

# PUTTING THE PIECES TOGETHER



*What does the new health care law mean for Tennessee & me?*

# TENNESSEE HEALTH CARE CAMPAIGN



*Part of the continuum of justice...*

*Since 1989, THCC and its supporters have been on a mission for health care justice for all Tennesseans.*

- ✓ Working for fairness and justice
- ✓ Acting for practical purpose
- ✓ Uniting for the common good
- ✓ Statewide, nonprofit, non-partisan consumer advocacy

- Not a govt. agency
- No govt. funding



# HEALTH CARE REFORM CONTINUUM



- ✓ 100 years, 6 presidents, and many thousands of people like you
- ✓ Key related improvements: Social Security, Medicare, Medicaid (TennCare), and CHIP (CoverKids)

# WHAT IS YOUR HEALTH CARE STORY?

## AND HOW DOES HEALTH REFORM FIT INTO THE NEXT CHAPTER?



Is someone in your family uninsured?

Are you a small business owner unable to provide coverage to your employees?

Struggling with medical debt?

Are you worried about losing your job?

Have you put off care you need because it costs too much?

Are your monthly premiums going up?

Concerned about the deficit?

Does someone in your family have a chronic illness?

# FAIRNESS & CHOICES WE ALL CAN COUNT ON



Health reform law requires that members of Congress get their health coverage from the same plans as millions of Americans.

It will also make healthcare coverage more secure by ensuring that working families cannot be denied coverage due to a pre-existing condition, or lose their coverage or be forced into bankruptcy when someone gets sick.

# KEY ELEMENTS



At full implementation, the health care law will lead to these positive outcomes for Tennesseans:

- ✓ Improve coverage for 3.69 million insured
- ✓ Extend coverage to 650,000 uninsured
- ✓ Guarantee coverage to 104,400 with pre-existing conditions
- ✓ 1.7 million Tennesseans will get premium assistance and tax credits to help buy insurance
- ✓ Tax credits to 66,500 small businesses
- ✓ Improve Medicare for 1 million beneficiaries
- ✓ Protect 22,000 families from medical bankruptcy
- ✓ Allow 475,000 young adults to stay on their parent's plan
- ✓ Help fund 185 community health centers
- ✓ Reduce the costs of uncompensated care by \$603 million

# BENEFITS BEGIN THIS YEAR



- ✓ End lifetime caps on coverage
- ✓ Insurers banned from rescissions and denying children with pre-existing conditions
- ✓ Parents have the choice to keep their kids, up to age 26, on their insurance plans
- ✓ \$250 rebate to off-set Medicare doughnut hole
- ✓ Small business tax credits
- ✓ Protection for consumers from being overcharged by hospitals and subjected to extraordinary collection actions
- ✓ Invest in the health professional workforce through expanded training, scholarships, and loans
- ✓ Increase quality and access with new federal funding for community health centers
- ✓ Temporary federal high-risk pool, in addition to Access TN

# IMPLEMENTATION TIMELINE



- **2010**

- ✓ Benefits we just discussed

- **2011**

- ✓ Medicare Advantage reforms
- ✓ Early Medicaid expansion
- ✓ Grants to establish wellness programs
- ✓ Community-based Collaborative Care Network
- ✓ Teaching Health Centers

- **2012**

- ✓ Equity and new options for Medicare
- ✓ Enhanced collection & reporting of medical demographic data to address health disparities

- **2013**

- ✓ Wellness incentives
- ✓ Increase Medicaid payments for primary care services/doctors
- ✓ Increase tax deductions for out-of-pocket medical costs

- **2014**

- ✓ TN Insurance Exchange begins
- ✓ Premium subsidies to help people purchase insurance
- ✓ Small business tax credits increase up to 50% of premiums

# KEY ELEMENTS



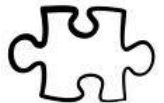
Consumer Protections & Insurance Regulations



