

The Health Care Law and YOU!



Implementation of the
Affordable Care Act:

***Last week of Open
Enrollment!***

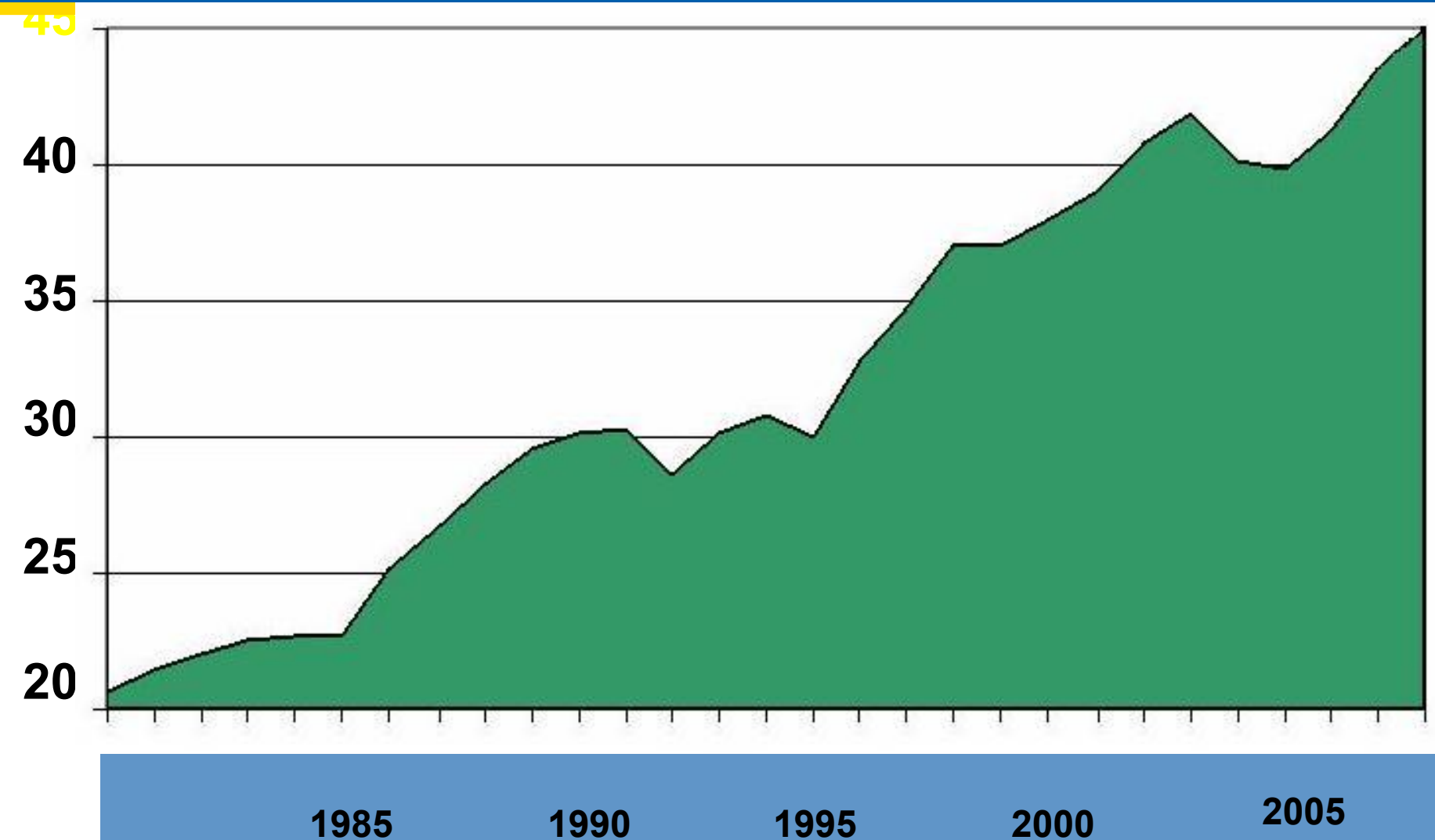
Spring 2014

The Problem

- Insurance companies could take advantage of you and discriminate against the 129 million Americans with pre-existing conditions.
- Premiums had more than doubled over the last decade, while insurance company profits were soaring.
- Fifty million Americans were uninsured, tens of millions more were underinsured, and those that had coverage were often afraid of losing it.



Rising Number of uninsured



Source: U.S. Census Bureau

Bankruptcies in USA

CBS NEWS

July 23, 2009

Medical Debt Huge Bankruptcy Culprit

You may think personal bankruptcies are the result of job loss or wild credit card spending.

But [a new study](#) published in [The American Journal of Medicine](#) says the biggest reason for going into bankruptcy is medical debt.

And among those who filed for bankruptcy, **75 percent reported having some type of medical insurance**. But [The Washington Post](#) says people in bankruptcy with insurance were nearly \$18,000 in the red. And those without insurance had an average of almost \$27,000 in medical debt.

The Health Care Law

In March 2010, President Obama signed into law the Affordable Care Act, and ratified by Supreme Court on 2012



What the Law Means for You: 5 Things to Know

- Protects all American from the worst insurance company abuses
- Makes health care more affordable
- Strengthens Medicare
- Improves access to care
- Improves quality of care





PATIENTS' PROTECTIONS

Consumer Protections

It is now illegal for insurance companies to:

Patient's Bill of Rights

- Deny coverage to children because of a pre-existing condition like asthma and diabetes.
- Put a lifetime cap on how much care they will pay for if you get sick.
- Cancel your coverage when you get sick by finding a mistake on your paperwork.
- And more...

Consumer Protections

Patient's Bill of Rights

- Persons will have the right to external appeals of decisions made by insurers.
- You can now use an emergency room outside your plan's network without fearing extra charges.
- Women will have direct access to OB/GYNs without a referral.
- Enrollees must have a choice of primary care physicians.

