



## How ObamaCare Helps Americans Who Already Have Health Insurance

**Jonathan Oberlander**, University of North Carolina at Chapel Hill

ObamaCare – the Affordable Care Act passed by Congress in 2010 – will provide critical help to millions of uninsured Americans, most of whom live in working families but don't have access to affordable insurance. During the next decade the law will extend coverage to about thirty million Americans who will receive tax credits to buy private insurance or join Medicaid.

But that is not all ObamaCare does. It also provides vital benefits and protections to Americans who currently have insurance through Medicare or employer-sponsored coverage, or who buy it on their own in the individual insurance market. Many insured persons experience costly coverage gaps when they or a family member falls ill and risk losing coverage altogether if a job is lost. ObamaCare will make a big difference for these Americans.

Here I highlight the most important new benefits and protections for already-insured persons. A number of them are currently in force – and would be lost if ObamaCare is repealed.

### New Medicare Benefits – And a Stronger Financial Foundation

- Millions of senior citizens and persons with disabilities on Medicare have learned that its prescription drug benefit has a “doughnut hole” that forces people with high annual costs for prescription medications to pay full price. ObamaCare has already started to close that hole – Medicare beneficiaries are now receiving a 50% discount on brand-name drugs. In 2011, 4 million Medicare beneficiaries saved an average of about \$600 thanks to this benefit. Over the next decade, ObamaCare will entirely close the gap in Medicare prescription drug coverage.
- Another key Medicare benefit is already fully in effect. Medicare beneficiaries can now receive an annual wellness checkup and recommended preventive screenings for cancer, high cholesterol, and other potential problems at no charge. In 2011, over 32 million Medicare beneficiaries received such free preventive health services.
- ObamaCare makes Medicare more affordable. By reducing excess payments to insurance companies and other medical care providers, the Affordable Care Act slows down the rate of growth in Medicare spending. As a result, premium charges to beneficiaries as well as Medicare copayments and deductibles will rise more slowly than they otherwise would. This makes Medicare less costly to beneficiaries. It also helps strengthen Medicare's long-term finances. Notably, ObamaCare strengthens Medicare's finances without cutting any benefits – indeed, it uses some of the savings from reduced payments to the health care industry to expand benefits for senior citizens and other people enrolled in Medicare.

### New Protections for Americans Who Have Private Health Insurance

For people who already have health insurance at work or by purchasing their own coverage, ObamaCare requires new benefits and creates new rules for insurance companies – rules that make family and individual coverage more secure.

- Young adults can now stay on their parents' health insurance plans up to age 26, a big help as they get their footing in new jobs or educational programs. This popular reform is already producing enormous benefits, as an estimated 3 million young adults have gained insurance coverage since 2010.

- In the past, insurance coverage has sometimes disappeared when people most need it – causing people with serious illnesses to go bankrupt. But under ObamaCare, private insurers can no longer impose lifetime limits on insurance coverage. As of 2014, insurers also will be banned from imposing annual coverage limits.
- Insurers must cover children with pre-existing health problems – and the same protection will be there for adults, too, starting in 2014. Insurers will also be prohibited from charging higher premiums to persons with pre-existing conditions. These protections will be there for everyone, not just for people who have always had health insurance in the past.
- Insurers will no longer be able to exclude coverage for maternity care, an exclusion that most individually purchased insurance policies previously imposed. Insurers also will be prohibited from charging higher premiums to women just because they are women.
- Private insurance companies offering new plans now must cover recommended preventive health services, such as cancer screenings and vaccines, at no charge.
- ObamaCare requires insurance companies to spend 80 to 85% of all the premium dollars they collect on medical services and quality improvements –rather than on administrative costs. Insurers that do not spend enough on medical care must provide premium rebates to individual consumers or employers. In 2012, insurers gave rebates totaling about \$1 billion.

### **ObamaCare Makes Health Coverage Secure and Affordable for Everyone**

The Affordable Care Act makes health insurance coverage more secure and comprehensive for insured Americans and their families. People on Medicare and employees who are enrolled in health plans at work are already enjoying new benefits and protections – and new ones are on the way.

Repealing ObamaCare, in short, would not only dramatically increase the number of Americans without health insurance coverage. If the Affordable Care Act disappears, so will money-saving benefits and invaluable protections that Americans who currently have coverage need and want. The survival of ObamaCare is vital to guarantee health security for all Americans, insured and uninsured alike.