Improved Coverage & Access



Cost Savings & Affordability



Quality Improvements, Health Care Delivery

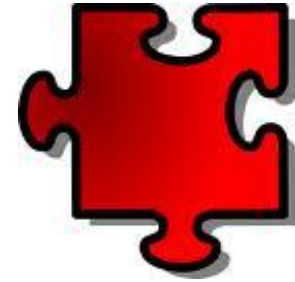


Economics – Bend Cost Curve, Funding



You

# CONSUMER PROTECTIONS



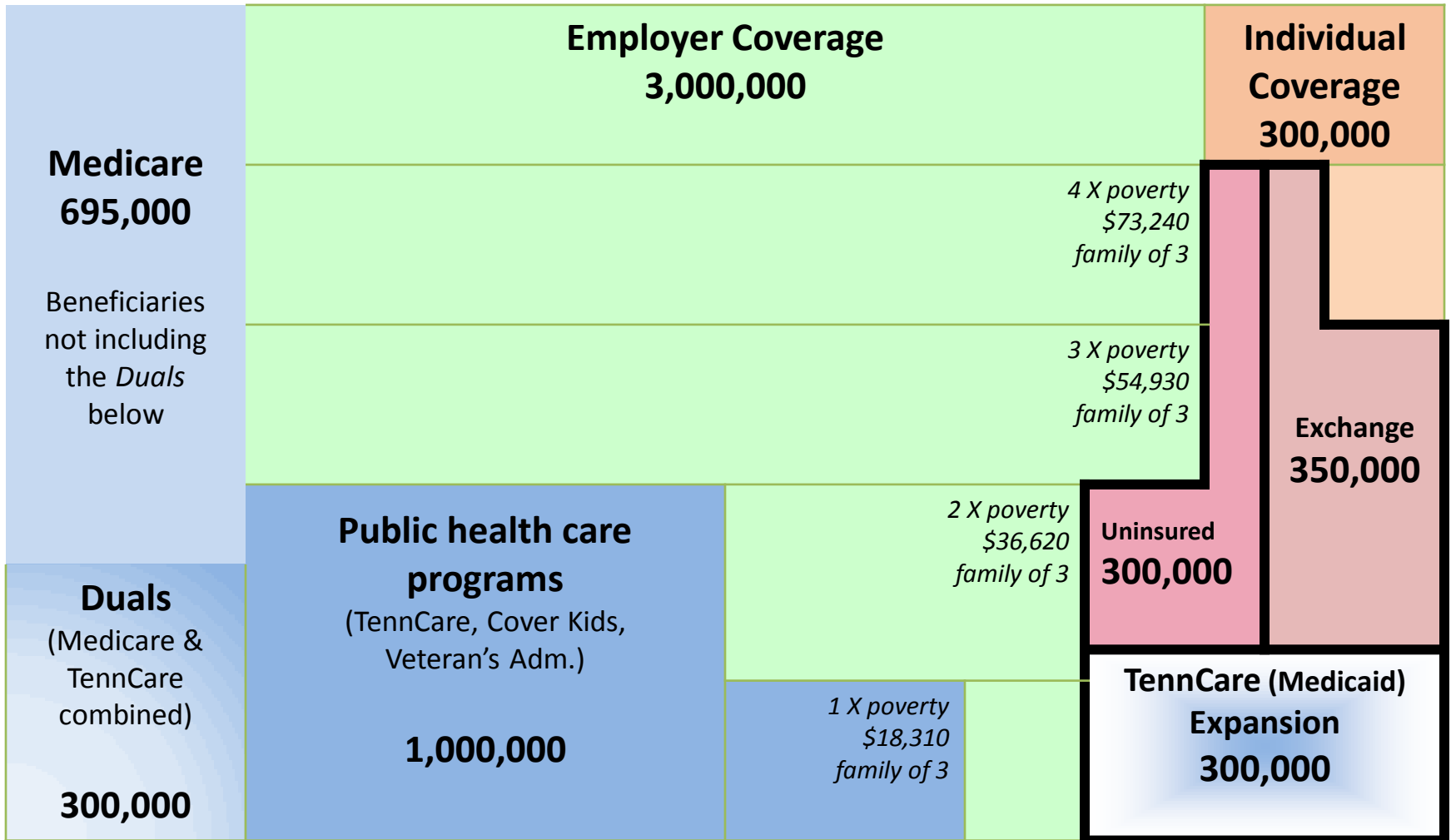
- ✓ New regulations on the health insurance industry to protect patients and consumers – Now through 2010
- ✓ Rescission ban - can't drop your policy if you get sick (2010)
- ✓ Ban pre-existing conditions exclusions – can't refuse to sell you a policy or deny coverage because you have a medical condition (children 2010, adults 2014)
- ✓ Ban lifetime caps on coverage (2010)
- ✓ Women no longer overcharged because of gender (2014)
- ✓ Hospital transparency/accountability (begins this year)

