

DID YOU KNOW?
**Health Reform Law Now Protecting Consumers
and Curbing Growth of Healthcare Costs**

January 1, 2014, marked a new day for millions of Americans who finally have the security that comes with quality, affordable health coverage now available to them under the Patient Protection and Affordable Care Act (ACA). Below are some of the key benefits of the legislation.

Ban Against Discriminating Against People with Pre-Existing Conditions: Under the ACA, insurers are no longer allowed to discriminate against people with pre-existing medical conditions by denying coverage, charging higher premiums, or curtailing benefits. According to the Department of Health and Human Services, as many as [129 million people](#) with pre-existing conditions—such as heart disease, cancer, asthma, hypertension, and arthritis—will no longer face these discriminatory practices.

Requirement to Treat Men and Women Equally: Under the ACA, insurance companies no longer may discriminate against women by charging different prices for insurance. One study has estimated that some women pay as much as [81% more than men](#) in the individual market.

Requirement to Cover Essential Health Services: Under the ACA, qualifying health plans must offer [essential health benefits](#), including ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

Coverage for Young Adults: Under the ACA, young adults are now able to obtain quality affordable coverage in a variety of ways. Over [3 million people](#) are now able to obtain insurance through their parents' plans until the age of 26, and more young adults are eligible for [Medicaid and premium support](#) in the marketplace. According to the Department of Health and Human Services, nearly 5 in 10 single uninsured young adults now may be able to obtain health insurance for [\\$50 or less per month](#).

Subsidies to Help Cover Costs: Under the ACA, premium tax credits are being provided to eligible individuals with household incomes between [100% and 400% of the federal poverty level](#) who enroll in exchange plans.

- According to Families USA, “most people with plans in the individual market will qualify for financial help in purchasing new, and better, insurance.” In addition: “Nationally, [71 percent](#) of people in the individual market under age 65 have incomes at or below 400 percent of poverty. Under the Affordable Care Act, these people are income-eligible for financial help to purchase an insurance plan, either through new premium tax credit subsidies or through expanded Medicaid.”

- According to the Kaiser Family Foundation, families will receive an average of [\\$2,672](#) in premium tax credits, which will reduce the cost of insurance by [32%](#).
- According to the RAND Corporation, after accounting for tax credits, on average out-of-pocket premium spending in the nongroup market is [projected to decline](#).

Rebates for Policyholders: Under the ACA, insurance companies must spend at least 80% of premium dollars on medical care rather than administrative costs, and companies that do not meet this threshold must rebate the difference to customers. According to the Department of Health and Human Services, nearly 80 million consumers saved [\\$3.4 billion](#) through lowered premiums in 2012 based on these new standards. Companies provided more than [\\$1.1 billion](#) in rebates to nearly 13 million Americans in 2012 and [\\$500 million](#) in rebates in 2013. On average, 8.5 million consumers received rebates of approximately [\\$100 per family](#) from insurers in 2013.

Rate Reviews to Control Cost Increases: Under the ACA, insurance companies must justify to state insurance regulators and the Department of Health and Human Services all proposals to increase rates by more than [10% in a single year](#), and the Department may reject proposed increases if it determines they are unreasonable. In 2012, this rate review process saved consumers approximately [\\$1.2 billion in premiums](#) compared to the amounts requested by insurers.

HHS Report Finds Premiums 16% Lower Than Projected: On September 25, 2013, the Department of Health and Human Services issued a report explaining that actual premium rates under the ACA are “[16 percent lower than projected](#).” This calculation was made before taking into account the [significant benefits](#) of premium tax credits: “Tax credits will make premiums even more affordable for individuals and families. ... For a family of four in Texas with income of \$50,000, they could pay \$282 per month for the second lowest cost silver plan, \$239 for the lowest cost silver plan, and \$57 per month for the lowest bronze plan after tax credits.”

Center for American Progress Report Finds \$190 Billion in Savings: On October 21, 2013, the Center for American Progress reported that the ACA’s lower-than-projected premiums will save the federal government [\\$190 billion](#) over the next ten years: “The Affordable Care Act is already working: Intense price competition among health plans in the marketplaces for individuals has lowered premiums below projected levels. As a result of these lower premiums, the federal government will save about \$190 billion over the next 10 years, according to our estimates. These savings will boost the health law’s amount of deficit reduction by 174 percent. ... In short, the Affordable Care Act is working even better than expected, producing more coverage for much less money.”

CBO Report on Slowing Growth in Health Care Spending: On September 19, 2013, CBO Director Doug Elmendorf issued a paper concluding: “The slowdown in health care cost growth has been sufficiently [broad and persistent](#) to persuade us to make significant downward revisions to our projections of federal health care spending.” These reductions are “apparently not because of the financial turmoil and recession but because of other factors affecting the behavior of beneficiaries and providers.” Relative to its 2010 baseline projections through 2020, CBO found

that Medicare spending is [15% lower](#) than projected; Medicaid spending is [16% lower](#) than projected; and private health insurance premiums per enrollee are [9% lower](#) than projected.

CMS Report on Slowing Growth in Health Care Spending: On January 6, 2014, the Centers for Medicare and Medicaid Services issued a report finding that: “Overall national health expenditures grew at an annual rate of [3.7 percent in 2012](#), marking the fourth consecutive year of low growth.” This marks the lowest growth rate in health care spending since the government began keeping these statistics in 1960.

CMS Report on Slowing Growth in Health Care Spending: On January 6, 2014, the Centers for Medicare and Medicaid Services issued a report finding [significant slowing](#) in the growth of healthcare spending. The report provided data showing that from 2010 to 2012, healthcare spending grew [at only 1.1% per year](#) in real per capita terms, which is the lowest rate in 50 years.