The Law Increases Your Access to Affordable Care

Young adults under the age of 26 can now stay on their parents' health plans.

**Now 3.1 million young adults are covered—
73,000 in New Jersey**

"I honestly don't know what we would have done.... There was no way I could have afforded it. I might not be here right now."

--Kylie L., 23, in Illinois, who credits the health care law for enabling a life-saving heart transplant



**MORE
AFFORDABLE**

The Law Makes Health Care More Affordable

BEFORE, insurance companies spent as much as 40 cents of every premium dollar on overhead, marketing, and CEO salaries.



TODAY, we have the new 80/20 rule: insurance companies must spend at least 80 cents of your premium dollar on your health care or improvements to care.



If they don't, they must repay the money.

The Law Makes Health Care More Affordable

**“Health Insurers to Give Back \$2.1 Billion,
Analyst Says”**

-- Bloomberg News June 20, 2012

In 2012, [8.5 million](#) consumers received refunds – with the average consumer receiving a refund of around \$100 per family. Moreover, 77.8 million consumers saved \$3.4 billion up front on their premiums as insurance companies operated more efficiently as compared to 2011.

“220,010 New Jersey residents with private insurance coverage will benefit from \$10,768,382 in refunds from insurance companies this year”

The Law Makes Health Care More Affordable

BEFORE, insurance companies could raise your premiums by double digits without justification.

TODAY, insurance companies must publicly justify their actions if they want to raise premiums by 10 percent or more. And states have more power to block them.

To date, the rate review program has helped save Americans an estimated \$1 billion.



The Law Increases Your Access Prevention

- ✓ Cancer screenings such as mammograms & colonoscopies
- ✓ Vaccinations such as flu, mumps & measles
- ✓ Blood pressure screening
- ✓ Cholesterol screening
- ✓ Tobacco cessation counseling and interventions
- ✓ Birth control
- ✓ Depression screening
- ✓ And more...

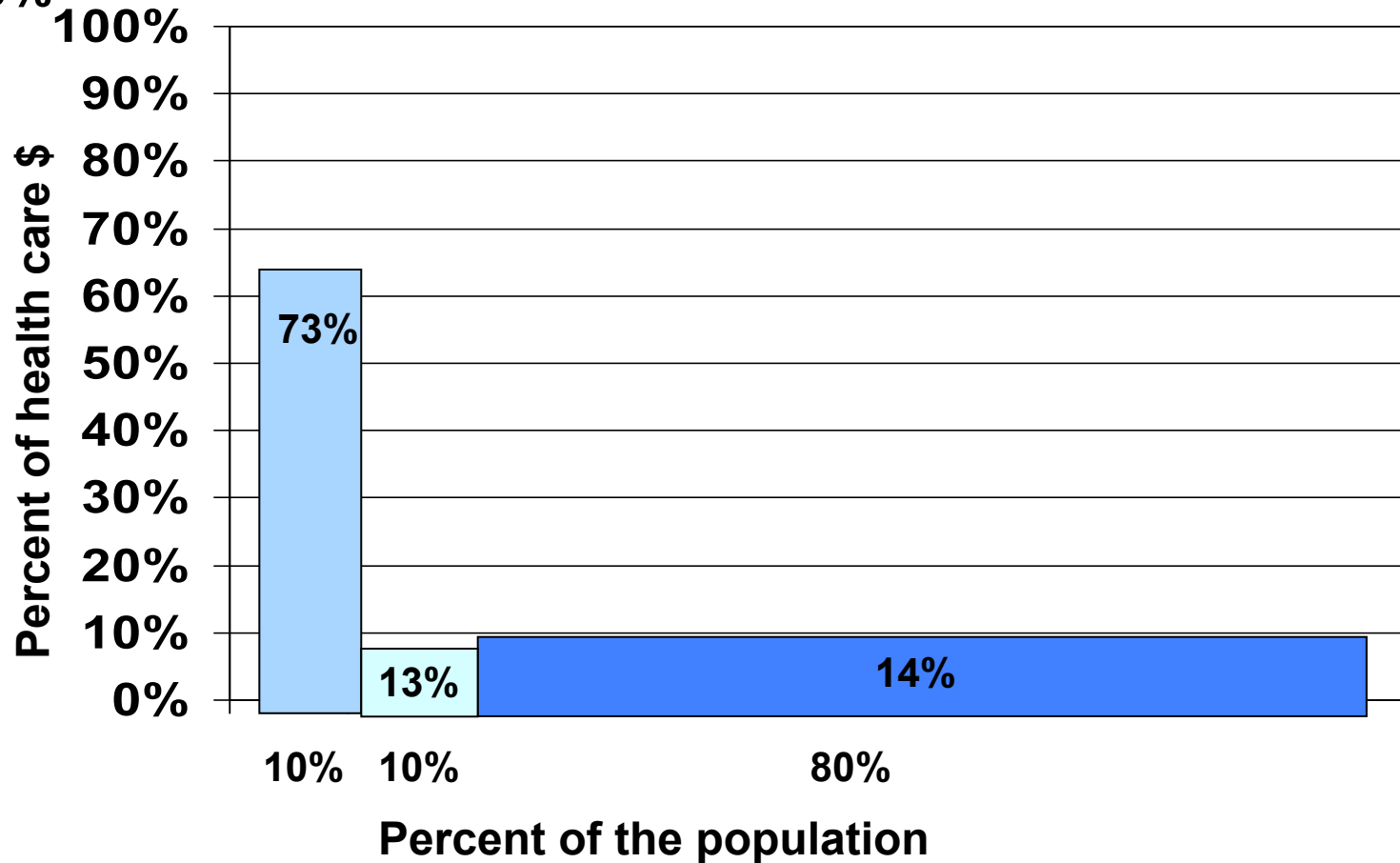


Millions with private health insurance have gained preventive service coverage without cost-sharing, including 2,209,000 in New Jersey.

