

SECURITY FOR OUR SENIORS — RESPONSIBILITY TO OUR CHILDREN — NOT A DIME ADDED TO THE DEFICIT — AFFORDABILITY FOR THE MIDDLE CLASS — CHILDREN — NOT A DIME ADDED TO UNITED STATES SENATOR HARRY REID OF NEVADA SENIORS — RESPONSIBILITY TO OUR C

# AFFORDABLE CARE ACT

## THREE YEARS LATER: THE BENEFITS OF THE AFFORDABLE CARE ACT FOR NEVADA

The *Affordable Care Act*, which was signed into law by President Obama on March 23, 2010, is already helping to ensure that hardworking families in Nevada have access to quality, affordable health coverage. Thanks to this law, Nevadans are free from worrying about losing their insurance coverage due to a mistake on an application, or lifetime limits on coverage that can overwhelm families when someone is in an accident or becomes sick. The law provides resources to Nevada to increase oversight of double-digit premium increases from insurance companies. Health reform reduces costs for families and businesses and has already made it illegal for insurance companies to deny coverage to children because of a pre-existing condition. Young adults can now remain on their parents' policies until age 26, helping them get off to a good start as the economy continues to recover. And insurance companies now have to cover certain preventive services like mammograms and other cancer screenings with no out-of-pocket costs. The new law also makes a significant investment in state and community-based efforts that promote public health, prevent disease, and protect against public health emergencies.

Specifically, the *Affordable Care Act* is already helping Nevadans by:

### Providing New Benefits and Lowering Costs for Medicare Beneficiaries

In 2012 alone, 166,818 Nevadans on Medicare received one or more free preventive services – such as mammograms and colonoscopies – or a free annual wellness visit with their doctor. Also, in 2010, more than 25,077 Nevada residents who hit the Medicare prescription drug coverage gap known as the “donut hole” received a one-time \$250 tax-free rebate. In 2012, 22,122 people in the Medicare donut hole received a 50 percent discount on their covered brand-name prescription drugs and a 14 percent discount on generic drugs, resulting in an average savings of \$611 per person, and a total savings of \$32,957,815 in Nevada since the law was enacted in 2010. These savings for seniors will increase in the coming years — by 2020, the law will close the donut hole completely.

### Lowering Taxes for Small Businesses

The law provides \$20 billion in tax credits to as many as four million small businesses, including up to 30,345 in Nevada, to help offset the costs of purchasing coverage for their employees and make premiums more affordable.

### Supporting Nevada's Work on Health Insurance Marketplaces

Nevada has received almost \$74.8 million in grants for research, planning, information technology development, and implementation of Health Insurance Marketplaces, where Nevadans will be able to shop for the health insurance option that best meets their needs. To learn how the funds are being used in Nevada, [click here](#).

- **\$1 million Planning Grant:** This grant provides Nevada the resources needed to conduct the research and planning necessary to build a better Health Insurance Marketplace and determine how it will be operated and governed.

- **\$73.8 million in Establishment Grants:** These grants are helping Nevada continue its work implementing key provisions of the *Affordable Care Act*, including the ongoing development of the Silver State Health Insurance Exchange, which was established during the 2011 legislative session by passage of Senate Bill 440.

## Preventing Illness and Promoting Health

All 379,860 of Medicare enrollees in Nevada have access to preventive services such as colorectal cancer screenings, mammograms, and an annual wellness visit without copayments, coinsurance, or deductibles. In 2011 and 2012, 71 million Americans, including 615,000 Nevadans with private health insurance gained preventive service coverage with no cost-sharing. Since 2010, Nevada has received \$7.5 million in grants from the Prevention and Public Health Fund, which was also authorized by the *Affordable Care Act*. This new fund was created to support effective policies in communities across Nevada and the country so that all Americans can lead longer, more productive lives. Starting on August 1, 2012, new and renewed health insurance plans started providing women with access to a full range of preventive services without co-pays or deductibles. This includes important preventive services like: annual well-women visits, FDA approved contraception, HIV screening and counseling, sexually transmitted infection counseling, screening for gestational diabetes, breastfeeding consultation and supplies, and screening and counseling for domestic violence. Almost 400,000 women in Nevada are now expected to have access to these additional preventive services with no out-of-pocket costs.

## Providing New Coverage Options for Young Adults

The law allows parents to keep their children up to age 26 without job-based coverage on their insurance plans. As of December 2011, 33,000 young adults in Nevada gained insurance coverage as a result of the law.

## Covering Children with Pre-Existing Conditions

Most insurance companies are now banned from denying coverage to children because of a pre-existing condition. An estimated 35,600 kids with a pre-existing condition in Nevada will be protected because of this provision. In 2014, insurers will be banned from discriminating against anyone with a pre-existing condition.

## Removing Lifetime Limits on Health Benefits

The law bans insurance companies from imposing lifetime dollar limits on health benefits, freeing cancer patients and individuals suffering from other chronic diseases from having to worry about going without treatment because of their lifetime limits. Already, 937,000 residents, including 329,000 women and 269,000 children, are free from worrying about lifetime limits on coverage. The law also restricts the use of annual limits and bans them completely in 2014.

## Making it Illegal for an Insurance Company to Drop Coverage When You Get Sick

The law bans insurance companies from dropping coverage when an individual gets sick because of simple mistake on an application. This will protect Nevadans who buy coverage on the individual marketplace from losing their insurance when they need it most.

