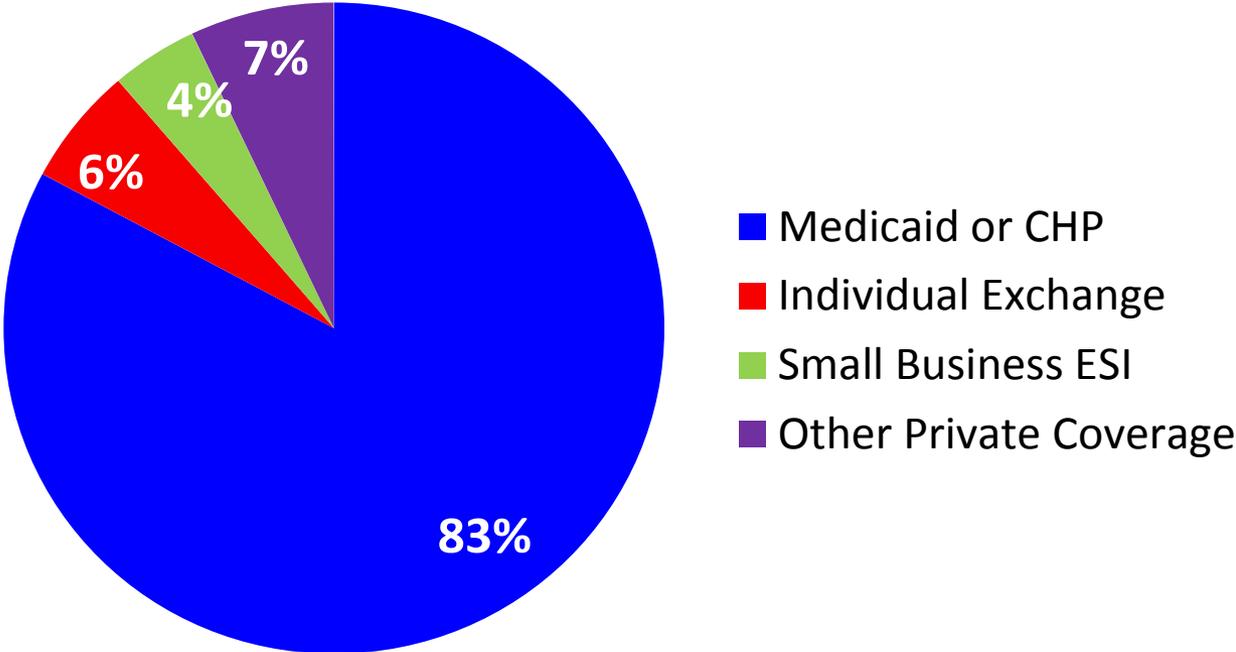


People earning less than 400% of the federal poverty level can get “advanceable premium tax credits (APTCs).”

- Refundable payments will be issued to the enrollee via tax returns, advanceable payments will be issued directly to the health plan.
- Subsidies may only be used to buy insurance through the Exchange.
- “Silver” level enrollees also are eligible for cost-sharing subsidies

