



# **Overview of the Patient Protection and Affordable Care Act (ACA)**

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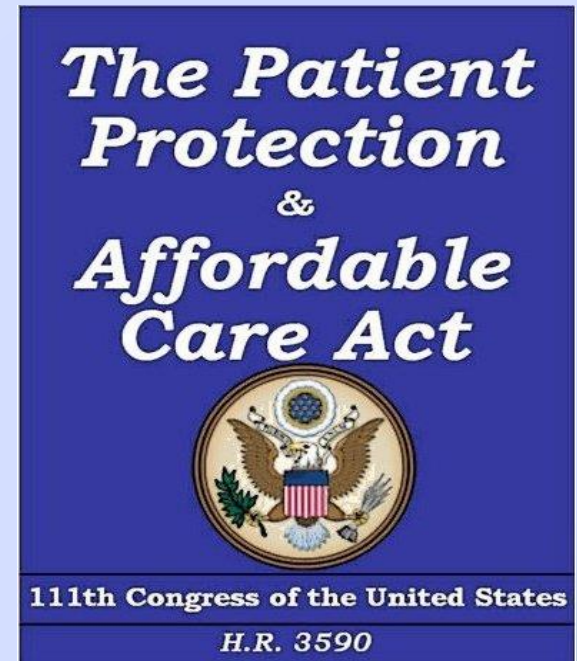
## **What is the Patient Protection and Affordable Care Act (ACA)?**

- **When did the Affordable Care Act (ACA) become law?**

The ACA was signed into law by President Barack Obama in 2010. It represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965.

- **What are the overall goals of the ACA?**

The ACA is aimed primarily at decreasing the number of uninsured Americans and reducing the overall cost of health care. It provides a number of mechanisms to employers/individuals to increase the coverage rate.



## **Overview of the ACA's Key Provisions**

- **Guaranteed Issue**

Health insurance policies will be required to be issued regardless of any medical condition, and partial community rating will require insurers to offer the same premium to all applicants of the same age and geographical location without regard to gender or most pre-existing conditions (excluding tobacco use).

**Begins: January 1, 2014**

- **The Individual Mandate**

The individual mandate requires that all individuals not covered by an employer sponsored health plan, Medicaid, Medicare or other public insurance programs, secure an approved private insurance policy or pay a penalty.

**Begins: January 1, 2014**

**Penalty in 2014: Up to \$95 per adult and \$47.50 per child, or 1% of household income, whichever is greater**

- **The Employer Mandate**

Firms employing 50 or more people are required to provide their employees with health insurance at a reasonable cost or pay a penalty.

**Begins: January 1, 2015**

**Penalty in 2015: \$2,000 per employee, excluding the first 30 employees**



## Other ACA Provisions

- Minimum standards for health insurance policies are to be established and annual and lifetime coverage caps will be banned.
- Firms employing 50 or more people but not offering health insurance will also pay a shared responsibility requirement if the government has had to subsidize an employee's health care.
- Very small businesses will be able to get subsidies if they purchase insurance through an exchange.
- The ACA includes benefits to make Medicare prescription drug coverage more affordable. When you're in the coverage gap (also called the "donut hole"), you'll get the following: a discount on covered brand-name drugs, some coverage for generic and brand-name drugs, and a 50% discount the manufacturers offer and an increase in what Medicare drug plans cover.



## Current Overview of the San Gabriel Valley and the Pasadena area

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- The San Gabriel Valley has a population of 1.7 million people.
- The City of Pasadena has a population of 137,112 people.
- In Pasadena, 25% of the population ages 18-64 are uninsured, which is 2.5% higher than the San Gabriel Valley average, and 4% higher than the U.S. average.
- According to the Community Clinic Association of Los Angeles County 2012 Expansion Plan, the San Gabriel Valley has the greatest number of low-income residents unserved by any FQHC, with over 500,000 unserved in the area.
- In 2011, Huntington Hospital had 59,218 Emergency Room visits.



