MCHC

The Consumer Connection

... linking consumers with health care news and information

Michigan Consumer Health Care Coalition
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The Consumer Connection is a publication of the Michigan Consumer Health Care Coalition with the Michigan League for Human Services

Patient Protection and Affordable Care Act Implementation Continues with Milestones in September 2010

Several provisions of the Patient Protection and Affordable Care Act (PPACA), signed into law by President Obama on March 23, 2010, have already been implemented, but September marks a milestone in the health care reform initiative, with numerous provisions in the law taking effect on September 23, six months after signing. Following are the provisions with September 23, 2010 effective dates.

Provisions to be Implemented on September 23, 2010

- Effective for insurance plan years beginning on or after September 23, 2010, employer-sponsored plans as well as individually purchased coverages are required to extend coverage to young adults up to age 26 on their parents' plans, if the plans offer dependent coverage. Eligibility for this coverage is based solely on age and lack of access by the young adult to his/her own employer-sponsored coverage. The young adult does not have to be a student or classified as a dependent according to tax definitions to be eligible; the young adult is not even required to reside in the same household as his/her parents. Many providers of group health plans, at the request of the federal Department of Health and Human Services, voluntarily implemented this provision early to avoid breaks in coverage for students graduating from college in May or June 2010. This provision does not apply to young adults whose parents are in retiree-only plans.

  As a result of this provision, an estimated 32,800 young adults could gain access to coverage through their parents' insurance plans.

- Families with children with chronic health conditions or pre-existing medical conditions can no longer be rejected for coverage or have their child's condition excluded from their health benefits. This provision applies to all employer group plans; it does not apply to all coverage plans purchased through the individual market.

  As a result of this provision, an insurance company cannot deny coverage for chemotherapy to a child with cancer.

- Health insurance plans can no longer cancel coverage for someone who becomes ill, unless the insured person misrepresented his/her situation when obtaining coverage.

- Health insurance plans can no longer impose lifetime limits on the amount of total benefits a plan will pay. Plans must provide notice and a re-enrollment period for those who reached their plan's lifetime limit prior to September 23 so that they can re-enroll.

- New health insurance plans are restricted in the amount of annual benefit limits they can impose. The annual limit minimums gradually increase between September 23, 2010 and January 1, 2014, from benefits of not less than $750,000 in the first year, to $2 million by September 23, 2012.

- New private insurance plans must provide proven preventive services as recommended by the U.S. Preventive Services Task Force with no co-pays or deductibles. This requirement is expanded to Medicare in January 2011.

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As a result of this provision, children and adults will have access to recommended immunizations, preventive care for infants, children, and adolescents, and additional preventive care and screenings for women.

- New plans are required to allow individuals the choice of a primary care doctor or pediatrician from among their plan's provider network. In addition, referrals cannot be required to see an OB-GYN. Prior approval can also no longer be required before seeking emergency care at a hospital outside a plan's network.

2010 Provisions Implemented Prior to September

- Categories of individuals or families eligible for Medicaid on March 23, 2010 must be maintained and cannot be reduced or restricted. Effective April 1, 2010, states had the option of expanding Medicaid coverage to parents and individuals with incomes of up to 133 percent of the federal poverty level at states' regular federal matching rates. Effective January 1, 2014, states must expand Medicaid to 133 percent of the federal poverty level for all individuals; the federal government will pay 100 percent of the cost of the newly eligibles for calendar years 2014-2016, phasing down to 90 percent by 2020.

  To date, Michigan has not submitted notice to the federal government that it intends to pursue early implementation of the Medicaid expansion.

- Seniors who have entered the Medicare Part D ''donut hole,'' the period when no assistance with drug costs is available to them, have begun receiving the $250 one-time rebate checks to help with their drug costs. The first rebate checks were issued in June, the most recent mailing occurred the week of August 30. No application for the rebate is required. Eligible Medicare beneficiaries automatically receive the payment in the mail after they have spent the specified amount on RX drugs that puts them into the ''donut hole.''

- On July 1, a new website was unveiled by the federal government that will provide ongoing information about the provisions of and the implementation of the PPACA. The website is http://www.healthcare.gov/, and will be expanded as more information becomes available.