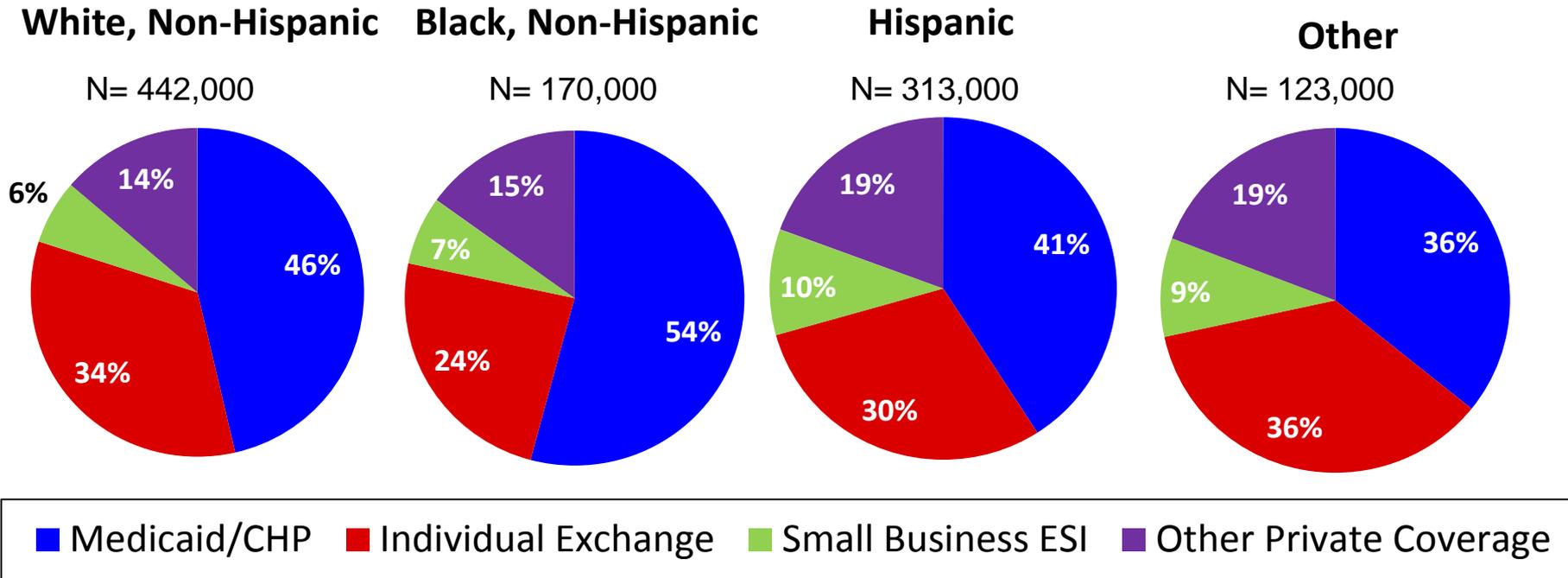
Annual Income Range (for a family of three)		Maximum annual premium costs	Maximum annual co-pays and deductibles
< 133% FPL	< \$25,975	\$520	\$4,166
134%-150% FPL	\$25,975 - \$29,295	\$779 - \$1,172	\$4,166
151%-250% FPL	\$29,295 - \$48,825	\$1,172 - \$3,930	\$4,166 - \$6,250
251%-300% FPL	\$48,825 - \$58,590	\$3,930 - \$5,566	\$6,250
301%-400% FPL	\$58,590 - \$78,120	\$5,556 - \$7,421	\$8,334

170,000 Children will Gain Coverage Under the ACA, Mostly Public Coverage



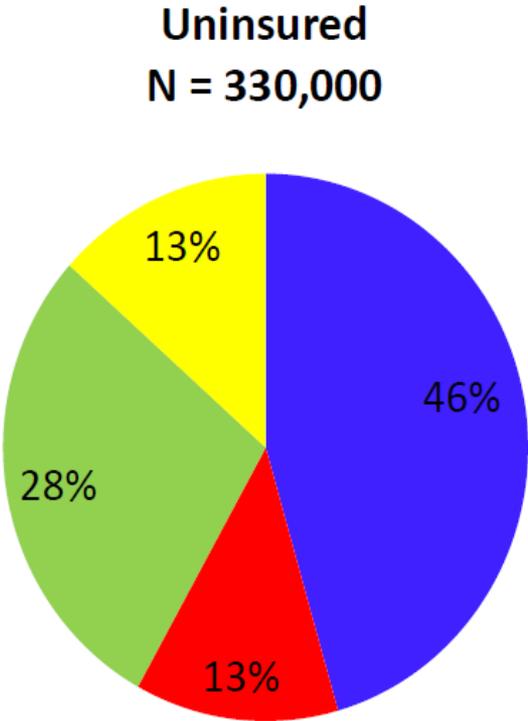
Source: Urban Institute, "Uninsured New Yorkers After Full Implementation of the Affordable Care Act: Source of Health Insurance Coverage by Individual Characteristics and Sub-State Geographic Area," February 2013.