MEDICARE

Who Is Using Health Care?

The sickest 20% of patients use over 80% of health care resources at any given time, while the other 80% of the population uses less than 20%



The Law Strengthens Medicare

Thousands in Savings by Closing the Medicare “Donut Hole”

- The ACA is closing the gap in drug coverage known as the "donut hole." Over [6.6 million](#) Americans with Medicare who reached the donut hole have saved a total of over \$7 billion on prescription drugs, or an average of \$1,061 per person.
- A **53.5% discount on covered brand-name medications** for those in the donut hole. Seniors saved an average of more than \$706.
- **In New Jersey, people with Medicare saved over \$298.6 million on prescription drugs since the law’s enactment. In 2012 alone, 169,373 individuals in New Jersey saved over \$165.4 million, or an average of \$977 per beneficiary**

Four Years of Accomplishment

- **5 million people covered.** Since October 1, more than **5 million people have signed up for coverage** through the Health Insurance Marketplace. And that doesn't include the more than 3 million young adults who have gotten coverage through their parents' health plans, or the millions who have learned they are eligible for Medicaid coverage. These people are enjoying high quality, affordable coverage that can't discriminate based on a preexisting condition, or charge women more because of their gender.
- **Bending the cost curve.** We've held down national spending growth in health care to the **slowest rate** in a half century. Private health insurance premiums are growing at the slowest rate in a decade and a half. And as costs go down, businesses have more resources to invest in new job creation, and new products and services

Four Years of Accomplishment

- **Free preventive care**. Today, most health plans have to cover recommended preventive services free of charge. These include flu shots for children and adults, diabetes and blood pressure screenings, pap smears and mammograms for women, and well-child visits, just to name a few.
- Today, **71 million Americans have new access to preventive services** because of the law. And thanks to a similar requirement in Medicare, more than 37 million seniors and people with disabilities took advantage of a free preventive service in 2013.

Four Years of Accomplishment

- **Strengthening Medicare.** Today, the Medicare program is stronger than ever. Since enactment of the Affordable Care Act, 7.9 million seniors and people with disabilities have **saved \$9.9 billion on prescription drugs, or an average of \$1,265 per beneficiary.** Medicare spending growth per beneficiary remained low in 2012, and we're spending smarter. Preventable hospital readmissions are going down, resulting in 130,000 fewer patients back in the hospital. Our **efforts to combat fraud and abuse recovered \$4.3 billion in 2013** and have returned \$8.10 to the Medicare Trust Fund for every dollar spent. Finally, Medicare Advantage premiums have fallen by nearly 10 percent, while enrollment has increased by 38 percent to an all-time high of over 15 million beneficiaries.

IMPROVING ACCESS

Where Poor and Uninsured Americans Live

The 26 Republican-dominated states not participating in an expansion of Medicaid are home to a disproportionate share of the nation's poorest uninsured residents. [Eight million will be stranded without insurance.](#) [Related Article »](#)

