



WVAHC Reform News

West Virginians for Affordable Health Care

Volume 5

Spring 2010

Issue 2

WVAHC Begins a Public Education Campaign On National Health Care Reform

Most Americans say they are confused about the new health care reform bill, according to a recent poll by the Kaiser Family Foundation. It's no wonder, given that this is the biggest overhaul of our health care system since Medicare and Medicaid were adopted in the 1960s. The success of the new legislation hinges in large part on how well health care consumers understand the bill's purposes and provisions. West Virginians for Affordable Health Care (WVAHC) is conducting an extensive public education campaign throughout the state. This campaign consists of:

- Publishing *A Guide to National Health Care Reform and What It Means for West Virginia*. This is a comprehensive overview of the Patient Protection and Affordable Care Act (PPACA) and its impact on West Virginia's families and businesses. WVAHC will also publish a two page summary of the PPACA as well as a one page summary of the Act's impact on Medicare and another one-page summary on what reforms will be implemented within a year. All of these publications will be posted on our web site www.wvahc.org.

Health Care Reform Summit Scheduled

On August 30th and 31st, WVAHC and other organizations will host a Health Care Reform Summit at the Charleston Marriott. This two day conference will have national speakers representing consumers and physicians, with presentations on how insurance reform and delivery system reform will impact West Virginia and the role of state government in implementing health care reform. And we will begin the discussion of how West Virginia implements this historic piece of legislation. Hold the dates and watch for details on our web site, www.wvahc.org.

- WVAHC, in conjunction with other organizations, is sponsoring Town Meetings around the state. These meetings include:
 - o **Parkersburg**, Wednesday, May 12th in the Parkersburg City Council Chambers from 7 to 8:30 PM.
 - o **Wheeling**, Thursday, May 13th at the West Virginia Northern Community College from 7 to 8:30 PM.
 - o **Elkins**, Monday, May 17th, Randolph County Court House Annex from 7 to 8:00 PM.
 - o **Morgantown**, Wednesday, May 19th at South Middle School from 7 to 8:30 PM.
 - o **Shepherdstown**, Wednesday, May 26th at the Robert C. Byrd Center on Legislative Studies, Shepherd University campus from 7 to 8:30 PM.
 - o **Beckley**, Thursday, June 17th, the Raleigh County Senior Center at 12 Noon.

All Town Meetings are free and open to the public. At the meetings, Perry Bryant, Executive Director of WVAHC, will provide an overview of the PPACA. Following this presentation at most of the meetings, there will be a panel discussion, followed by a question and answer period.

WVAHC Executive Director Receives Awards

Perry Bryant was honored twice this spring for his leadership on health care reform efforts. On April 16th, he was presented with the Si Galperin in Defense of Democracy Award from WV-CAG. On April 29th he received the 2010 Public Citizen Award from the National Association of Social Workers West Virginia Chapter. "I am honored to be associated with Si Galperin, who was one of my heroes. And am honored to be recognized by social workers who give so much, and improve the well being of some many West Virginians everyday."

An Overview of National Health Care Reform

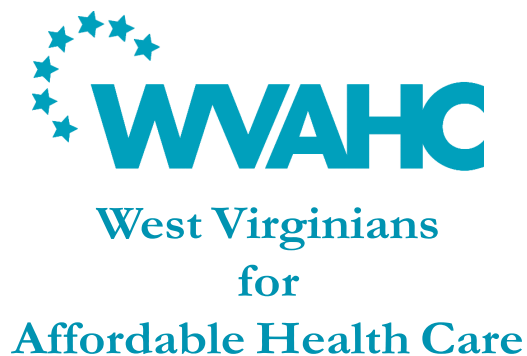
by West Virginians for Affordable Health Care

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (PPACA). The heart of this historic piece of legislation is to expand health insurance to an additional 32 million Americans and to adopt fundamental reforms of the insurance industry. Additionally, the Act curbs health care costs, particularly in Medicare, while emphasizing quality.

Below is an overview of the major reforms. A more detailed explanation can be found on our website, www.wvahc.org.

Expansion of health insurance coverage

The PPACA decreases the number of uninsured Americans by 32 million. Nearly all Americans (94 percent) will be covered by health insurance. As many as 184,000 West Virginians will gain coverage.