- On August 31, 2010, enrollment began for Michigan's Pre-existing Condition Insurance Plan, also called the high risk insurance pool, administered under contract with the federal government by Physician's Health Plan of Mid-Michigan. Coverage will be effective on October 1, 2010. The federal government had to step in when the state legislature failed to approve legislation allowing expenditure of the federal funds for this program. The high risk pool has been created to allow those people with specific pre-existing conditions, who have been uninsured for six months, to purchase subsidized health insurance. More information and a contact number are available at http://www.michigan.gov/dleg/0,1607,7-154-10555-242595--,00.html.

- Another provision already in place is the availability of tax credits for tax year 2010 for small businesses that provide health insurance to their employees. The tax credit is intended to offset a portion of the employer's premium costs (of which they must be paying at least 50 percent). The credit ranges from 35 percent of employer costs for tax years 2010 - 2013, to 50 percent beginning in 2014. The tax credit percentage is based on the number of employees and the average wages. The full 35 percent credit is available to employers with 10 or fewer employees and average wages of $25,000 or less; it phases out for larger employers and higher wages. More information on this provision is available at http://www.commonwealthfund.org/~/media/Files/Publications/Issue%20Brief/2010/Sep/Small%20Business/1437_Collins_realizing_hlt_reform_ potential_small_business_ACA_ib.pdf.

- The federal Department of Health and Human Services is making grant funding available to states to strengthen their capacities to review the reasonableness of requested insurance premium rate increases. This effort will help to protect consumers from unreasonable rate increases, which can result in individuals being priced out of coverage.

From the Consumer Perspective

Are we a good people?

This election season there is much discussion among the nation's political commentators on television and radio regarding the health care reform law-The Patient Protection and Affordability Act of 2010-and how incumbent members of Congress are running away from their vote for it.

It is perceived that a vote earlier this year for health care for the uninsured could risk their chance of being returned to the Congress by the voters.

Holding an incumbent to this standard is nothing short of mind boggling.

In a nation of ''family values'' voters that have chosen to provide unlimited amounts of medical care for its seniors, to commit dollars to an unending number of ''bridges to nowhere,'' and to allocate billions of dollars for wars of questionable impact, it is now considered a badge of honor for a member of Congress to have voted against health care for the uninsured, for the unemployed, for young adults trying to gain a foothold in the world of work.

Many Americans know little about the details of the health reform law, but most know it was focused on coverage of the uninsured. (The ridiculous notion of ''Medicare death panels'' was short-lived, even denied by its Facebook author.)

Shame on us for allowing the public discussion in this election to politicize an honest effort by a lawmaker to meet the medical care needs of one million uninsured people in Michigan.

Beverley McDonald
Coalition Chairperson

Consumers Come Together To Address Reform Legislation

Over the summer a group of organizations representing the state's private health and human services have been meeting to discuss how together they might advance consumer interests in the implementation of the healthcare reform law in Michigan.

Calling itself ''Michigan Consumers for Health Care Advancement'' (MCHA), the group's mission statement has as the initiative's goal ''to work collaboratively with a diverse alliance of consumers, partners and policymakers to attain affordable, accessible, quality healthcare for everyone in Michigan through education, outreach, advocacy and stakeholder engagement.''

To reach its goal, the group has established several workgroups:

- **Education**—Collect, compile and if necessary develop accurate and complete information on the law's provisions for dissemination widely across the state by the Outreach committee;
- **Outreach**—Encourage consumer involvement in the legislative and administrative process as policy and rules are developed; provide ongoing support and accurate materials, information and updates to the effort; and
- **Advocacy**—Develop a strong coordinated approach; work toward diverse consumer voices at the policy tables; aim for transparency, adequate appropriations, and attention to the consumer perspective.

A leadership team drawn from among participating groups will guide the effort. For more information or to join the initiative, call Jan Hudson or Lary Wells at the League for Human Services at 517.484.4954.

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HEALTH CARE BY THE NUMBERS

Benefits of the Patient Protection and Affordable Care Act in Michigan in 2010 by the numbers....

- **32,800**—estimated number of young adults under age 26 who will be eligible to enroll or re-enroll in their parents employer-sponsored or individually purchased health care coverage.
- **132,000**—estimated number of small business who could be helped by the tax credits for providing health care coverage to their employees.
- **134,000**—estimated number of seniors who will receive the $250 check to assist with drug costs while in the Medicare Part D ''donut hole.''
- **$141 million**—estimated amount of federal funding that will provide subsidies to those enrolled in the Pre-existing Condition Insurance Plan, also called the high risk insurance pool.

Source: The Affordable Care Act: Immediate Benefits for Michigan, www.healthreform.gov.