



American Optometric Association

FAQs: HEALTH CARE OVERHAUL LEGISLATION

**PREPARED FOR AOA MEMBERS BY THE WASHINGTON OFFICE,
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More than 16 months after a far-reaching overhaul of the nation's health care system became the top domestic policy priority in Washington, D.C., Congress has approved and President Obama has signed into law the Patient Protection and Affordable Care Act of 2010 and the accompanying Reconciliation Act of 2010. However, rather than the end of the national health care reform battle, this marks the beginning of a new phase in which the Federal government and every state government will begin to take steps to implement the provisions of this sweeping legislation.

Optometry will need to continue to be fully engaged in the implementation process – both at the Federal level and in the states – in order to solidify patient access gains, address deficiencies and continue the fight for full recognition and fair treatment for ODs. For more information on the legislation or to join AOA Advocacy as a Federal Keyperson or AOA-PAC Investor, please contact the AOA Washington Office 1-800-365-2219 / ImpactWashingtonDC@aoa.org.

What provisions begin soon?

Starting this year, children up to age 26 would be allowed to remain on their parents' health plan. People with pre-existing medical conditions would be eligible for a new federally funded "high-risk" insurance program. Small businesses could qualify for tax credits of up to 35% of the cost of premiums. Insurance plans would be barred from setting lifetime caps on coverage and would no longer be able to cancel policies when a patient gets sick. Health plans would also be prohibited from excluding pre-existing conditions from coverage for children.

When do the main reform changes kick in?

The main reform changes begin in 2014. That's when insurance marketplaces, or exchanges, would be set up in states to offer competitive pricing on health policies for individuals and small businesses that don't have coverage. People with a pre-existing condition would no longer be denied coverage, and all lifetime and annual limits on coverage would be eliminated. Medicaid would be expanded to cover more low-income Americans.

What are the requirements for individuals to buy insurance?

Starting in 2014, a person who did not obtain coverage would pay a penalty of \$95 or 1% of income, whichever is greater. That penalty would rise to \$695 or 2.5% of income by 2016. The bill would exempt the lowest-income people from that insurance requirement. Medicaid would be expanded to cover those under age 65 with an income of up to 133% of the federal poverty level (below \$29,327 for a family of four). To make coverage more affordable, the legislation would offer premium subsidies for people with incomes more than 133% but less than 400% of the federal poverty level (\$29,327 to \$88,200 for a family of four). In addition, people in their 20s would have the option to buy a lower-cost "catastrophic" health plan.

What AOA priorities are reflected in the final health care overhaul bill:

- ✓ Establishment of the first ever Federal standard of provider non-discrimination which would apply to all health benefit plans, including self-insured ERISA plans (AOA-backed Harkin Amendment).
- ✓ No pre-emption of state insurance non-discrimination laws; creation of 50 (one in each state) state-based health insurance exchanges to provide coverage to the uninsured.
- ✓ Designation of children's vision care as an essential health benefit.
- ✓ No disruption of existing health coverage, including through stand-alone vision plans.
- ✓ Recognition of vision care in school-based health clinics.
- ✓ New emphasis on the preferred "health care home" model of patient-centered care, which fully recognizes optometry, and a key rejection of the exclusionary "medical home" scheme.
- ✓ Exemption for eyeglasses and contact lenses from a 2.9% medical device excise tax.
- ✓ Exemption of the cost of vision benefits from the calculation of a new excise tax on high-cost "Cadillac" health plans.

How will small employers be affected by the changes?

Employers with 50 or more workers would face fines for not providing insurance coverage. Businesses with smaller workforces, though, would be exempt. Companies would get tax credits to help buy insurance if they have 25 or fewer employees and a workforce with an average wage of up to \$50,000.

What changes will occur in Medicaid?

Individuals and families with incomes up to 133% of the federal poverty level (below \$29,327 for a family of four) will gain coverage. The federal government will pay all the states' costs for the newly eligible Medicaid beneficiaries for three years. And certain primary care MDs treating Medicaid patients will get an increase in their fees. An AOA-backed provision to extend full recognition to ODs in Medicaid was approved by the U.S. House but not included in the final bill.

Will reform reduce health insurance costs?

Many health care experts say that while it contains some cost-cutting provisions and pilot programs, the legislation doesn't go far enough to tame rising costs. People with chronic medical problems, though, generally would see their premiums decrease because of the new ban on pre-existing conditions.

How will the \$940 billion price tag (over 10 years) be paid for?

Wealthier individuals and families will pay more in taxes. Starting in 2013, families with annual incomes above \$250,000 (and individuals earning more than \$200,000) would pay an additional 3.8% tax on investment income, and also face a higher Medicare payroll tax. Expensive, "Cadillac" insurance plans would draw a new tax starting in 2018, though the cost of vision coverage will be exempted. And the Medicare program would receive substantial cuts, including a \$132 billion reduction in funding for Advantage plans run by private insurers.

How was provider discrimination in health care addressed?

AOA's top priority in health care reform was to expand patient access to optometric care by making provider non-discrimination safeguards a foundation of reform. Section 2706 of the bill states that, "No health plan or insurer may discriminate against any health provider acting within the scope of that provider's license or certification under applicable State law."

This provision, the AOA-backed Harkin Amendment, is the first-ever Federal level non-discrimination law to protect doctors of optometry regarding participation in a health plan. It was designed to ensure that insurance companies cannot unfairly exclude optometrists from practicing under the capacity of their training and licensure on a federal level. This provision is also applicable to ERISA plans, Federal employee plans and other plans established or regulated under the bill.

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