# COVERAGE & ACCESS



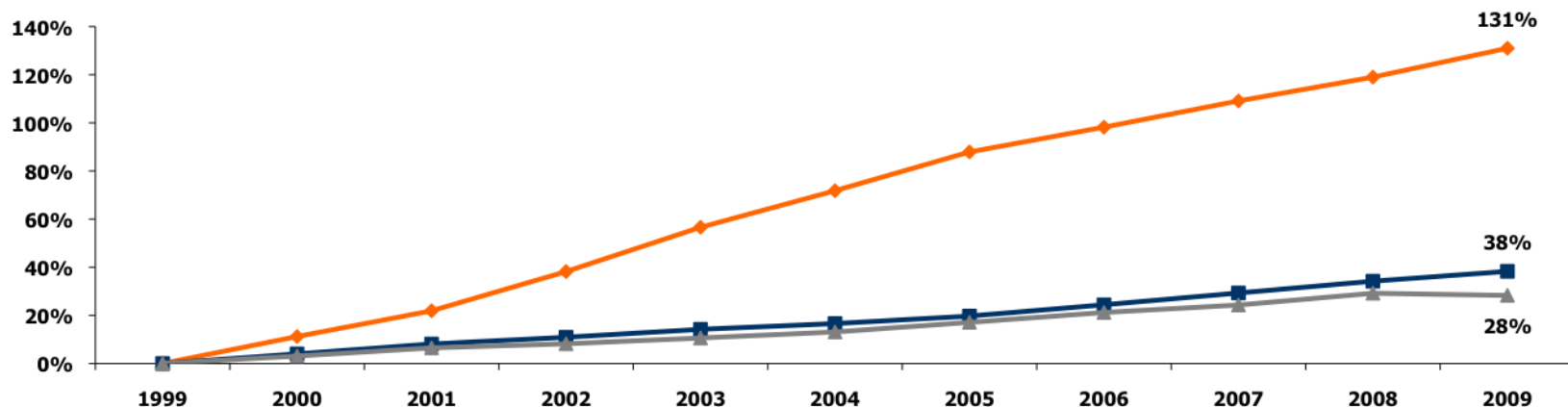
- ✓ If you like what you have, you can keep it
- ✓ How will Tennesseans be covered?
  - ✧ Public and private options: *Medicare, Medicaid & other public programs; employer sponsored insurance, individual market insurance, temporary high-risk pool, the Exchange*
- ✓ Parents can choose to keep kids on their policy until age 26
- ✓ Community health centers, primary care
- ✓ People with pre-existing conditions have choice of 2 high-risk pools
- ✓ State-based insurance exchange (a.k.a. marketplace)
- ✓ Individual mandate
- ✓ Free preventative & wellness care

# Health Reform is Good for 6 Million Tennesseans



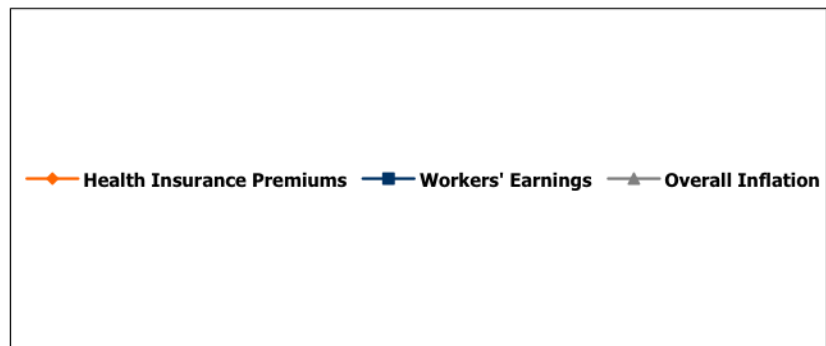
Currently, about 5 million Tennesseans are insured through Medicare, Duals, public health programs, employer coverage, and individual market. These coverage types remain in place under Reform. About 650,000 currently uninsured with gain coverage under new reform. New coverage is shown within bold lines (right side of chart): the Exchange and TennCare Expansion. Approximately 300,000 will remain uninsured either by choice or for short periods due to becoming aware and adding or changing insurance.