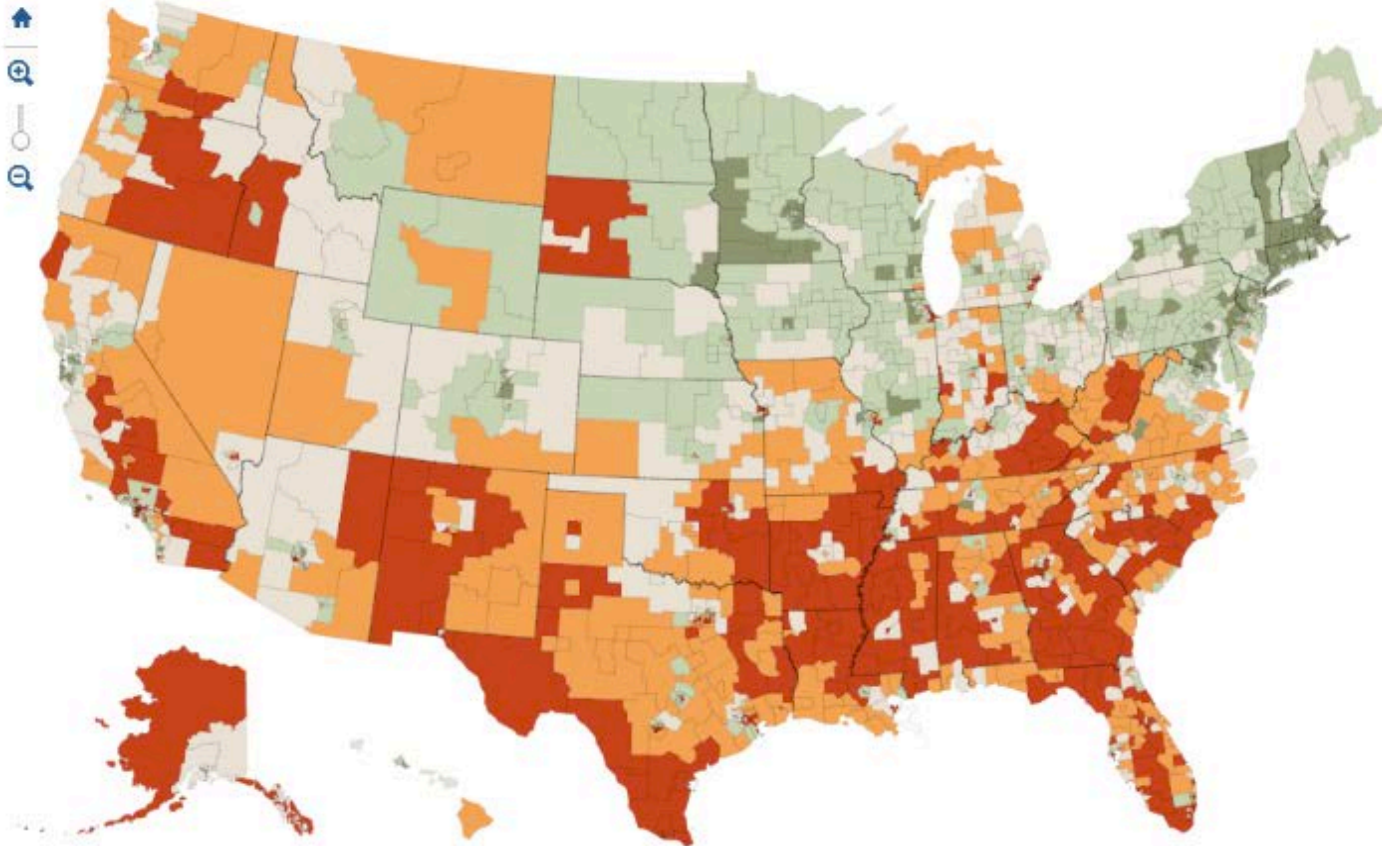


SHARE OF ELIGIBLE ADULTS WHO ARE POOR AND UNINSURED



Adults ages 19 to 64, excluding residents of institutions and ineligible immigrants

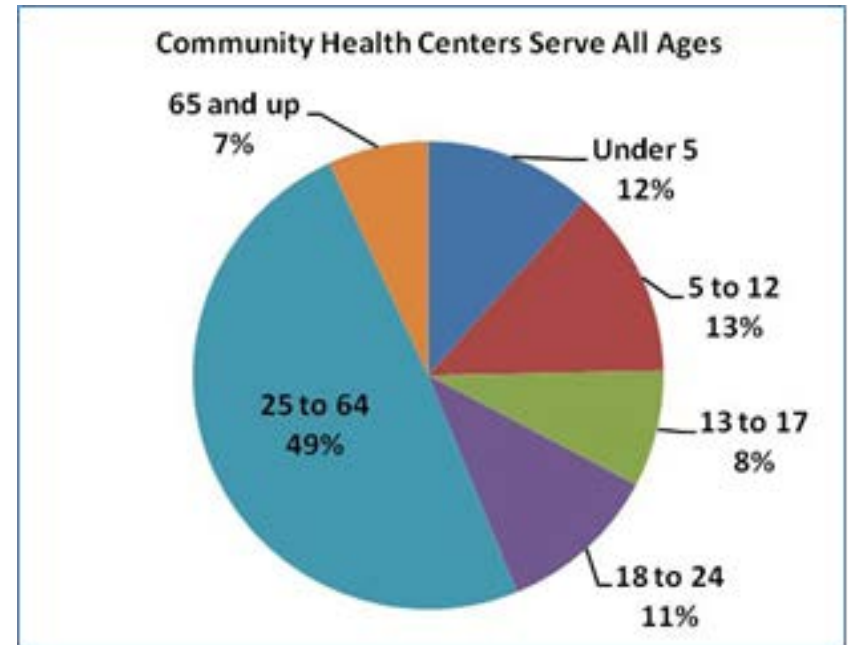
MAP STYLE Colored by share Sized by number



New Community Health Centers

The Affordable Care Act provides \$11 billion for health centers throughout the nation

- Increases funding available to the NJ 20 health centers and their 125 sites which provide preventive and primary health care services to 454,243 people.
- New Jersey centers have received \$68,664,676 under the Affordable Care Act to support ongoing health center operations and to establish new health center sites, expand services, and/or support major capital improvement projects.



<http://findahealthcenter.hrsa.gov>
(877) 464-4772

The Health Insurance Marketplace

- A new way to get health insurance
 - Enrollment starts October 1, 2013 ends March 31, 2014
- About 25 million Americans will have access to quality health insurance
 - Up to 20 million may qualify for help to make it more affordable
 - Working families can get help the Marketplace



What is the Health Insurance Marketplace?

- Sometimes called “Exchanges,” the Marketplace was established by the Affordable Care Act (ACA).

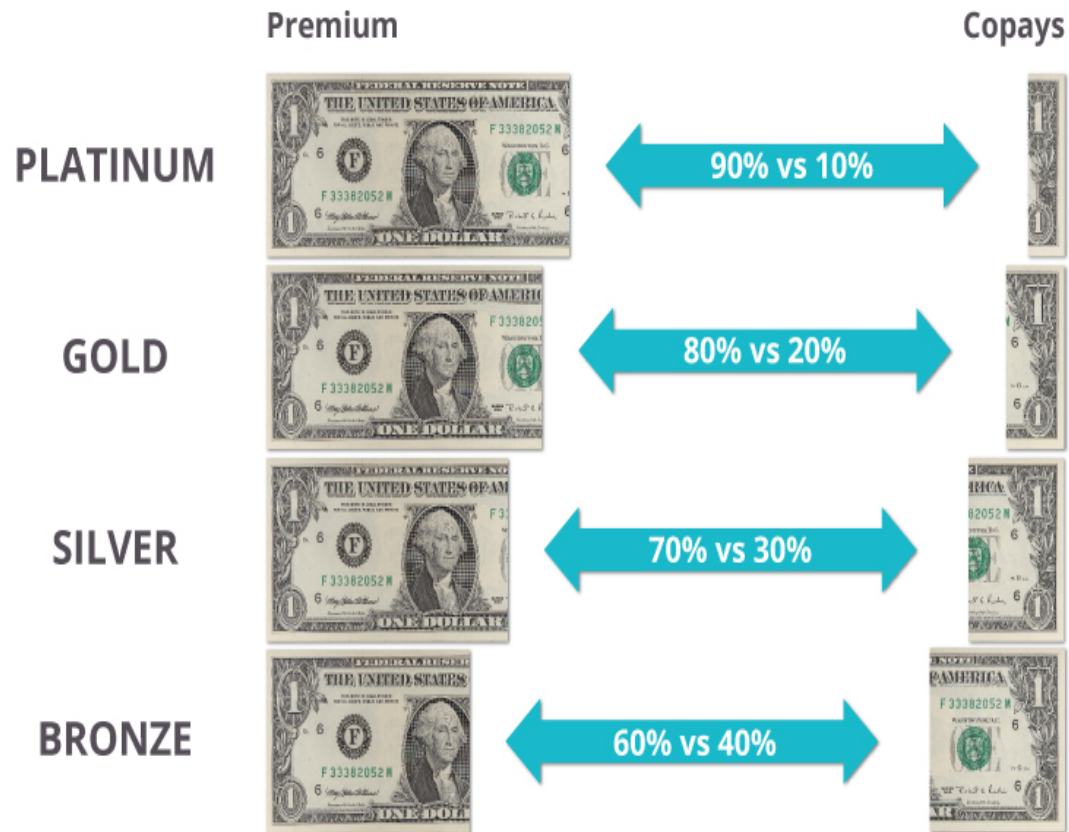
Enrollment BEGAN on October 1, 2013
Enrollment ENDS March 31, 2014

