



# The new health care law: What it means for Maine

*The new federal health care law, the Patient Protection and Affordable Care Act, will increase access to health insurance and provide greater options to Maine families and businesses to access health care. Benefits from the new law begin this year, with most benefits fully in place by 2014.*

## Health Care Law: Frequently Asked Questions

### General

#### **Isn't the new health law just a government takeover of the health care system?**

**No.** The law builds on the current system of private health insurance. Private insurance coverage will actually increase under the law – with 16 million more customers.

#### **Won't the new law cost too much and increase the deficit?**

**No.** By covering everyone we begin to control costs. The law will reduce the deficit by \$138 billion over 10 years and by more the following decade. It is insurance company rate increases have been bankrupting all of us -- families, businesses, government at all levels. We can't afford not to fix it.

#### **Won't middle class individuals be stuck with the bill for the health law?**

**No.** By far the biggest tax revenue to pay for the law is a tax on those who earn more than \$200,000 per year (\$250,000 for joint returns).

#### **Will the changes in the law lead to rationing?**

**No.** The new law will not change your health plan if you have one – and will not reduce benefits under Medicare or Medicaid. It will end insurance company rationing -- dumping people when they get sick, refusing to pay for needed care, discriminating against people with pre-existing conditions. The law will actually increase competition and drive down prices.

### Consumers

#### **Will you have to give up your health plan and doctor?**

**No.** Every American will still be able to choose his or her own doctor and health plan and make decisions with his or her doctor. It will put an end to many of the hassles insurance bureaucrats make for you and your doctor now by limiting services and payments.

#### **Why does the law require me to purchase health insurance coverage?**

The key goal of the health care law is to ensure that nobody can be denied coverage or be priced out of coverage due to a health problem. If you allow people to wait until they have a health problem to purchase insurance, the health insurance market simply will not work. There would be a small number of very expensive choices for everyone. So, the law requires that everyone have minimum coverage, creating a larger pool of both sick and healthy individuals. These mandates are married up with subsidies to help businesses and individuals get insurance.

#### **What are "Exchanges"? Can I still purchase coverage through my agent?**

Exchanges are the central mechanisms created by the health bill to help individuals and small businesses purchase health insurance coverage. Beginning in 2014, an Exchange will be established in each state to help consumers make valid comparisons between plans that are certified to have met benchmarks for quality and affordability. The

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Exchanges will also administer the new health insurance subsidies and facilitate enrollment in private health insurance, Medicaid and the Children's Health Insurance Program (CHIP). Nobody will be required to purchase health insurance through the Exchange, though subsidies will only be available for plans sold through the Exchange. If you would rather buy your insurance through an insurance agent or broker, you will be free to do so. If not, you will be able to purchase insurance in a matter of minutes on the Exchange's Web site.

## **I have been denied coverage because I have a pre-existing condition. What will this law do for me?**

Beginning June 14, 2010, coverage will be available to individuals with pre-existing conditions who have been uninsured for at least six months through high risk pool programs in every state. These programs will provide coverage that immediately covers pre-existing conditions at premiums that are capped at the average cost of private coverage in your state's individual market. In 2014, when the Exchanges open for business, insurers will be prohibited from discriminating against individuals with pre-existing conditions in offering or pricing health insurance policies. In addition, for those with qualifying incomes, subsidies will be available to reduce premiums and cost-sharing for plans purchased through the Exchange.

## **Employers**

### **I am a small business. Will I be required to provide insurance for my employees?**

**No.** The employer responsibilities under the health law do not apply to employers with fewer than 50 employees. However, you will be able to enroll your employees in coverage through the Exchanges beginning in 2014. While there are mandates for businesses with more than 50 employees, there are also subsidies to help them pay for the insurance.

### **I am self-employed. Will the new law impact my health insurance choices?**

**Yes.** Beginning Jan. 1, 2014, self-employed individuals and their families must be included in the small group market in all states and will have the option of purchasing coverage through the Exchange. This will increase plan choices and include the self-employed in a more stable pool.

### **Must I go to the Exchange to purchase insurance, or can I continue to purchase coverage through my insurance agent?**

The law specifically states that businesses are not required to purchase through the small business Exchange and can continue to purchase insurance through an agent.

## **Seniors**

### **My prescription drug costs push me into the "doughnut hole" every year. Will I receive any relief under the new law?**

**Yes.** Seniors who reach the gap in prescription drug coverage known as the "doughnut hole" will receive a \$250 rebate in 2010. Beginning in 2011, those in the "doughnut hole" will receive a 50% discount on prescription drugs and the gap will be phased out until it is eliminated in 2020.

### **When will the new preventive care improvements begin?**

All Medicare beneficiaries will receive preventive services without cost sharing beginning Jan. 1, 2011. In addition, an annual wellness visit to create a personalized prevention plan will now be provided under Medicare.

### **I have a Medicare Supplement (Medigap) plan. Must I make any changes to my plan under the new law?**

**No.** The law does not require seniors to change their Medigap coverage. However, the law will be adding cost-sharing requirements to plans C and F that are sold after Jan. 1, 2015.

### **Will the law cut Medicare and Social Security?**

**No.** The law does not cut any guaranteed Medicare benefits. It actually increases Medicare benefits, providing free

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preventive care, such as annual physicals, and closing the donut hole. Savings come from cracking down on waste by providers and excess profits charged by insurance companies. The AARP says “none of these savings will hurt seniors or cut their benefits.” The law makes Medicare solvent for 9 additional years, to 2026. The law makes no change to Social Security.

### **What if I’m on Medicare Advantage? Will Medicare Advantage plans still be available?**

**Yes.** Private Medicare Advantage plans will still be available under the new health care law. Currently, about 24% of America’s seniors are in Medicare Advantage plans rather than in traditional Medicare. Since 2003, these plans have cost U.S. taxpayers more than traditional Medicare, overpaying private insurance companies by an average of 14%, and in some regions of the country as much as 20%. Those profits cost all Medicare enrollees more. In fact, a typical older couple enrolled in traditional Medicare will pay \$90 extra in premiums next year to help pay for profits to the Medicare Advantage private insurance companies. The reform bill significantly reduces these overpayments to Medicare Advantage plans.

### **What if I’m a veteran and get care through the VA? Will my care be cut?**

**No.** Veterans’ health services have seen historic funding increases under this Congress and care continues to improve. Nothing in the new health care law will hurt or change Veterans’ health care.