

The Affordable Care Act

An Overview

Primer on Health Care Policy and Health Reform Impacts in Colorado

Colorado Association of Commerce and Industry

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America's Health Insurance Plans

About AHIP

National trade association representing the health insurance industry

Members provide health and supplemental benefits to more than 200 million Americans, through

- Employer-sponsored coverage
- Individual market
- Small group market
- Public programs such as Medicare, Medicaid, and CHIP

Advocates for public policies that expand access to affordable health care coverage for all Americans through a competitive market that fosters choice, quality, and innovation.

ACA – The Basics

- Patient Protection and Affordable Care Act (aka Obamacare)
- Signed into law March 23, 2010
- Primary Goal: Get more people covered by public or private health insurance
- Rolling implementation (2010 through 2015)
- Contents
 - Over 2,000 pages
 - 10 Titles; most publicized provisions in Title I

ACA Regulation – State vs. Federal

- **Some regulation left up to states (NAIC provided recommendations)**
- **Most ACA regulation is Federal (HHS, IRS, DOL)**

ACA Tools to Get More People Covered

- **Individual Mandate**
- **Advance Premium Tax Credits (subsidies) for coverage through an Exchange**
- **Encourage employer-sponsored coverage**
- **Expand Medicaid**
- **Require guaranteed issue, guaranteed renewability**

Get More People Covered (continued)

- **Prohibit exclusions for pre-existing conditions**
- **Permit dependents to remain on parents' policy to age 26**
- **Limits on annual out-of-pocket costs**
- **Establish Exchanges (State-based or federally-facilitated)**
- **Provide loans to establish not-for-profit Co-ops**
- **Eliminate annual and lifetime coverage limits**

How This Was All Supposed to Work

Theoretically

- **Larger, healthier risk pool**
- **More competition**
- **Premium stability**
- **Reduced drain on system from uninsured**

So What Really Happened?

The Good. The Bad. The Future.

The Good. More people are covered.

- **16 million new enrollees, many of them through Medicaid expansion**
- **85% of enrollees through Exchanges received financial assistance (2016 coverage)**
- **MLR – Medical Loss Ratio**

So What Really Happened?

The Good. The Bad. The Future.

The Bad. Individual coverage is hardly affordable.

- **Exchange enrollees sicker than anticipated**
- **“Young Invincibles” opting for tax penalty**
- **Mandatory coverage of 10 EHBs – more than some need or want**
- **Some system abuse – impacts premiums for everyone**
- **Underlying cost of care continues to rise (although overall spending leveling off)**
- **Some insurers are losing millions, so exiting Exchanges**

So What Really Happened?

The Good. The Bad. The Future.

The Future?

- **“Repeal and Replace”?**
 - **Full Repeal? Partial Repeal?**
 - **Replace with what?**

Questions?

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