## How will the ACA affect Community Members?

- Community members who are currently uninsured will be eligible for insurance (except those who are currently undocumented). Expansion of health insurance will happen through two mechanisms:

Type of Coverage	Medi-Cal Expansion	Covered California (Exchange)
Eligibility	Up to 138% of FPL	139% to 400% of FPL

- Additional Benefits for Community Members include:
  - People under the age of 26 can stay on their parent's health insurance plan.
  - Health insurance companies can no longer not provide insurance based on a pre-existing condition.



## How will the ACA affect Community Health Centers?

Federally Qualified Health Centers (FQHC's) are expected to be the main provider of primary health care services for most of the newly insured population.

The ACA made available \$11 billion in grants to open new health centers across the U.S. to meet the needs of the existing population and the newly insured. Funds were distributed through a competitive process via New Access Point (NAP) grants.



**Who** – There are 52 non-profit community health centers in Los Angeles County, most of which have a FQHC designation. At the County level, these agencies are represented by the Community Clinic Association of Los Angeles County.

**What** – Health centers will see an influx of patients like never before. Most will be low-income, with many having never accessed health insurance or health care.

**Where** – Health centers are located across the County's 8 Service Planning Areas (SPA's), with the greatest concentration in SPA 4 (Los Angeles Metro area).

## **How will the ACA affect Community Health Centers? (cont'd)**

**When** – Medi-Cal Expansion (begins January 1, 2014), and Covered California (begins October 1, 2013).

**Why – a)** Due to the fact that many people will be accessing health insurance for the first time, many will have multiple chronic conditions (i.e. diabetes, hypertension) that have gone unmanaged, and will required intensive treatment regimens.

**b)** Most private physicians do not accept Medi-Cal due to low re-imburement rates (FQHC's receive cost-based re-imburement). With the change over to Medi-Cal Managed Care, the new financial model will be even more onerous for private providers.

**c)** FQHC's also have multiple services on-site (i.e. Medical, Dental, Behavioral Health, etc.), and have experience enrolling people into health insurance.



## Case Study – Mary L. Smith

- A single mother with three kids
- She earns \$35,000 per year (**149%** of Federal Poverty Level (FPL))

**Q: Does Mary L. Smith qualify for Medi-Cal or Covered California (Exchange)?**

**A: Covered California (Exchange)**



Let's visit Covered CA's website for additional details:

[http://www.coveredca.com/calculating\\_the\\_cost.html](http://www.coveredca.com/calculating_the_cost.html)

# **How Can I Find Out About My Health Insurance Options?**

If you live in Pasadena...

## **What is Covered Pasadena?**

Covered Pasadena is a group of local public and private organizations in Pasadena that have gotten together to provide resources for people to access an affordable health insurance plan.

## **Who are the Initiative's Key Partners?**

Young & Healthy  
Pasadena Public Health Department  
Community Health Alliance of Pasadena  
Bill Moore Community Health Clinic

## **How Do I Get Help?**

You can call (626) 744-6068 or (626) 795-5166 or you can visit one of the Key Partners listed above.



If you live outside of the Pasadena area...

## **What is Cover LA?**

Cover LA is a group of community health centers who are working together to ensure that members of Los Angeles County are able to access up-to-date information about the new health insurance plans available under the Affordable Care Act (ACA).

## **Who Are the Key Partners?**

L.A. Care Health Plan  
Community Clinic Association of Los Angeles County (CCALAC)  
Community Health Alliance of Pasadena  
Other Community Health Centers

## **How Do I Get Help?**

Call (855) 993-0023 or visit the website [www.mycoverla.com](http://www.mycoverla.com).



**\* Cover LA will launch on  
October 15, 2013**

## Additional Resources

**HealthCare.gov**

Healthcare.gov was created by the federal government as an information resource for those eligible to purchase health insurance via the ACA.

[www.healthcare.gov](http://www.healthcare.gov)



Covered California is a new marketplace where people may get financial assistance to make coverage more affordable and where they will be able to compare and choose health coverage.

[www.coveredca.com](http://www.coveredca.com)



Founded in 1996, Insure the Uninsured Project (ITUP) identifies, assists, and promotes new approaches to expand healthcare and coverage for California's uninsured.

<http://www.itup.org>



# Any Questions?

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