- Consumers will have
 - **the same level of benefits and coverage that are available to members of Congress**

Essential Health Benefits by Law

- Ambulatory patient services
- Emergency Services
- Hospitalization
- Maternity and newborn care
- Mental health and substance abuse disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Four Levels of Coverage



NJ Qualified Health Plans



HEALTH REPUBLIC
Insurance

Available financial help

- **Premium tax credits:**

- Will reduce the premium amount the consumer owes each month
- Available to eligible consumers with household incomes between 100% and 400% of the FPL and who don't qualify for other health insurance coverage
 - **100% FPL = \$11,670 for an individual and \$23,850 for a family of 4 in 2014**
 - **400% FPL = \$46,680 for an individual and \$95,400 for a family of 4 in 2014**
- Based on household income and family size for the taxable year

Available financial help

- **Cost-sharing reductions:**
 - Reduce out-of-pocket costs (deductibles, coinsurance, copayments)
 - Generally available to those with income 250% FPL or below (**\$29,175 for an individual and \$59,625 for a family of 4 in 2014**)
 - Based on household income and family size for the taxable year

States Expanding Medicaid

Arizona

Arkansas

California

Colorado

Connecticut

Delaware

District of

Columbia

Hawaii

Illinois

Iowa

Kentucky

Maryland

Massachusetts

Michigan

Minnesota

Nevada

New Jersey

New Mexico

New York

North Dakota

Ohio

Oregon

Rhode Island

Vermont

Washington

West Virginia

Medicaid Expansion

Help adults and children get health benefits coverage through Medicaid and CHIP

- One streamlined application for Medicaid or private health plans
- Expands eligibility to 133% of the Federal Poverty Level
 - **\$15,521 for an individual**
 - **\$31,721 for a family of 4 in 2014**
- Shifts to simplified way of calculating income to determine Medicaid/CHIP eligibility
 - Known as Modified Adjusted Gross Income (MAGI)

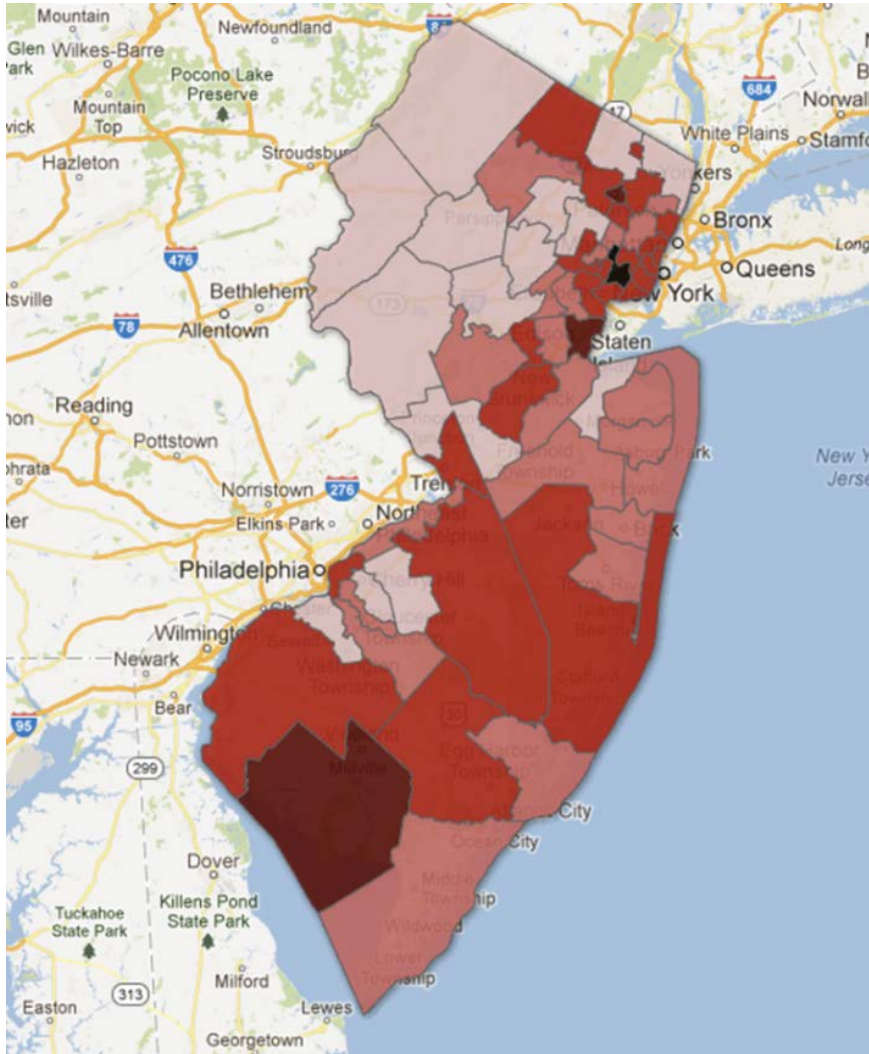
Peace of Mind in 2014

- Protection from Catastrophic Costs
 - \$6350 Maximum out-of-pocket for Individual Policy
 - \$12,700 for Family Coverage

