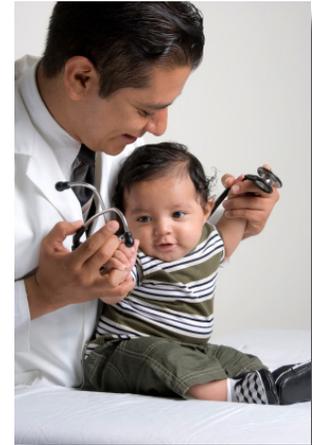




## THE AFFORDABLE HEALTH CARE ACT IN WASHINGTON STATE

On March 23, 2010, the federal Patient Protection and Affordable Care Act was signed into law. This significant health care reform bill with its numerous provisions will have far-reaching implications.

The Affordable Care Act outlines new rules for health insurers to make coverage more universally accessible and keep premiums affordable. It sets up a new, comprehensive health insurance market so it will be easier for Americans to have choices and make informed decisions when selecting a health plan. It expands health insurance subsidies to all low-income Americans. And it funds efforts to increase the use of evidence-based medicine and reduce waste in the health care system.



Health care is an issue of significant importance to Washington state residents. Recent health care trends have been very concerning:

- » The rate of uninsured adults in Washington has been on the rise — increasing from 12.9 percent in 2006, to 15.5 percent in 2008 and 17.9 percent in 2010.
- » From 2008 to 2010, charity care by hospitals and health care providers rose a staggering 36 percent.
- » From 2003 to 2010, the average health insurance premium for an individual in Washington state rose 42 percent. For a family, the increase was 54 percent.

The Affordable Care Act benefits almost 2 million citizens here in Washington state. The following are key points about these benefits and how they affect Washington citizens and businesses.

### Health insurance consumer protections

- » Families with commercial health insurance gained the right to keep **young adults up to age 26** on their plan. More than 52,000 individuals have benefited from this change.
- » Families seeking insurance for their child gained the right to have the **child's pre-existing condition** covered without any exclusion.
- » Commercial health insurance companies are prohibited from imposing **lifetime limits** on spending on an individual's care. This protects consumers against the danger of having their health insurance coverage disappear when they are facing expensive, but necessary treatment costs. More than 2.4 million residents, including 580,000 children, have benefited from the ban on lifetime limits.

- » Individuals with commercial health insurance gained the right to receive **preventive services** such as mammograms and flu shots without out-of-pocket cost-sharing. More than 650,000 people in our state with Medicare, and more than 1.2 million with private insurance, received preventive service coverage with no cost-sharing.

### Assistance for small employers

- » More than 100,000 small businesses in Washington are now eligible for a federal small business tax credit designed to make it easier for them to provide health insurance coverage to their employees and to make premiums more affordable.

### Health benefit exchange

- » A health benefit exchange is being designed, developed and initially operated with \$151 million in federal funding. It will be available to every person in the state as a user-friendly means to evaluate and compare health insurance plans, and enroll in the one that works best. It will also identify federal subsidies available to make the insurance more affordable.

### Expansion of publicly funded health insurance for individuals and families

- » About 850 residents who have health conditions that previously made it difficult for them to get health insurance are now insured through the federally subsidized Pre-existing Condition Insurance Plan. This coverage goes beyond what is available under the Washington State Health Insurance Pool because it does not include the same six-month, pre-existing condition waiting period.
- » 50,000 residents with incomes below 133 percent (\$25,390 for a family of three) of the federal poverty level\* retained their subsidized

health insurance in the state Basic Health Plan and medical care services programs because the state received new federal funding support tied to the Affordable Care Act to help support these programs. Due to limited state funds, more than 168,000 additional residents are on the wait-list to enroll in the Basic Health Plan.

- » More than 25,000 children in families with incomes between 200 and 300 percent (\$38,180 to \$57,270 for a family of three) of the federal poverty level will retain their health insurance into 2015 as federal funding for the State Children's Health Insurance Program has been extended beyond the formerly projected September 2013 expiration date.
- » 328,000 eligible residents with incomes below 133 percent (\$25,390 for a family of three) of the federal poverty level are slated to be eligible for health insurance coverage with the Affordable Care Act expansion of Medicaid in 2014. Currently, very low-income working-age adults are eligible for Medicaid coverage only if they have significant disabilities or have children and are participating in the federal Temporary Assistance to Needy Families program.
- » Up to 410,000 Washingtonians could be served in the first year of the health benefit exchange. Up to 670,000 would gain insurance when the exchange is fully implemented.

### Medicare improvements

- » Nearly 1 million seniors who have Medicare coverage gained the right under the Affordable Care Act to receive preventive services such as annual check-ups, mammograms and flu shots without out-of-pocket cost-sharing.

- » Under the Affordable Care Act, Medicare beneficiaries will see a phase-out of the prescription drug “doughnut hole,” and many seniors should see significantly reduced prescription drug costs. More than 62,000 seniors have already received a 50 percent discount on covered, brand-name prescription drugs.

### Public health system improvements

- » More than \$6 million in funding has been granted for core public health services such as environmental health tracking, disease surveillance and public health lab testing activities. This enables the state’s Department of Health to better respond to health outbreaks such as swine flu and pertussis, or whooping cough.
- » \$35 million in new funding has been granted for expanding public health services to vulnerable populations. These services include immunizations to underserved children, expansion of evidence-based home visiting services to at-risk families with young children and programs to reduce teen pregnancy rates.

\*The federal poverty level depends on family size. For a family of three, the federal poverty level is an annual income of \$19,090.