# Cumulative Changes in Health Insurance Premiums, Inflation, and Workers' Earnings, 1999-2009



Note: Due to a change in methods, the cumulative changes in the average family premium are somewhat different from those reported in previous versions of the Kaiser/HRET Survey of Employer-Sponsored Health Benefits. See the Survey Design and Methods Section for more information, available at <http://www.kff.org/insurance/7936/index.cfm>.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2009. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2009; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2009 (April to April).



Tennessee Health Care Campaign  
[www.thcc2.org](http://www.thcc2.org)

# COST SAVINGS & AFFORDABILITY



## Starting this year:

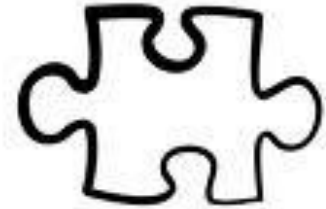
- ✓ Small business tax credits
- ✓ Medicare: \$250 rebate for “doughnut hole” this year
  - Rebates increase until doughnut hole is closed in 2020
- ✓ Free preventative care
- ✓ Protection from medical bankruptcy

## Starting in 2014:

- ✓ Premium assistance
- ✓ Free-choice vouchers

*According to the Congressional Budget Office,  
health reform will reduce the cost of a given plan in the small group market by 1-4% by 2016*

# QUALITY IMPROVEMENTS, HEALTH CARE DELIVERY



- ✓ Increase health care workforce
- ✓ National quality improvement strategy focused on patient-centered outcomes
- ✓ Emphasis on prevention & wellness
- ✓ Community-based network of care
- ✓ Provider transparency and disclosure of financial ties
- ✓ Improve health information technology and data sharing to reduce medical errors, improve quality of care & increase access for rural communities

# ECONOMICS



## ✓ Jobs, entrepreneurship & long-term sustainability

- Increase health care work force and facilities

*Est. 5,000 to 7,900 new jobs in TN each year* (Source: U.S. Public Interest Research Group)

- End “job lock” and promote the American Dream

## ✓ Funding & Savings

### Major cost savings

- Pooling risk and resources, increased competition
- Efficiency and effectiveness measures

### Funding & Revenue

- \$400 billion saved by ending overpayments to private Medicare Advantage plans & paying for quality rather than quantity of care
- \$107 billion from fees levied on insurance companies, pharmaceutical & medical device manufacturers

*Did you know?*

*The Congressional Budget Office estimates that the health reform law will reduce the deficit by \$28 billion over 10 years.*

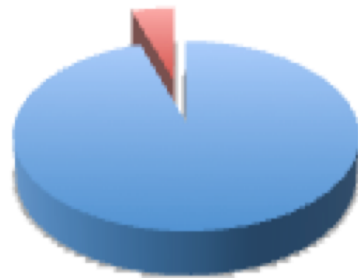
# ECONOMICS



## Federal & State Funding

*For each \$1 spent on expanding coverage, Tennessee invests 5¢ & federal government invests 95¢*

### Coverage Expansion: Investment in Tennessee 2014 - 2019



■ Fed \$21.5 bil  
■ State \$1.1 bil

All states & all Americans get similar funding deal



Source: Congressional Budget Office.

cbpp.org

You



### Commit to educating others:



Lawmakers, community leaders, other advocates, medical professionals, church members

Commit to keep learning and helping THCC fit the pieces together to maximize understanding and to continue to improve upon the new law



# THCC RESOURCES

## ✓ Local THCC contact info

Susan McKay

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[smckay@thcc2.org](mailto:smckay@thcc2.org)

## ✓ Website

[www.thcc2.org](http://www.thcc2.org)

