

Title of Column: Healthy People

Article Title: **What the Affordable Care Act Has Done For Us Already**

In March, 2010, Scotty was born in California with a heart condition that required open heart surgery days after his birth. The insurance company denied coverage for the newborn as his condition was considered “pre-existing”.

The parents were uninsured small businesses owners who were actively attempting to provide insurance for their family before the baby was born. The baby was prenatally perfect; the mother was in great health.

According to the American Civil Liberties Union (ACLU), the four largest insurance companies list pregnancy as a medical condition that would receive an automatic denial in the individual market. Expectant fathers are often denied coverage as well, in order to keep their newborns with potential “pre-existing conditions” from being legally added to their coverage within 30 days under the Health Insurance Portability and Accountability Act (HIPAA) passed in 1996.

Baby Scotty did receive his surgeries. As part of the Consolidated Omnibus Budget Reconciliation Act (COBRA) passed in 1986, hospitals are not allowed to deny emergency care if they accept payment from the governing bodies of Medicare and Medicaid.

The end of this story has not been documented, but one can make assumptions. The family, very likely, faced bankruptcy. Sixty percent of the Nation’s bankruptcies are caused by medical bills. If they were uninsured because they were unable to pay their monthly premiums, we can assume that they were unable to pay the \$20,000 plus hospital bill for open heart surgery.

Who actually paid the bill? Ultimately, the hospital had to cover their costs. This may not seem too important, but for those of us in Mendocino County, this can be detrimental. Our hospitals are relatively small. We need to financially support and protect these vital community resources.

What I see in this story is a sticky mess that the Federal Government has been trying to regulate and manage for just about three decades. It makes logical sense to me that the Affordable Care Act (ACA) was passed on September 23, 2010.

Here is what the Affordable Care Act has done for us since 2010.

1) Insurance companies are not legally allowed to deny coverage to children with pre-existing conditions. Companies are not allowed to charge the families higher premiums for their child’s health care either. Since 2010, 17 million children have received health care insurance that would have formerly been denied. In 2014, the new coverage plans offered under the ACA, will finally eliminate the pre-existing clause for everyone.

2) Children can be kept on their parent’s insurance until the age of twenty-six. Regardless of marital status, financial independence, enrollment in school, living situation or eligibility for their employer’s health care plans, children can be insured

under their parents' insurance policy, effective September 23, 2010. The law applies to new plans, purchased on or after September 23, 2010 in the individual and employer market. If your plan was purchased before this date, you will have the opportunity to purchase an all inclusive plan during Covered California's Open Enrollment. Covered California is California's Insurance Marketplace offering a large group plan available to everyone eligible in the State. Open Enrollment begins October 1, 2013 and ends March 31, 2014. The plans become effective on January 1, 2014. For questions concerning eligibility, please visit coveredca.com.

3) All Americans can no longer be dropped by insurance companies. Under the 2010 enactment of the Affordable Care Act, insurance companies can no longer retroactively cancel coverage for a sick patient due to an unintentional mistake in their paperwork. According to State sources, 15 million Americans have benefitted from this so far.

4) Under the Affordable Care Act, the Medicare Part D "doughnut hole" is shrinking. The doughnut hole is the gap in prescription coverage under Medicare. The 2013 limit for prescriptions is \$2,970. Medication coverage begins again when the care is considered "catastrophic" and the overall annual cost has reached \$6,734. This \$4,750 gap is referred to as the "doughnut hole". Under the ACA, Medicare recipients receive discounts for prescription drugs. These discounts have been growing bigger since 2010. In 2013, Medicare beneficiaries receive a 52.2 percent discount on brand name medication and a 21 percent discount for generic substitutes for medications that are on the approved medications list. According to State resources, these discounts offered an average savings of \$700 per beneficiary. Since 2010, \$5.7 billion dollars in discounts have been provided to seniors all across our nation.

5) Health insurance companies are restricted from limiting lifetime coverage for essential benefits. Essential benefits, as described by the Federal Health Care Marketplace, include the minimum of the following services: outpatient care; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services; prescription drugs, rehabilitative services and devices, laboratory services, preventive and wellness services; chronic disease management and pediatric services.

Companies are allowed to set an annual limit of \$2 million for plans starting before January 1, 2014. After January 1, 2014, no annual or lifetime limits for essential health benefits are allowed for new group and individual plans. Most existing plans will be grandfathered into this legal requirement, but the law does not apply to some individual health plans. If you have an individual plan, you should check with your insurance provider; it might be necessary to purchase a new plan.

There have been steps taken by creating laws over the past 30 years with the intent of alleviating some of the difficulties inherent to health care insurance coverage. These efforts have taken a logical progression over time. I, for one, am hopeful that the new offerings under the Affordable Care Act, such as the expanded Medi-Cal and the plans offered by Covered California, will be a great improvement for everyone. The changes created so far by the Affordable Care Act seem to be moving in the right direction.

If you have questions or would like preliminary information, please call the Mendocino County Health and Human Services Agency at 707-463-5437. Calls will be accepted

Monday through Thursday and your call will be returned in approximately 24-hours if you leave a message.

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