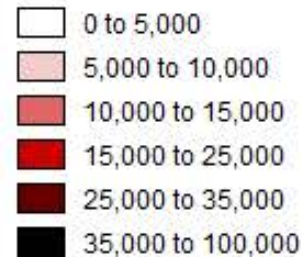
Income Level	Reduction in Out-of-Pocket Maximum
100-200% FPL	Two-thirds of the maximum
200-300% FPL	One-half of the maximum
300-400% FPL	One-third of the maximum

- Medicaid: Minimal Copays

Reaching the Uninsured in New Jersey



Total Nonelderly (Aged 0-64) Uninsured in Each Area



www.enrollamerica.org/maps

By the Numbers: Uninsured New Jerseyans who are eligible for coverage through the Marketplace.

901,289 (13%) are uninsured and eligible

634,273 (70%) have a full-time worker in the family

345,570 (38%) are 18-35 years old

363,316 (40%) are White

*160,740 (18%) are African American *

276,921 (31%) are Latino/Hispanic

77,980 (9%) are Asian American or Pacific Islander

503,991 (56%) are male

789,742 (88%) of New Jersey's uninsured and eligible population may qualify for lower costs on coverage in the Marketplace, including through Medicaid

Bergen County

80,167 Uninsured Individuals

Age

Age 0-18	Age 19-25	Age 26-34	Age 35-54	Age 55-64
8,170	11,658	15,270	32,363	12,706

Race/Ethnicity

Latino	White (Non-Latino)	Black (Non-Latino)	Asian (Non-Latino)	Multiracial or Other
19,800	35,320	4,897	19,055	1,096

% of FPL

< 138% FPL	139%-400% FPL	>400% FPL
30,691	34,056	15,420

Primary Languages Spoken (Other than English)

Spanish	Chinese	Korean	Vietnamese	Tagalog	Russian	Other Language
8,389	1,560	6,495	106	145	5,168	8,389

Who can purchase from the Marketplace?

- To be eligible to join a plan in Marketplace you must
 - Live in the service area of the plan
 - Be a U.S. citizen or be lawfully present
 - Not be in prison (incarcerated)

4 Ways to Sign to Up

Over the phone

Call the Marketplace Call Center at **1-800-318-2596**. TTY users should call **1-855-889-4325**. A customer service representative can help you apply and enroll over the phone.



Online

Visit **HealthCare.gov** to apply and enroll on the web.



In-person help

Get help from people in your community trained and certified to help you apply and enroll in the Marketplace. Visit **Localhelp.HealthCare.gov**, or call the Marketplace Call Center.



Paper application

If you don't have a computer or time to apply and enroll over the phone, you can fill out a paper application. Call the Marketplace Call Center to get an application or download a copy from **HealthCare.gov**.



In Person Assistance

- Marketplace in person help is available
 - ❖ Certified Assistors
 - ✓ Navigators— Five groups in NJ
 - ✓ Certified Application Counselors
 - All NJ Community Health Centers—125 sites
 - ✓ Enrollment Assistance Program
 - ❖ Agents and Brokers

To find assistance in your area, go to:

CoverNJ.org

Enrollment in New Jersey

What are the latest
enrollment numbers?

When can consumers enroll?

- **First Open Enrollment**
 - October 1, 2013 - March 31, 2014
 - **Annual Open Enrollment** (second year and beyond)
 - Nov. 15, 2014 - Jan. 15, 2015
- *Consumers eligible for Medicaid and CHIP can enroll at any time**

You May Pay a Fee

- Starting in 2014, most people must enroll in a health insurance plan
 - If you don't have a certain level of health coverage (employer coverage, Medicare, Medicaid, CHIP, TRICARE, certain VA coverage, an individual policy, or a plan in the Marketplace) you may have to pay a fee with your tax return
- ☐ Penalty starting when you file your 2014 Federal tax return in 2015
 - It's \$95 or 1 percent of your taxable income, whichever is greater.
 - In year two, it's \$325 or 2 percent of your taxable income.
 - In year three, it's \$695 or 2.5 percent of taxable income

Marketplace Assistance – It's Available If You Need It

Toll-free Call Center : 1-800-318-2596

– 24/7

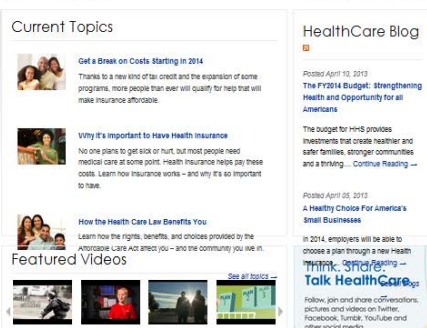
– Language line - 150 languages



at 24/7 (English and Spanish)

HealthCare.gov -- consumer website

– www.cuidadodesalud.gov – Spanish



– Accessible for those with visual disabilities

IMPROVING QUALITY

U.S. RANKS BELOW OTHER NATIONS FOR MANY HEALTH INDICATORS, REPORT FINDS

The U.S. spends more per person on health care than any other country, but residents are less healthy and have shorter life spans compared with individuals living in other developed countries, [according to a report](#) released by the Institute of Medicine and the National Research Council.

