



## OVERVIEW

### BIG IDEA

The Affordable Care Act is a complex law that changes the landscape of healthcare in the U.S.

### OBJECTIVE

**11.4:** Describe how the Affordable Care Act addresses concerns of health care in the United States

### AGENDA

1. The ACA: What do you know?
2. ACA Summary (Reading)
3. ACA Scenarios
4. Weighing Coverage Choices

### HOMEWORK

Use the information on three insurance plan options from the marketplace to calculate costs and make decisions about the best plan for three hypothetical healthcare consumers.

# LESSON 11.4

## Affordable Care Act (ACA)

### SUMMARY:

This lesson will carve out space for students to learn some of the basics of the Affordable Care Act. Students will begin by identifying what they already know or have heard about the ACA, both positive & negative. Then they will read about some of the central provisions that make up the ACA, visiting the website ([healthcare.gov](http://healthcare.gov)) for updates. Next they will have to identify whether the ACA would help characters in a set of scenarios.

### STANDARDS:


**NHES 3.12.3:** Determine the accessibility of products and services that enhance health.



**MODULE 11: HEALTH POLICY** **LESSON 11.4**


# Affordable Care Act

**Obj. 11.4:** Describe how the Affordable Care Act addresses concerns of health care in the United States



**The ACA: What do you know?**

Discuss with a partner what you know and/or have heard about the Affordable Care Act (ACA), also termed “Obamacare.” Include both positive and negative things you have heard in your discussion?



*Read the following coverage of the ACA from [healthcare.gov](http://healthcare.gov), written prior to the launch of the ACA. Then use the information and the website [healthcare.gov](http://healthcare.gov) to respond to the scenarios that follow.*

### Health Care that Works for Americans

On March 23, 2010, President Obama signed the Affordable Care Act into law, putting in place comprehensive reforms that improve access to affordable health coverage for everyone and protect consumers from abusive insurance company practices.

For those Americans who already have health insurance, the only changes you will see under the law are new benefits, better protections from insurance company abuses, and more value for every dollar you spend on health care. If you like your plan you can keep it and you don't have to change a thing due to the health care law. The President addressed concerns from Americans who have received letters of policy cancellations or changes from their insurance companies in an interview with NBC News, watch the video or read a transcript.

For the uninsured or those who don't get their coverage through work, a key component of the Affordable Care Act will take effect on October 1, when the new Health Insurance Marketplace open for business, allowing millions of Americans to comparison shop for a variety of quality, affordable plans that best meet their health care needs.

### Consumer Rights and Protections

In the past, insurance companies could take advantage of you. They could deny coverage to children who had asthma or were born with a heart defect, put a lifetime cap on the amount of care they would pay for, or cancel your coverage when you got sick just by finding an accidental mistake in your paperwork. The Affordable Care Act creates a new Patient's Bill of Rights that protects you from these and other abusive practices.

**End to Pre-Existing Condition Discrimination:** Insurance companies can no longer deny coverage to children because of a pre-existing condition like asthma and diabetes, providing peace of mind for parents of the more than 17.6 million children with pre-existing conditions. Starting in 2014, no American can be discriminated against due to a pre-existing condition.

**End to Limits on Care:** In the past, some people with cancer or other chronic illnesses ran out of insurance coverage because their health care expenses reached a dollar limit imposed by their insurance company. Under the health care law, insurers can no longer impose lifetime dollar limits on essential health benefits and annual limits are being phased out by 2014. More than 105 million Americans no longer have lifetime limits thanks to the new law.

**End to Coverage Cancellations:** Insurance companies can no longer drop your coverage when you get sick due to a mistake you made on your application.

**DO NOW:**

Ask students what their sources of information on the ACA have been up to this point (ex: parents/relatives/friends opinions, news stories, blogs, etc.)

**READ:**

Inform students that the actual written ACA law is 906 **pages long**. Ask, “Why do you think it is this long? What are the consequences of the law being so long and complex?”



## More Affordable Coverage

The law helps you by bringing down health care costs and making sure your health care dollars are spent wisely. Insurance companies will now be accountable to their customers for how they are spending premium dollars, and how much they are raising rates. Plus, the new law will help lower costs through new tax credits and new marketplaces where insurers will have to compete for your business.

**Value for Your Premium Dollar:** Thanks to the Affordable Care Act's 80/20 rule, if insurance companies don't spend at least 80 percent of your premium dollar on medical care and quality improvements rather than advertising, overhead and bonuses for executives, they will have to provide you a rebate. In 2012, 8.5 million people received half a billion dollars in refunds.

