

How Will the Requirement to Buy Insurance Be Enforced?

The enforcer of health reform is the Internal Revenue Service.

Will I Be Able to See a Doctor?

With millions of newly insured people trying to obtain more care, Medicare actuaries predict that you may not be able to see a doctor when you need help.



In Massachusetts, with a similar health reform:

- New patients in Boston wait 63 days to see a family doctor.
- More people than ever are seeking care at hospital emergency rooms.

Another problem: Giving everyone all of the newly promised free preventive services would leave every doctor in America with no time for any other service!

What If I Am on Medicare?

According to Medicare's chief actuary:

- Medicare Advantage members will lose \$1,267 in Medicare payments in 2014 — resulting in lower benefits and higher premiums.
- Half of Medicare Advantage members (7.4 million) will lose their plan entirely.
- One of five hospitals may go out of business and doctors may not take new patients because of cuts in their fees.

There are a number of new promised benefits, including:

- Medicare will pay for an annual checkup.
- Deductibles and copayments will be eliminated for many preventive services.
- If you are in the prescription drug "doughnut hole" and you are not getting other drug subsidies, you may qualify for a \$250 rebate.
- Eventually (in 2019) the doughnut hole will be eliminated.

However, for each \$1 in new benefits, there will be \$10 in reduced Medicare spending. Also, there is no funding to make sure all the promised services will be available. If everyone on Medicare took advantage of a free annual checkup, for example, we would need 23,000 extra doctors just to meet the demand.



Cuts in Medicare Spending per Person

| | <u>Conventional Medicare</u> | <u>Medicare Advantage</u> |
|------|------------------------------|---------------------------|
| 2011 | \$ 22 | \$ 195 |
| 2012 | 112 | 585 |
| 2013 | 201 | 877 |
| 2014 | 290 | 1,267 |

Sources: National Center for Policy Analysis and the Congressional Budget Office.

How Will Medical Care Change?

Some insurers are already offering plans that keep premiums down by restricting which doctors you can see.

Also, the new law encourages doctors to form Accountable Care Organizations (ACOs) — a new type of HMO that rewards doctors for meeting government guidelines. In an ACO:

- Doctors and nurses will practice in teams, and you will not necessarily see the same ones on each visit.
- You will not be allowed to get care from doctors on the outside.
- Although care is supposed to be higher-quality, the ACOs will get to keep any money they save by giving you fewer tests and services.



To purchase additional copies of this brochure or to read the more detailed document (with links to sources) on which this brochure is based, go to:

www.ncpa.org/HealthReform

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What Does Health Reform Mean for You?

How Health Reform Will Affect You...

A Better Health Care System?



- You will be required by law to have health insurance and to attach proof of insurance to your tax return.
- If you fail to insure, you will be fined — up to \$695 (\$2,085 per family) in 2016 or 2.5% of income, whichever is greater.
- If your employer doesn't offer insurance, the fine can be as much as \$2,000 per employee per year.
- A government agency, rather than you and your employer, will decide what kind of health coverage you must have.



For a more detailed analysis, go to www.ncpa.org/HealthReform

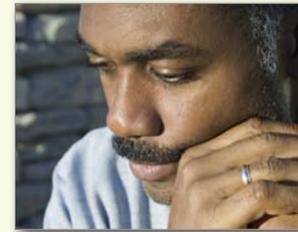
Where Will I Get Health Insurance?

You may get it in the same place you get it today — through an employer, or through Medicare or Medicaid. However, your coverage and benefits probably won't be the same. If you are forced to buy your own insurance, you will have to obtain it through a government-regulated exchange, where competing insurers will offer the required insurance benefits.

Will I Be Able to Keep the Insurance I Now Have?

You may not.

Employers can drop your coverage altogether and pay a fine that costs less than insuring you.



- 14 million employees will lose their employer plan, according to Medicare actuaries.
- Although some plans may avoid costly regulations because they are “grandfathered,” up to 80% of small businesses won't be protected.
- Within three years, more than 100 million people will be forced into a health plan more costly and more extensive than the one they have today.

How Much Will My Health Insurance Cost?

Coverage in 2016 will cost about \$5,800 for an individual (\$15,200 for a family of four), according to the Congressional Budget Office.

In the government-regulated exchange, the out-of-pocket premium you will have to pay will be limited to a percent of your income up to about \$43,000 (\$88,000 for a family of four). If you earn more, you will have to pay the full premium yourself.

There will be no new subsidies if you get insurance at work, but your premium may be limited to a percent of your income.



So, How Will My Employer or Health Insurer Know What My Income Is?

You're going to have to give them your most recent tax return, revealing your total family income — including any nonwage income as well as your spouse's income.



What Benefits Can I Expect?

- Starting this year, all new health plans must provide mammograms, Pap smear tests and many other preventive services, with no co-pay or deductible.
- Starting in 2014, many people will get government subsidies to buy insurance they cannot otherwise afford.
- If you have a pre-existing condition, you will be able to buy insurance for the same premium people in good health pay.
- If you have a very expensive, chronic health problem, there will be no lifetime limits on your health insurance coverage.
- As many as 34 million people will become newly insured.



What Other Costs Can I Expect?

- More than half the costs of the reform will be paid for by reduced spending on the elderly and disabled on Medicare.
- There will be new taxes on drugs and on such medical devices as wheelchairs, crutches, pacemakers, artificial joints, etc.
- A 40% tax on the extra coverage provided by expensive “Cadillac” plans will apply to about one-third of all private health insurance in 2019; and it will eventually reach every health plan.
- Scores of other items will be taxed, ranging from tanning salons to the sale of your home.



There are also hidden costs:

- Health insurers will have to raise premiums for everyone else in order to charge those with pre-existing conditions less than the expected cost of their care.
- Most employers will have to reduce what they pay in wages and other benefits in order to afford the required coverage.
- By one estimate, the extra burdens on employers could cost as many as 700,000 jobs by 2019.