- **Overall, the U.S. scored at or near the bottom in key indicators of health:**
 - Chronic lung disease
 - Drug-related deaths
 - General disability
 - Heart disease
 - Injuries and homicides

U.S. Hospital Medical Errors Kill 195,000 Annually: Report

TUESDAY, July 27 (HealthDayNews) -- An estimated 195,000 people in the United States die each year due to potentially preventable medical errors in hospitals, a new report contends. That's almost twice the number reported by the Institute of Medicine (IOM) in its landmark 1999 report, *To Err Is Human*, which cited 98,000 preventable deaths each year.



Health Care's 'Dirty Little Secret': No One May Be Coordinating Care

Nobody is responsible for coordinating care," said Dr. Lucian Leape, a Harvard health policy analyst and a nationally recognized patient safety leader. "That's the dirty little secret about health care."

Coordinated care is touted as the key to better and more cost-effective care, and is being encouraged with financial rewards and penalties under the 2010 federal health care overhaul, as well as by private insurers.



The Innovation Center

The Affordable Care Act has created many opportunities for states to design and test new models of care delivery and payment that improve health outcomes, improve patients' experience, and reduce health care spending

- **Resources** - \$10 Billion in funding for FY2011 through 2019
- **Opportunity to “scale up”**: HHS Secretary authority to expand successful models to the national level

ACA Programs Happening NOW

- Partnership for Patients
- Accountable Care Organizations (ACOs)
- Bundled Payments for Care Improvement
- Comprehensive Primary Care Initiative & Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- New Models of Care & Payment to Support Medicare-Medicaid Enrollees

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Plans Being Cancelled

ACA Means Change of Insurance Plans for Individuals, Small Groups

[Andrew Kitchenman](#) NJ Spotlight | November 4, 2013

- The ACA includes a provision that allows plans that didn't change after 2010 to be grandfathered in without being affected by most of the new regulations. **But New Jersey insurers decided against taking advantage of that provision, saying that residents would have seen price increases even if some plans had been carried over.**
- Horizon notified 90,000 individuals in September that their policies would be discontinued and offered assistance in choosing new plans.
- **Most individual Horizon members had barebones health plans that wouldn't even have met the bar for being "grandfathered,"** Vincz wrote. "Furthermore, maintaining those plans would have resulted in an extensive administrative burden to maintaining multiple portfolios of products, grandfathered vs. non-grandfathered," Vincz wrote.
- AmeriHealth Senior Vice President Mike Munoz indicated that maintaining existing plans would have hindered the company's focus on reducing the variations on the insurance plans it offers in the small-group market.

Cancelled Plans: An Example

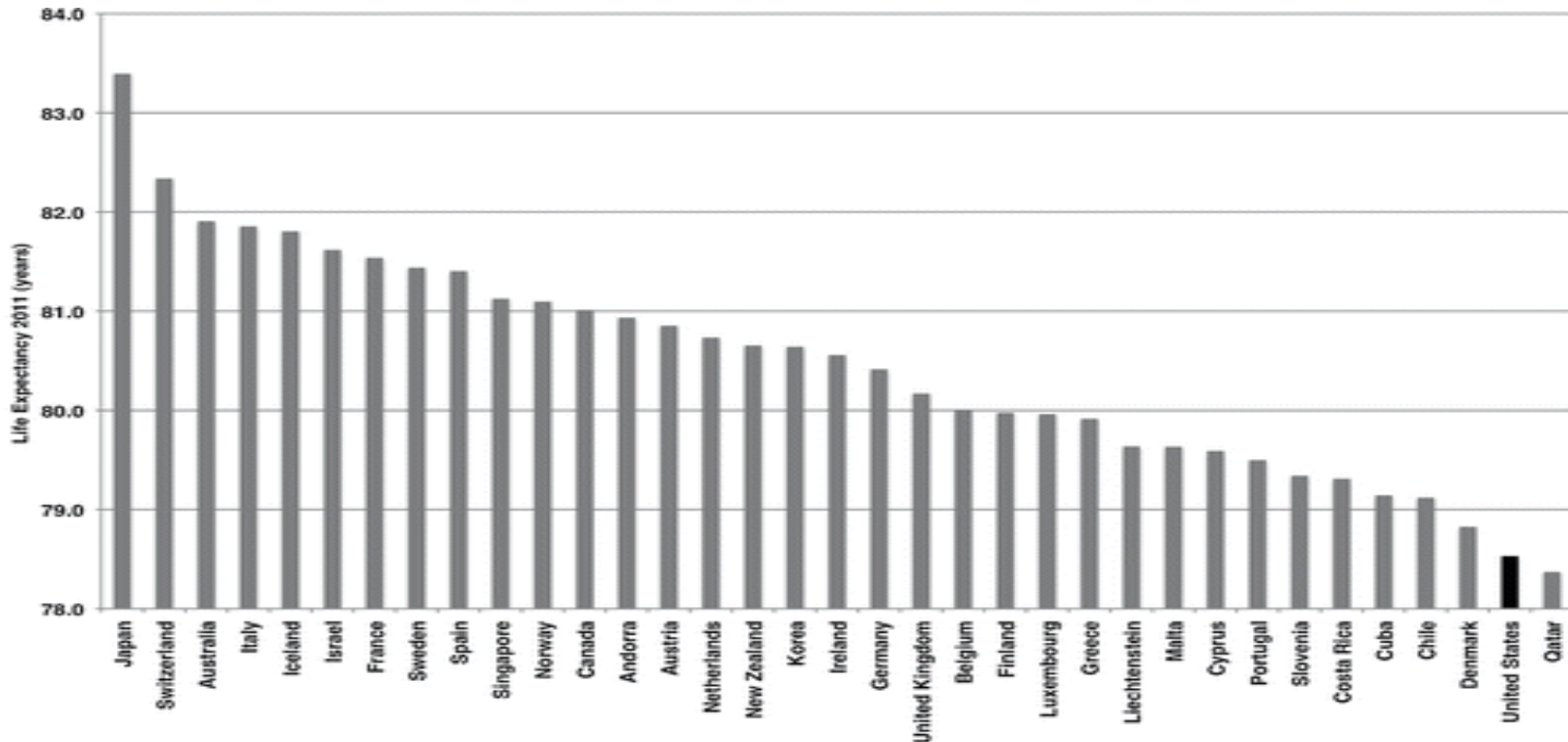
Blue Cross Blue Shield of Florida **\$54-a-month** “GoBlue plan 91”