## Increasing the Value of Your Premium Dollar

Under the law, insurance companies must now provide consumers greater value by spending at least 80 percent of premium dollars on health care and quality improvements instead of overhead, executive salaries, or marketing. If they do not comply with this requirement, they must compensate consumers by providing a rebate or reducing premiums. As a result, 46,590 Nevada residents with private insurance coverage received \$4,548,500 in rebates from insurance companies in 2012 alone. These rebates averaged \$180 for the 25,300 families in Nevada covered by an insurance policy.

## Scrutinizing Unreasonable Premium Increases

In every state, and for the first time under federal law, insurance companies are required to publicly justify their actions if they want to raise rates by 10 percent or more. Nevada has received \$5 million under the health reform law to help fight unreasonable premium increases. We are already seeing the impact of these policies: nationwide, the average premium increase in 2012 was 30 percent lower than in 2010.

## Strengthening Economic Growth in Nevada

Since the President signed the *Affordable Care Act* into law in 2010, the economy has created nearly 6.2 million private sector jobs, with the health care sector one of the largest contributors to employment growth. Experts predict that the *Affordable Care Act* will create anywhere from 250,000 – 400,000 jobs each year.

## Lowering Costs for Early Retiree Coverage

An estimated 38,600 people from Nevada retired before they were eligible for Medicare and have health coverage through their former employers. Unfortunately, the number of firms that provide health coverage to their retirees has decreased over time. But thanks to the creation of the Early Retiree Reinsurance Program in the *Affordable Care Act*, 24 employers in Nevada have been approved to receive support so they can continue to provide health coverage to their early retirees—lowering total health care costs.

## Creating New Coverage Options for Individuals with Pre-Existing Conditions

As of August 2012, 1,373 previously uninsured residents of Nevada who were prevented from getting health insurance because of a pre-existing condition are now insured through a new Pre-Existing Condition Insurance Plan that was created under the new health reform law.

## Providing More Resources for Nevada

The law provides states with federal support for their work to build and strengthen the health care workforce, crack down on waste, fraud and abuse, and support public health initiatives. Examples of *Affordable Care Act* grants to Nevada include:

- **\$322,800 to support the National Health Service Corps** by assisting Nevada in repaying educational loans of health care professionals in return for their commitment to practice in areas with a shortage of health care professionals.
- **\$700,000 to help Nevada reduce health care fraud** by identifying efficient and effective procedures for long-term care facilities to conduct background checks on prospective employees, thereby protecting its residents.
- **\$200,000 to support outreach to eligible Medicare beneficiaries** about their benefits.
- **\$287,100 for Family-to-Family Health Information Centers**, organizations run by and for families with children with special health care needs.
- **\$400,000 for disease demonstration projects** to test approaches that may encourage behavior modification among Medicaid beneficiaries and determine solutions.
- **\$3.1 million for Maternal, Infant, and Early Childhood Home Visiting Programs**, which bring health professionals to meet with at-risk families in their homes and connect families to the kinds of help that can make a real difference in a child's health, development, and ability to learn - such as health care, early education, parenting skills, child abuse prevention, and nutrition.

## Increasing Support for Community Health Centers

The *Affordable Care Act* increases the funding available to community health centers in all 50 states, including the 30 sites in Nevada that provide preventive and primary health care services to 57,987 people. Health centers in Nevada have received almost \$8.3 million from the *Affordable Care Act*. These funds are being used to create new health center sites in medically-underserved areas, enable existing health centers to increase the number of patients served, expand preventive and primary health care services, and support major construction and renovation projects.

## Reducing the Health Care Workforce Shortage

Nearly 13 percent of Nevada residents live in an underserved area. The law includes new resources to boost the number of doctors, nurses and health care providers in communities where they are needed most. These resources include grants, scholarships, loan repayment programs, as well as increased support for educational institutions that provide training for a range of health care careers. Due to the health care reform law, Nevada received more than 70 graduate medical education training slots because physicians who train in our state will stay there to practice when they complete their educations.

# MORE BENEFITS IN THE YEARS AHEAD

## Tax Credits to Make Health Care More Affordable

In 2014, new tax credits will help middle class families afford health insurance. Tax credits will be available for middle-income families to purchase coverage through the Health Insurance Marketplaces. The Congressional Budget Office estimates that up to 19 million Americans will receive tax credits. When the impact of new premium tax credits is taken into account, many people in the individual market could see their premiums drop by up to 60 percent compared to their current premiums.

## Expanding Coverage through Medicaid

In 2014, states choosing to expand their Medicaid programs, including Nevada, will receive new funding to cover low-income individuals. The Congressional Budget Office estimates that 12 million people will gain coverage through this expansion. The federal government will cover 100 percent of the costs of expansion at the outset, and overall, states' share of each Medicaid enrollee's health care expenses will decrease by 4.5 percent from today's levels. As more Americans gain coverage, states and local governments are estimated to save approximately \$70-80 billion in uncompensated care, which exceeds new costs to states of expanding Medicaid. In Nevada, an additional 78,000 people will be eligible for coverage and the state estimates that Nevada will add 3,400 to 8,600 jobs as a result of this expansion. In order to ensure that there will be enough primary care physicians to keep up with the anticipated increased demand, primary care physician rates in Medicaid have been increased to rates equal to Medicare rates with full federal funding for 2013 and 2014.

## Reducing the Deficit

The Congressional Budget Office projects that the *Affordable Care Act* will reduce the deficit by more than \$1 trillion in the next two decades.