**Stopping Unreasonable Rate Increases:** In every State and for the first time ever, insurance companies are required to publicly justify their actions if they want to raise rates by 10 percent or more.

**Small Business Tax Credits:** Small businesses have long paid a premium price for health insurance – often 18 percent more than larger employers. The tax credit will benefit an estimated 2 million workers who get their insurance from an estimated 360,000 small employers who will receive the credit in 2011 alone.

## Better Access to Care

The health care law builds on what works in our health care system. And it fixes what's broken by providing you with more health insurance choices and better access to care.

**Free Prevention Benefits:** Insurers are now required to cover a number of recommended preventive services, such as cancer, diabetes and blood pressure screenings, without additional cost sharing such as copays or deductibles. Already, 54 million Americans with private health coverage have gotten better preventive services coverage as a result.

**Coverage for Young Adults:** Under the law, most young adults who can't get coverage through their jobs can stay on their parents' plans until age 26 – a change that has already allowed 3.1 million young adults to get health coverage and given their families peace of mind.

**Coverage for Americans with Pre-Existing Conditions:** Before the law, many Americans with pre-existing conditions were locked or priced out of the health insurance market. More than 50,000 Americans with pre-existing conditions have gained coverage through the new Pre-Existing Condition Insurance Plan. This temporary program makes health coverage available and more affordable for individuals who are uninsured and have been denied health insurance because of a pre-existing condition. In 2014, insurance discriminating against anyone with a pre-existing condition will be illegal.

**Expansion of Medicaid:** The Medicaid expansion to 138% of the federal poverty level (\$15, 415 for an individual and \$31, 809 for a family of four in 2012) for individuals under age 65

**Affordable Insurance Exchanges:** Affordable Insurance Exchanges are one-stop marketplaces where consumers can choose a private health insurance plan that fits their health needs. Starting in 2014, they will offer to the public the same kinds of insurance choices members of Congress will have. Exchanges will select health plans qualified to offer coverage; facilitate consumer assistance, shopping and enrollment; and coordinate eligibility for the Exchange and potential premium assistance. Already, 33 States and the District of Columbia are on their way to building Exchanges, having received at total of nearly \$670 million in Exchange Establishment Grants.

## Strengthening Medicare

Nearly 50 million older Americans and Americans with disabilities rely on Medicare each year, and the new health care law makes Medicare stronger by adding new benefits, fighting fraud, and improving care for patients. The life of the Medicare Trust Fund will be extended to at least 2024 as a result of reducing waste, fraud, and abuse, and slowing cost growth in Medicare. And, over the next ten years, the law will save the average person in Medicare \$4,200. People with Medicare who have the prescription drug costs that hit the so-called donut hole will save an average of over \$16,000.

**Lower Cost Prescription Drugs:** In the past, as many as one in four seniors went without a prescription every year because they couldn't afford it. To help these seniors, the law provides relief for people in the donut hole – the ones with the highest prescription drug costs. As a first step, in 2010, nearly four million people in the donut hole received a \$250 check to help with their costs. In 2011, 3.6 million people with Medicare received a 50 percent discount worth a total of \$2.1 billion, or an average of \$604 per person, on their brand name prescription drugs when they hit the donut hole. Seniors will see additional savings on covered brand-name and generic drugs while in the coverage gap until the gap is closed in 2020.

## READ:

Ask students, “Do you see any themes or patterns emerging in what this law promised to deliver? Based on what you know, have these promises been met?”

Navigate to [www.healthcare.gov](http://www.healthcare.gov) (on screen if possible) and show students where to find different types of information on the topics summarized in this reading.



**Free Preventive Services:** Under the new law, seniors can receive recommended preventive services such as flu shots, diabetes screenings, as well as a new Annual Wellness Visit, free of charge. So far, more than 32.5 million seniors have already received one or more free preventive services, including the new Annual Wellness Visit.

**Fighting Fraud:** The health care law helps stop fraud with tougher screening procedures, stronger penalties, and new technology. Thanks in part to these efforts, we recovered \$4.1 billion in taxpayer dollars in 2011, the second year recoveries hit this record-breaking level. Total recoveries over the last three years were \$10.7 billion. Prosecutions are way up, too: the number of individuals charged with fraud increased from 821 in fiscal year 2008 to 1,430 in fiscal year 2011 – nearly a 75 percent increase.

**Improving Care Coordination and Quality:** Through the newly established Center for Medicare and Medicaid Innovation, this Administration is testing and supporting innovative new health care models that can reduce costs and strengthen the quality of health care. So far, it has introduced 16 initiatives involving over 50,000 health care providers that will touch the lives of Medicare and Medicaid beneficiaries in all 50 states.