- The plan pays only the first \$50 of doctor visits, Specialist visits can cost several hundred dollars.
- Only the first \$15 of a prescription is covered.*** Some prescriptions can cost hundreds or even thousands of dollars a month
- The plan only pays for hospitalization for "complications of pregnancy," and in any event only the first \$50 is covered.**
- It pays \$50 for a mammogram that can cost several hundred dollars, and only pays \$50 apiece for advanced imaging tests such as MRIs and CT scans and then only when used for osteoporosis screening.**

"She's paying \$650 a year to be uninsured," Karen Pollitz, an insurance expert at the nonprofit Kaiser Family Foundation

Source: Consumer Reports

A gap of 3.6 years of life expectancy at birth between the United States and Japan reflects major differences in health



Bezruchka S. 2012.

Annu. Rev. Public Health. 33:157-73

Special Enrollment Period

- May enroll or change Qualified Health Plan
 - Within 60 days in individual market and 30 days in small group market from qualifying event

Special Enrollment Period Qualifying Events

Loss of minimum essential coverage	Material contract violations by Qualified Health Plans
Gaining or becoming a dependent	Gaining or losing eligibility for premium tax credits or cost sharing reductions
Gaining lawful presence	Relocation resulting in new or different Qualified Health Plan selection
Enrollment errors of the Marketplace	Exceptional circumstances

New Jersey: 9 ACOs

1. Atlantic Health System ACO, LLC
2. AtlantiCare Health Solutions, Inc.
3. Barnabas Health ACO-North, LLC
4. Central Jersey ACO, LLC
5. Hackensack Physician-Hospital Alliance ACO, LLC
6. Holy Name MC Hospital/Physician ACO, LLC
7. Meridian Accountable Care Organization, LLC
8. Optimus Healthcare Partners, LLC
9. Summit Health-Virtua, Inc.

“New care organizations save \$380 million in first year”

USA TODAY

January 30, 2014

WASHINGTON — The section of the Affordable Care Act aimed at changing the treatment of Medicare beneficiaries saved the program more than \$380 million in its first year of operation, a top Medicare official said Thursday. The Accountable Care Organizations... are reporting even lower costs than Medicare as a whole, which has had record low spending increases in recent years.

Partnership for Patients: Better Care, Lower Costs

1. **Keep patients from getting injured or sicker.** By the end of 2013, preventable hospital-acquired conditions would **decrease by 40%** compared to 2010.
 - Achieving this goal would mean approximately 1.8 million fewer injuries to patients with more than **60,000 lives saved** over the next three years.
2. **Help patients heal without complication.** By the end of 2013, preventable complications during a transition from one care setting to another would be decreased so that all hospital readmissions would be **reduced by 20%** compared to 2010.
 - Achieving this goal would mean more than **1.6 million patients would recover** from illness without suffering a preventable complication requiring re-hospitalization within 30 days of discharge.

Potential to save up to \$35 billion dollars over three years.

Partnership for Patients: Better Care, Lower Costs

N.J. Partnership for Patients Hospitals Improve on 11 Quality Measures

Written by Sabrina Rodak | May 01, 2013

New Jersey hospitals participating in CMS' Partnership for Patients initiative have made improvements on 11 of the 12 quality measures in one year, according to a [New Jersey Hospital Association](#) report.

The hospitals decreased the rate of 11 healthcare-associated conditions. The hospitals met one of the Partnership for Patients' goals of reducing HACs by 40 percent for three measures.

Here are the five conditions with the biggest rate decreases from 2011 to 2012, according to the report:

- Decreased pressure ulcers 65.2 percent
- Decreased falls 55.7 percent
- Decreased ventilator-associated pneumonia 45.8 percent
- Decreased adverse drug events 33.7 percent
- Decreased central line-associated bloodstream infections 29.1 percent

Is Obamacare slowing health care spending?

CNN Money October 7, 2013

- It's true that after years of skyrocketing increases, America's health care spending growth has slowed to record lows. The Office of the Actuary in the Centers for Medicare and Medicaid Services reported earlier this year that national health spending grew by 3.9% each year from 2009 to 2011, **the lowest rate of growth since the federal government began keeping such statistics in 1960**, according to the Kaiser Family Foundation.

Affordable Plans

Did You Know That 6 to 7 Million Americans Will Qualify for “Free” Health Insurance In the Exchanges?”

[Health Insurance Resource Center](#)

November 7, 2013

Credit Suisse analyst Ralph Giacobbe agrees that roughly “6.5 million Americans ... will be eligible for a \$0 premium plan.”

As a result, he believes that “affordability may not be a roadblock” to achieving the Congressional Budget Office projection that 7 million people will buy insurance in the exchanges in 2014. [McKinsey & Co](#), a leading global management consulting firm, reports that about half of those who will be able to purchase zero-premium insurance will be under 39 years old.

Information to Have on Hand

- Pay stubs, W-2 forms, or “Wage and Tax Statements”
- Birth Dates
- Policy numbers for any current health insurance & Information about any health insurance you or your family could get from your jobs
- Social Security numbers (or document numbers for legal immigrants)
- Current costs, current health care providers