Most Uninsured Adults who Gain Coverage will get Public Coverage or QHP in the Individual Exchange

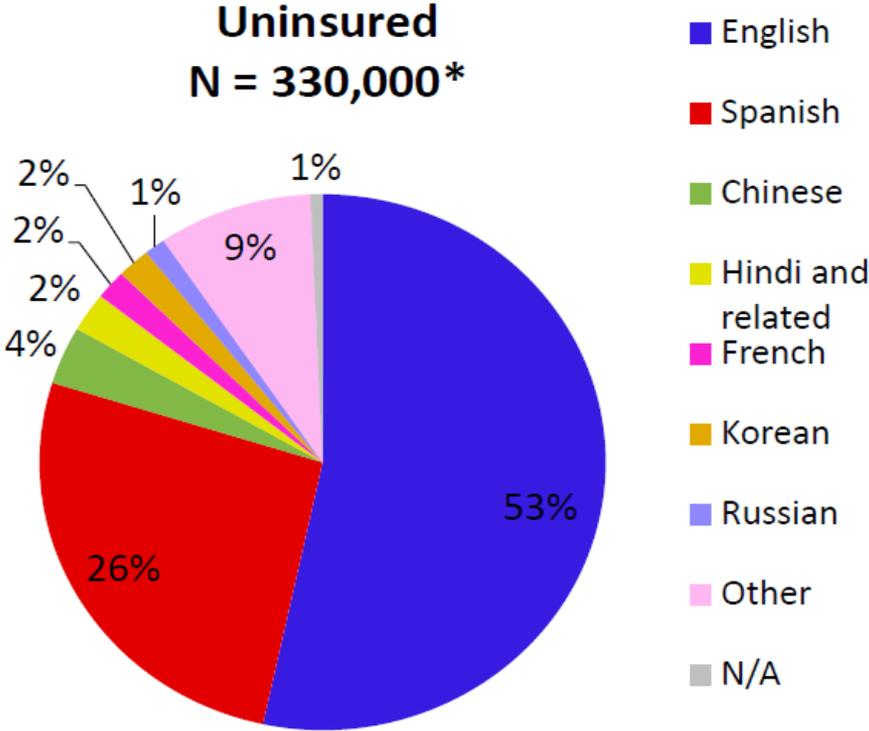


Source: Urban Institute, "Uninsured New Yorkers After Full Implementation of the Affordable Care Act: Source of Health Insurance Coverage by Individual Characteristics and Sub-State Geographic Area," February 2013.

Half of Uninsured Gaining QHP Coverage in the Exchange are People of Color



- White, Non-Hispanic
- Black, Non-Hispanic
- Hispanic
- Other



- English
- Spanish
- Chinese
- Hindi and related
- French
- Korean
- Russian
- Other
- N/A

Source: NYS Health Benefit Exchange, April 2013. Does not include Medicaid enrollees.

Summary:

How the ACA Affects New York



- New Yorkers will get \$2.4 billion/year in federal subsidies to make insurance affordable.
- New York will save \$2.3 billion/year in its Medicaid program (offsetting costs for 800,000 already enrolled), while expanding coverage to 80,000 new enrollees.
 - \$4.7 billion in federal money is \$247 for every New Yorker, or \$1,678 per uninsured New Yorker
- 1.1 million currently uninsured New Yorkers will newly gain insurance coverage.
- Costs of insurance on the individual market will drop by 66%.
- Costs of insurance for small businesses will drop by 5-22%.
- Small businesses will get tax credits of up to 50% to help pay for health insurance.
- State Insurance Exchange will make comparing and enrolling into insurance easier.
- Medicare doughnut hole will be eliminated by 2020.
- Hospital cuts (\$16 billion over 10 years) will be offset by newly insured.



For Further Information

Elisabeth R. Benjamin, MSPH, JD
Vice President, Health Initiatives
Community Service Society of NY
(212) 614-5461 (office)
(917) 364-3332 (cell)
ebenjamin@cssny.org

Health Care For All New York: www.hcfany.org

- Check out our website to find out more about the law and to keep posted on what's going on with health reform implementation or call: (212) 614-5337.

Community Health Advocates: www.communityhealthadvocates.org

- For help with health insurance or health care issues, such as finding coverage, using coverage, or troubleshooting problems, call toll-free: 1-888-614-5400.