**Providing Choices while Lowering Costs:** The number of seniors who joined Medicare Advantage plans increased by 17 percent between 2010 and 2012 while the premiums for such plans dropped by 16 percent – and seniors across the nation have a choice of health plans.



## ACA Scenarios

**Directions:** Identify how each person will benefit from the Affordable Care Act. Answer in complete sentences.

**Scenario #1:** Marcus is 23 years-old who has recently enrolled in college. After high school, he was dropped from his parents' insurance plan because he was not a full time student, and the part-time job he was working did not offer any health insurance. How will Marcus benefit from the Affordable Care Act?

**Scenario #2:** Bob has diabetes and spends a lot of money each month on his insulin and diabetic testing equipment. When he lost his job in 2000, he could not afford the monthly premiums of his health insurance plan without his employer's assistance. After Bob was dropped from his health insurance, he could not find another plan that would cover him due to his diabetes. How will Bob benefit from the Affordable Care Act?

**Scenario #3:** Sally is 60-years-old and she routinely does not get mammograms to check for breast cancer because she could not afford the cost of the test even with her insurance plan. How will Sally benefit from the Affordable Care Act?

### THINK:

**Scenario #1:** The ACA will allow him to be covered on his parents' plan until age 26.

**Scenario #2:** Among other benefits, Bob will not be excluded from any plan or charged more because of his pre-existing condition.

**Scenario #3:** ACA requires providers to cover free preventive screenings per recommendation of medical associations.

**Scenario #4:** Under ACA states will be expanding Medicaid, so she may qualify now.



**Scenario #4:** Maria works two part-time jobs. She makes a total salary of \$14,232, which has been above 100% of the poverty line. Since she does not have any children, she has not qualified for Medicaid at this income level. How will Maria benefit from the Affordable Care Act?



**Weighing Choices for Coverage**

All Americans were required to obtain health insurance by January 1, 2014. Below were three options for health insurance through the Marketplace. Help each of the following individuals calculate the amount they would spend in one year (health costs + premiums) based on their health expenses for the previous year to determine the best option. (Use a separate sheet of paper to show your calculations & decisions for each scenario!)

**Scenario #5:** Bob has high blood pressure and takes a preferred formulary prescription that he must refill each month. Without insurance his blood pressure medication would be \$356.

**Scenario #6:** Last year the only health expense the Anne had was the co-pay for her yearly physical (preventative) and her monthly birth control prescription which was a preferred generic prescription (birth control will be 100% covered, without co-payments in 2014).

**Scenario #7:** Sally is expecting a child in March. The cost of delivering a child (maternity coverage) is about \$10,000.

	Blue Choice Bronze PPO <sup>SM</sup> 008	Blue Choice Silver PPO <sup>SM</sup> 004	Blue Choice Gold PPO <sup>SM</sup> 002
	\$124.84	\$181.77	\$226.16
	Select Save for Later	Select Save for Later	Select Save for Later
<b>Quote Profile</b>			
Effective Date	01/01/2014	01/01/2014	01/01/2014
Zip Code	60608	60608	60608
Applicants	1	1	1
<b>Plan Features</b>			
Individual Out-of-Pocket Maximum	\$6000.00	\$6350.00	\$3500.00
<b>Plan Features</b>			
Benefit Level	Bronze	Silver	Gold
Individual Deductible	\$6000.00	\$3000.00	\$1500.00
Family Deductible	\$12700.00	\$9000.00	\$4500.00
Coinsurance	100%	80%	80%
Lifetime Benefit	No Limit	No Limit	No Limit
Well-Adult Care	100%	100%	100%
Well-Child Care	100%	100%	100%
<b>Medical Coverage Details</b>			
Preventive Care	100%	100%	100%
Maternity Coverage	100% Coinsurance after Deductible	\$250 Copay then 80% Coinsurance after Deductible	\$200 Copay then 80% Coinsurance after Deductible
Inpatient Hospital Services Medical/Surgical Services	100% Coinsurance after Deductible	\$250 Copay then 80% Coinsurance after Deductible	\$200 Copay then 80% Coinsurance after Deductible
<b>Outpatient Prescription Drug Details</b>			
Preferred Generics	100% Coinsurance after Deductible	\$0.00	\$0.00
Non Preferred Generics	100% Coinsurance after Deductible	\$10.00	\$10.00
Preferred Formulary	100% Coinsurance after Deductible	\$50.00	\$35.00

**HOMEWORK:**

The purpose of this homework assignment is to give students a challenge that portrays real life. Making complex decisions and using data/evidence to do cost-benefit comparison is a skill that translates to life and almost any job.