

## HOW OBAMACARE HELPS AMERICANS WHO ALREADY HAVE HEALTH INSURANCE

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ObamaCare – the Affordable Care Act passed by Congress in 2010 – is now providing critical help to millions of uninsured Americans, most of whom live in working families but have not previously had access to affordable insurance. By 2016, the law is expected to extend coverage to about twenty five million Americans who will receive tax credits to buy private insurance or gain coverage through 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 people experience costly coverage gaps when they or a family member falls ill and risk losing coverage altogether if a job is lost. ObamaCare does important things for these Americans.

Here I highlight the most important new benefits and protections for already-insured people.

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

- Millions of senior citizens and persons with disabilities on Medicare have learned that the program's prescription drug benefit has a "doughnut hole" that forces people with high annual costs for prescription medications to pay full price. ObamaCare has started to close that hole – Medicare beneficiaries are now receiving a 52% discount on brand-name drugs. In 2012, 3.5 million Medicare beneficiaries saved an average of about \$700 thanks to this benefit; and since 2010, Medicare beneficiaries have saved almost \$6 billion on prescription drugs due to the Affordable Care Act. By 2020, 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 at no charge an annual wellness checkup and recommended preventive screenings for cancer, high cholesterol, and other potential problems. In 2012, over 34 million Medicare beneficiaries received such free preventive health services.
- ObamaCare also makes Medicare more affordable. By reducing excess payments to insurance companies and other medical care providers, the Affordable Care Act is helping to slow down the rate of growth in Medicare spending. Because of the reforms instituted under the Affordable Care Act, 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 and helps to 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, even when they think they have insurance. But under ObamaCare, private insurers can no longer impose lifetime or annual limits on insurance coverage.
- Insurers must cover children and adults with pre-existing health problems. Insurers also are prohibited from charging higher premiums to persons with pre-existing conditions. ObamaCare ends insurance company discrimination against Americans who have costly illnesses. These crucial protections will be there for everyone, not just for people who have always had health insurance in the past.
- Insurers no longer can exclude coverage for maternity care, an exclusion that most individually purchased insurance policies previously imposed. Insurers also are 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. During 2011-12, an estimated 71 million Americans already received enhanced coverage of preventive services thanks to ObamaCare.
- 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. During 2012-13, insurers gave rebates totaling about \$1.5 billion. The Obama administration estimates that consumers saved an additional \$4 billion as insurers lowered premiums to comply with the new rule.

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

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 persons on the individual health insurance market now have access to plans that cannot discriminate against them because they have a preexisting condition. Affordable Care reforms are, in short, vital guarantees of health security for all Americans, previously insured and uninsured alike.