

What is Going on with the Repeal and Replace of the Affordable Care Act? The new American Healthcare ACT- AS OF NOW NOTHING IS CHANGING

That seems to be the question of the day. In early March, the Republicans released their greatly anticipated plan to replace the ACA (often referred to as Obamacare). Their initial plan included 2 current components of the ACA - - -

- Letting dependents up to the age of 26 years stay on their parents' plan
- Not allowing insurers to deny or charge more to people with preexisting medical conditions

Proposed changes included - - -

- Capping Medicaid funding after January 1, 2020
- No longer penalizing individuals for not having health insurance coverage
- Allowing insurance carriers to charge a 30% increase for individuals who have a gap in coverage (let their coverage lapse)
- Focusing on renegotiating prescription costs
- Expanding age rating bands from 3:1 to 5:1 to encourage younger healthier enrollees (This would have allowed the premium rates to be 5 times higher for older Americans).
- Increasing the annual limit on health savings account contributions
- Providing tax credits for people purchasing their own individual health insurance, beginning at \$2000 for younger individuals and increasing to \$4000 for older individuals. The subsidies would reportedly be determined by age and income.

It was determined that the credits would be too small to provide enough help to lower-income people and

too expensive especially for older Americans, leaving too many Americans uninsured. The Republicans modified the repeal bill on Monday 3/20 to try and obtain more votes. Under this modified version, states would be allowed, and encouraged, to require able bodied Medicaid recipients who have no dependents to work, beginning this October.

There was also discussion of expanding subsidies for older people who purchase insurance on the Marketplace. Other subject matters discussed included the provision for selling insurance across state lines and for allowing small businesses to band together to provide coverage.

The following table was taken from an article online entitled, "The American Healthcare Act of 2017. Please read the full article by clicking this link https://en.wikipedia.org/wiki/American_Health_Care_Act_of_2017

Comparison between ACA and AHCA

The following table describes major differences and similarities between the ACA and the AHCA, as originally proposed in the House

Differences and similarities between the ACA and AHCA ^{[48][49][50]}		
	ACA	AHCA
<u>Insurance mandates</u>	Individual mandate Employer mandate on larger companies	No individual or employer mandate Insurers can impose a one year 30% surcharge on

		consumers with a lapse in coverage		than \$250,000	
Aid for insurance consumers	Income-based subsidies for premiums that limit after-subsidy cost to a percent of income Tax credits for out-of-pocket expenses	Age-based refundable tax credits for premiums, phased out for higher incomes No tax credits for out-of-pocket expenses		Essential health benefits ^[51]	Insurers are required to offer ten essential health benefits Private plans are required to offer the ten essential health benefits. Some Medicaid plans are not required to offer mental health and substance abuse benefits
Medicaid	Matching federal funds to states for anyone who qualifies Expanded eligibility to 138% of poverty level income	Federal funds granted to states based on a capped, per-capita basis starting in 2020 States can choose to expand Medicaid eligibility, but would receive less federal support for those additional persons		Pre-existing conditions	Insurers are banned from denying coverage for pre-existing conditions
				Dependents staying on plan	Dependents can stay on health insurance plan until age 26
				Annual and lifetime limits	Insurers are prohibited from setting annual and lifetime limits on individual coverage
Premium age differences	Insurers can charge older customers up to three times as much as younger customers	Insurers can charge older customers up to five times as much as younger customers	As many of you know, this new health care faced strong opposition. President Donald Trump and House Speaker Paul Ryan pulled the American Health Care Act from the floor on Friday March 24th. It remains unclear how and if the ACA will change.		
Health Savings Accounts	Individuals can put \$3,400 and families can put \$6,750 into a tax-free health savings account	Individuals can put \$6,550 and families can put \$13,100 into a tax-free health savings account	What to Consider when choosing a Health Insurance policy- regardless of what changes may occur in the future, there are several factors to keep in mind when reviewing and picking an insurance policy for yourself and/or your family:		
"Cadillac" tax	Cadillac tax on high-cost employer plans implemented in 2020	Cadillac tax on high-cost employer plans implemented in 2025	What type of plan is it? HMO and EPO plans require you to stay within the network, except in an emergency, while PPO plans offer out of network coverage, but you must pay more for the out of network benefits.		
Other taxes	3.8% tax on investment income 0.9% tax on individuals with an income higher than \$200,000 or families with an income higher	Repeal of both taxes	How much do I need to pay for medical care? Do you have a deductible? Are their copays for certain services (e.g. doctors, specialists, urgent care, Rx, etc.) that are not subject to the deductible. What is your maximum out of pocket expense?		
			Is Preventative Care covered, and what is considered preventative care? Under the ACA, there		

should be no cost sharing for any services that are coded preventative.

What is the network of doctors, hospitals, pharmacies, etc. that participate with the health insurance plan? It is extremely important to check that your physicians and caregivers will be considered in network participants.

Are there any additional services aside from medical coverage included, such as dental and vision? If so, again, you need to confirm that your providers participate.

What is the prescription coverage? Are your prescriptions covered in their formulary, and if so, at what tier (e.g. generic, preferred brand, non-preferred brand). The tier will determine the price you pay for your prescription coverage.

With my clients, I feel very strongly that you need to review the above information before enrolling in a plan. That is why I always request that clients bring in names of their doctors, hospitals of choice, as well as a list of their prescriptions so we can confirm if they will be covered, and at what level.

UPCOMING WORKSHOPS - - -

I will be hosting 4 workshops over the course of this year. The purpose of these workshops is to keep you informed and abreast of different important topics in the wonderful world of insurance. These workshops are free and open to the public. Feel free to share this information with your family and friends. The only thing I ask is that you RSVP in advance since space will be limited. All the workshops will be held at the Icomplex at Southpointe from 1pm until 3 pm. The Icomplex at Southpointe is located at 114 Southpointe Boulevard, Canonsburg, PA 15317.

APRIL 12th – Disability Insurance/Supplemental Insurance – Brian Maser, from Ameritas Tri-State Area Disability Center, will review what disability insurance is, why do individuals need it, how does it work and how expensive is it. Andrea Stearns, Benefits Guidance Group, will be discussing different types of supplemental insurance such as AFLAC, Colonial, Allstate, etc. Plans include cancer, accident, critical illness plans. She will

discuss how to obtain this coverage, purpose for these plans and prices for these types of plans.

MAY 17th – HEALTH SAVINGS ACCOUNTS (HSA) – Joseph Renaud, Associate VP of HSA Bank, will be explaining what an HSA plan is, who is eligible, advantages of an HSA, how much you can contribute to an HSA and what the process would to obtain an HSA account.

SEPTEMBER 13th – MEDICARE SEMINAR – Elaine Cole, Public Affairs Specialist for the Social Security Administration will be discussing Original Medicare, including eligibility, application process, different parts of Medicare, income related monthly adjustments and late enrollment penalties. **NO PLAN SPECIFIC INFORMATION WILL BE PROVIDED.**

AFFORDABLE CARE ACT- Date to be determined – hopefully sometime in late October. I want to wait to see how the current law will be changed, and what the changes will be and when they will go into effect so I can better prepare you as to what to expect and how to enroll in health insurance. As of now, it looks like things will stay the same for next year, but dates of open enrollment have not been released, and potential premium increases have not been discussed.

Visit my updated website at
www.bluepeakinsurance.com



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