AFSCME Members and the Affordable Care Act (ACA):
What Does the ACA Mean for You?

We’ve fought to improve our health care system for decades — now we’ve won, and the Affordable Care Act (ACA) is being implemented. What does it mean for you and your family? You will continue to have the employer-sponsored health coverage you won at the bargaining table. For the first time, all Americans are guaranteed access to health benefits.

Here’s what else the health care reform law does for you:

Provides Important New Coverage for You and Your Family

- As of 2014, children up to age 26 can stay on your plan regardless of whether they have their own insurance.
- Eliminates annual and lifetime limits on “essential health benefits.”
- As of 2014, eliminates pre-existing condition exclusions for everyone.

Improves Quality of Health Insurance Plans

The ACA created new “qualified health plans” that must meet certain requirements. In addition, it allowed for certain plans – “grandfathered plans” or plans enacted prior to March 23, 2010 – to continue offering coverage.

Under Qualified Health Plans:

- Preventative health care services must be covered with no cost-sharing;
- Health plans cannot require prior authorization or “gatekeepers” for visits to an OB/GYN;
- Emergency care cannot have higher deductibles and co-pays out of network, and prior authorization cannot be required;
- Treatment in qualified “clinical trials” must be covered; and
- All plans must offer “essential health benefits.” To learn more about essential health benefits, please visit www.healthcare.gov.

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Expands Health Care Coverage to Nearly Everyone

Health care reform brings peace of mind to all legal residents by providing a guarantee of coverage to everyone. More than 32 million individuals who would otherwise be uninsured will get high-quality coverage because of the reform law. The ACA:

- Creates a competitive health insurance Marketplace for small employers and individuals that will bring about affordable group rates. All plans sold on the Marketplace are “qualified health plans” and are subject to certification of quality and affordability. To find the Marketplace in your state, please visit www.healthcare.gov.
- Provides subsidies for small businesses and families so they can afford coverage. Subsidies are available to individuals/families making up to 400 percent of the Federal Poverty Level (FPL).
- Assesses penalties on larger employers who offer inadequate coverage or fail to offer coverage.
- Limits the amount of money insurance companies can charge and limits the amount of premiums that go for profits, overhead and administration.
- Prohibits insurance companies from discriminating against women when establishing rates.
- Prohibits insurance companies from rejecting someone for coverage based on a pre-existing condition or from rescinding coverage once the policy is in effect.
- Requires everyone to have coverage in order to expand the insurance pool and create greater stability.
- Allows states the opportunity to expand Medicaid to cover additional low-income adults.

Lowers Costs

Rising health care costs have been crippling government budgets and eating up much of the money available at the bargaining table. The ACA:

- Changes payment practices to promote quality and begins to end “fee for service,” which encourages inefficient, low-quality care.
- Emphasizes early detection and prevention.
- Reduces the “cost shifting” that occurs when hospitals and other providers charge paying customers more for care to cover the bills for those who are uninsured and cannot pay.
- Addresses rising health care costs overall, which strains government budgets at every level, and leaves less money available for other vital services.
- Cuts the deficit by $143 billion by 2019 and by another $1.2 trillion in the 10 years after that.
- No plans covering AFSCME members will be taxed before 2018 – and even then, the tax only affects certain plans: those that cost more than $10,200 for single coverage or $27,500 for family coverage (not including dental and vision). For more information on the excise tax, please visit www.afscme.org/healthcare.
Lowers Costs and Improves Care for Seniors

The Affordable Care Act strengthens Medicare, improves quality of care, and extends the financial stability of the program. The ACA:

- Closes the Medicare Part D prescription “donut hole” with rebates and discounts until closing the gap completely by 2020.
- As of 2011, Medicare provides free preventive care for seniors.
- Extends the life of the Medicare program by reducing excessive payments to insurance companies through Medicare Advantage.

Invests in the Health Care Workforce

The Affordable Care Act expands the health care workforce and ensures adequate numbers of health professionals in the years to come. The ACA:

- Invests in training for primary care doctors, nurses and public health professionals to reverse the shortage of primary health care workers.
- Enables more doctors to remain in primary care by increasing their payment rates.
- Encourages doctors to serve Medicaid patients by raising Medicaid payment rates.
- Increases funding for community health centers to double the number of patients they can serve during the next five years.