

# With health care an election issue, we take a look at What's inside the



Photo by Greg Dixon

Part of President Obama's challenge during this election is to explain what's in 'Obamacare' and how popular many of its provisions are.

**A**fter the U.S. Supreme Court in June rejected a legal challenge to the Affordable Care Act (ACA)—the landmark health care legislation signed by President Barack Obama in 2010—the law is on schedule to take full effect, with most provisions in place by 2014.

That hasn't kept the law out of the headlines though. Since the law is the Obama administration's signature legislative achievement, the presidential election this fall already is sparking a barrage of claims about the ACA—especially its Medicare provisions—on talk shows and in political ads. Some of the information is false; much of it is confusing.

This is a good time to look at the details of the law and how they will affect letter carriers and our families.

## Consumer protections

A central goal of the ACA was to provide coverage for people who lack health insurance because they are unemployed or their job doesn't provide it—a problem most active and retired letter carriers don't need to worry about. But the law also puts in place strong consumer protections, provides new coverage options and gives letter carriers new tools to make informed choices about our health.

Under the new law, several important consumer protections have been enacted, including:

- ✓ Requiring that health insurers permit children to remain on their parents' family health coverage up to age 26
- ✓ Denying exclusion of children under age 19 from coverage, or denying benefits for these children based on a pre-existing condition (similar protection for adults will take effect in 2014)
- ✓ Regulating annual limits on insurance coverage (annual limits on essential benefits will be eliminated in 2014)
- ✓ Eliminating lifetime limits on essential health benefits
- ✓ Prohibiting insurance companies from rescinding coverage (terminating coverage retroactively) in the absence of fraud, intentional misrepresentation or failure to pay premiums

- ✓ Establishing consumer assistance programs to help navigate the private insurance system
- ✓ Assisting states in establishing or improving their consumer assistance programs, which help consumers navigate the private insurance system.

For a detailed timeline showing what is contained in the law and when it takes effect, see [healthcare.gov/law/timeline](http://healthcare.gov/law/timeline).

Another benefit of the ACA is improved health care quality and lower costs for consumers. A new Prevention and Public Health Fund has already invested billions of dollars in proven prevention and public health programs throughout the country that can help keep Americans healthy—from smoking cessation and immunization drives to healthy living programs combating obesity. In addition, ACA requires that health insurers provide coverage for recommended preventive screenings, routine vaccinations and counseling aimed at preventing and better managing chronic and catastrophic conditions such as heart disease and diabetes, including preventive measures recommended specifically for women and children. The ACA established rules for providing these services at no cost to plan enrollees.

The new law will also provide funds to increase the availability of primary care physicians. The United States has suffered from a shortage of primary care physicians for at least a decade. Incentives are being given to medical students to specialize in family medicine or primary care. Studies show that when medical care is coordinated through a primary care physician, patients receive a more appropriate level of care, which can result in lower overall medical expenses along with better results.

"Even for people who already have health insurance, such as the coverage provided by our excellent NALC Health Benefit Plan, this new law will make health care better by improving the entire system," NALC President Fredric Rolando said. "It's going to lower costs and improve the care we get from doctors and hospitals."

# Affordable Care Act

## Changes to Medicare

Health care changes as a result of the ACA are not just for the young and healthy. Individuals over the age of 65 will also benefit from certain provisions pertaining to Medicare.

The Affordable Care Act would strengthen Medicare by shoring up the Medicare Trust Fund with savings from reducing waste, fraud and abuse, by tying provider payments to increased economic efficiency and quality of care, and other initiatives related to Medicare's provider reimbursement system. This will slow cost growth in traditional Medicare and trim overpayments in the Medicare Advantage program. These initiatives will lower the growth of Medicare's cost increases and provide Medicare participants with future cost savings on their premiums. The ACA *does not* cut Medicare's guaranteed benefits.

In addition, seniors will see their costs go down because the law makes it cheaper for them to get preventive care to keep them healthy. A "Welcome to Medicare" physical examination for new Medicare Part B enrollees is provided at no cost to the enrollee for the first 12 months of Part B enrollment. The law also adds an annual wellness visit. The Medicare Part B deductible and copayments also are waived for many preventive services, such as bone mass measurement, mammograms and screenings for high cholesterol and colorectal and other cancers.

Medicare Part D recipients also can expect a 50 percent discount on brand-name drugs once they reach the "doughnut hole"—the gap in annual prescription drug coverage that, in 2012, requires participants to pay out of pocket when prescription costs reach \$2,930, until coverage resumes again when their out-of-pocket costs reach \$4,700. The doughnut hole would be phased out completely by 2020.

Another provision of the ACA is the introduction of the Community-based Care Transitions program. Organizations that participate in this program help move Medicare patients from an in-patient hospital to the next appropriate level of care upon discharge. The goal is to prevent

short-term re-admission to the hospital. Nearly one in five Medicare patients discharged from a hospital—approximately 2.6 million seniors each year—are re-admitted within 30 days, which costs more than \$26 billion annually. Reducing the re-admission rate not only saves money for the Medicare program but also promotes the continued good health of the patient.

## 'Medi-scare'

The claims of drastic changes to Medicare contained in misleading political ads and rumors—known as "Medi-scare" in political circles—will only grow this fall. Here are a couple of facts to remember during the election season.

As mentioned above, the health care law aims to strengthen the Medicare Trust Fund, reduces the growth of Medicare spending and lowers costs for seniors. Medicare savings come mainly from trimming overpayments in the Medicare Advantage program, reducing fraud and abuse and promoting more efficient and better quality care through the provider reimbursement system.

Other savings to the Medicare program would come from the recommendations of an advisory board established to come up with ways to increase Medicare savings. By law, this independent board cannot consider rationing care, cutting benefits or raising premiums. The board's recommendations would have to be adopted by Congress.

The law does not cut benefits. No Medicare premiums are being diverted to pay for other programs. The law does not impose limits on what procedures seniors can have or which doctor they can choose. Instead, there are features of the law that actually expand available coverage, such as those that provide for preventive services at no cost and lower the out-of-pocket drug costs by eliminating the doughnut hole.

When people turn off their televisions and read carefully about what actually is in the Affordable Care Act, many like what they see. The antidote to "Medi-scare" and attacks on the ACA is reliable, factual information. ☒

“The antidote to 'Medi-scare' and attacks on the ACA is reliable, factual information.”