



HEALTH INSURANCE  
**REFORM NOW**

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# Overview of Health Reform Presentation at Chicago State University

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**April 21, 2010**



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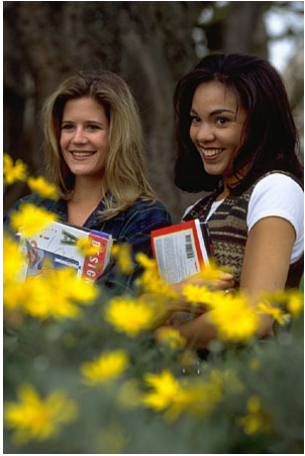
# Presentation Overview

- Challenges in the current health care system
- How the new health reform law will impact families and young adults
- Questions & answers



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# Challenges Faced in Current System



- 2009: 18.9 million uninsured young adults (1 out of 3 of total uninsured pop.)
- 15% have a chronic health condition
- **Fewer than 1 out of 3** of **low-income** young adults have employer insurance.
- Age 19: no longer covered on parents' insurance plans
  - While **11%** of children under 18 are uninsured, **29%** age 19-29 are uninsured

# Health Reform is a **Big Deal**

- Covers an additional 32 million people
- Reduces the federal deficit



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# Help for Low-income Families: Medicaid Expansion

- Expands Medicaid:
  - to cover all individuals < 65 up to 133% FPL
  - States receive 100% of funds
- Illinois: 600-700,000 newly eligible



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# Help for Low-income Families: Medicaid Expansion

133% Federal Poverty Level:

Family Size	Income
1	\$14,403.90
2	\$19,378.10
3	\$24,352.30
4	\$29,326.50



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# Help for Low-income Families

## < 400%FPL: Subsidies

- Subsidies to families with incomes between 133-400%FPL to help purchase insurance
- subsidies also available to families between 133-400% FPL to limit out-of-pocket expenses



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# Help for Low-income Families

## < 400%FPL: Subsidies

Sliding scale:

Up to 133% FPL: 2% of income

133-150% FPL: 3 – 4% of income

150-200% FPL: 4 – 6.3% of income

200-250% FPL: 6.3 – 8.05% of income

250-300% FPL: 8.05 – 9.5% of income

300-400% FPL: 9.5% of income



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# Help for Low-income Families < 400%FPL: Subsidies

400% Federal Poverty Level:

Family Size	Income
1	43,320.00
2	58,280.00
3	73,240.00
4	88,200.00



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# Help for Families at Every Income Level: **The Exchange**

- “Expedia” or “Travelocity” for insurance plans
- User friendly format to understand terms, compare benefits & services across plans
- Four levels of coverage to fit your needs
- standard set of comprehensive benefits including medical, mental health, prescription drug & rehabilitative services



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# Individual Mandate

- Requires all U.S. citizens and legal residents to have coverage
- Penalties take effect January 2014:
  - \$95 in 2014 (or 1% taxable income)
- Important to broaden the insurance pool in order to balance & control costs

# Dependent Coverage Expansion

- IF you are under 26 years old **AND**
- Your parent has a health insurance policy that provides “dependent” coverage,
- **Then** you can purchase the dependent-coverage option

# Illinois' Young Adult Dependent Coverage Law

- Requires health insurance plans that provide dependent coverage to allow adult children to remain on a parent's plan until age 26



# Insurance Market Reforms

- Protection against premium increases
- Age rating 3:1 ratio allowed
- Prohibition against rescissions
- Elimination of lifetime & annual dollar limits
- Easier access to health care providers
- Premium value & transparency: required to spend 80-85% of premium dollars on care



# Temporary High Risk Pool

Adults with pre-existing conditions & uninsured for the past 6 months eligible for the Pool



Until 2014 when ban on pre-existing condition is lifted & Exchange operational



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# Pre-existing conditions

This year:  
ban is lifted  
for **children**  
with pre-  
existing  
conditions



In 2014 for  
**adults:**  
insurers  
required to  
cover pre-  
existing  
condition



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# What happens in 2010?

- Temporary high risk pool for uninsured with pre-existing condition
- No pre-existing condition exclusions for kids (under 19)
- Ban on rescissions
- Those up to age 26 can stay on their parent's health plan\*
- No lifetime dollar caps\*
- Direct access to OB/Gyn or ER

# What happens in 2010?

- Insurance companies must spend a minimum amount of premiums on health care; (rebates to consumers starting January 2011)
- Insurance plans must provide no-cost preventive services
- Medicare prescription drug “donut hole” rebate of \$250
- Small businesses can claim tax credits



# Benefits After Full Implementation

## January 2014:

- Expand Medicaid to 133% FPL
- Provide tax credits/subsidies for purchasing health insurance to individuals earn less than 400% FPL
- Establish state insurance exchange
- Insurers required to cover pre-existing conditions
- Limit insurance companies to charging older adults no more than 3 times the insurance premiums of younger adults
- Offer young adults < 30 option of low-cost Catastrophic-Plan



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# Resources

- Department of Insurance : <http://insurance.illinois.gov>
- Consumer Health Insurance hotline (877-527-9431)
- Kaiser Family Foundation:  
<http://www.kff.org/healthreform/upload/finalhcr.pdf>
- Department of Health and Human Services  
<http://www.healthreform.gov/>

White House Reform Plan:

<http://www.whitehouse.gov/health-care-meeting/proposal>

# Questions?

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