Perry Bryant
Executive Director

Office Phone: 304-533-7941
1544 Lee Street
Charleston, West Virginia 25311

pbryant@wvahc.org
www.wvahc.org

The four main strategies for expanding health insurance are:

- *Expansion of Medicaid:* Beginning in 2014 the eligibility for Medicaid will be expanded to 133 percent of the federal poverty level (FPL). That is about \$24,400 for a family of three. An estimated 100,000 low-income West Virginians will be covered by Medicaid.
- *Health exchanges:* The Act requires states to establish health exchanges. The health exchange is a “supermarket” for health plans, where small businesses and individuals can shop for health insurance plans best suited to their needs. The exchange will simplify the process of purchasing health insurance and promote competition and consumer choice.
- *Individual mandate and subsidies for individuals:* All individuals who can afford coverage will be required to maintain health insurance coverage. Many types of coverage, including employer-sponsored and government-sponsored health plans, meet this requirement. Individuals who earn more than the Medicaid limits but less than 400 percent of the federal poverty level (about \$73,200 for a family of three) will receive assistance with premiums and lower out-of-pocket maximums. Individuals who earn up to 250 percent FPL (about \$45,800 for a family of three) will also receive help with deductibles and co-payments on a sliding scale to make their health insurance more affordable.
- *Subsidies for small businesses:* Qualifying businesses with fewer than 25 employees will receive subsidies in order to provide health insurance to their employees.

Strong regulation of the health care industry

In exchange for enrolling millions of new consumers in private health plans, the rules for the health insurance industry will be fundamentally changed. These

An Overview of National Health Care Reform (continued)

by West Virginians for Affordable Health Care

insurance reforms will provide Americans greater health care security and help to ensure that they won't go bankrupt due to medical expenses or lose coverage when they switch jobs or start a new business.

Many reforms begin in 2010, and others take effect in 2014. Highlights include:

- *Pre-existing conditions:* The Act prohibits insurance companies from denying coverage due to pre-existing conditions. Pre-existing conditions are prohibited for children in 2010, and for adults pre-existing conditions end in 2014.
- *Policy limits and cancellations:* The Act prohibits annual and lifetime limits on health plan benefits, so that people who are very sick will no longer have to worry about their coverage running out.
- *Overhead costs:* The Act requires insurance companies to report how much money they spend on medical and pharmaceutical claims and how much they spend on administrative costs, such as executive salaries, marketing and profits. Beginning in 2011, insurance companies that spend too much on administrative expenses must make a rebate to their customers.
- *Preventive services:* New health insurance policies are required to cover effective preventive services, and insurance companies are prohibited from charging deductibles or copayments for these services.
- *Young adults:* The Act requires insurance companies to allow young adults to stay on their parent's health insurance policy until their 26th birthday.

Curbing health care costs while emphasizing quality

Skyrocketing health care costs remain a major economic challenge for businesses and families. The PPACA take a first step towards "bending the curve" and reducing the growth in health care spending by

emphasizing primary care, promoting public health initiatives, and researching which medicines and procedures produce the best patient outcomes

Paying for Health Care Reform

The projected cost of implementing the PPACA is about \$940 billion over the next ten years, according to the non-partisan Congressional Budget Office (CBO). These costs will be paid by a combination of savings in current health care spending (about \$500 billion) and new revenues (about \$438 billion). The CBO predicts that this public investment will reduce the federal deficit by \$124 billion by 2019, and by \$1.2 trillion over the following decade.

The most significant savings in current health care spending comes from slowing the rate of inflation under Medicare by: limiting increases in payments to hospitals, skilled nursing homes and home health agencies, resulting in projected savings of \$196 billion over 10 years, and phasing out the overpayment to Medicare Advantage companies, which is projected to save \$136 billion over ten years. Medicare Advantage companies are private insurance companies that provide Medicare benefits.

The primary sources of new revenue include increasing the Medicare payroll tax on single people earning more than \$200,000, and by making investment income for these wealthy taxpayers subject to the Medicare tax. There are also new fees on health care companies (insurers and drug makers, for example) in exchange for adding millions of new customers. The new fees are expected to generate about \$107 billion over 10 years. And there is a surcharge to high-cost health plans beginning in 2018.

The PPACA will cover 94 percent of the American people, bringing meaningful insurance reform, and beginning the difficult task of controlling health care costs. It is not a final solution, but it is a significant step to providing quality, affordable health care to almost all Americans.

Membership Form

West Virginians for Affordable Health Care

An extensive education campaign on health care reform is essential and I want to help with this important campaign.

Enclosed is my contribution for \$50____ \$75____ \$100____

Name: _____

Street Address: _____

City: _____ State: _____ Zip _____

Email Address : _____

(Please print clearly)

I would like to volunteer for WVAHC. Please contact me.

Please return your membership form to:

WVAHC, 1544 Lee Street, Charleston, West Virginia 25311.

--Thank you!