



Health Care Reform- What does it mean?

Texas being the state with the **highest uninsured rate (25%)** in the nation and some of the **highest premiums** has the most to gain from the passages of health care reform.

- Texas has the highest uninsured rate **adults (18-64), 32% (41%),** and **children, 21% (18%).**
- If excluding Non Citizens in the country (legal status not specified), TX gets edged-out of the top spot, with 23% uninsured adults to NM's 24%.

In three months.....

- People with pre-existing conditions will be eligible for a new federally funded high risk insurance program.

In six months.....

- Health insurers will not be able to deny coverage to children with pre-existing conditions.
- Many insurances plans will no longer be able to place lifetime limits on medical coverage nor will they be able to cancel the policies of people who become ill.
- Dependent children up to the age of 26 (up from 18 or 19) can be covered under their parents' plan.
 - In Texas **44% (46%)** of people **18 to 26** are uninsured.

Other changes will come within the year including more oversight on premiums (mostly for private individual insurance) and **tax credits** for small business that provide health insurance for their employees.

In 2013.....

Families with an **annual income that exceeds \$250,000** will see a 3.8 percent tax on their investment income and contribute more to Medicare from their payroll taxes.

- In Texas **5%** of people have an income that **exceeds \$200,000 (note not \$250,000).**

2014 is the big year in which.....

- State-run insurance exchanges are implemented. The exchanges are meant to be a place where people who are unable to get health insurance through their employer can purchase private health insurance. People with an income less than 400 percent of FPL will be eligible for subsidies to cover premiums.

* All numbers in blue represent Latino rates.

- In TX only **49% (36%)** of employed people are covered by Employer Sponsored Insurance.
- About **28% (38%)** of people that live between 133% and 400% of FPL are uninsured. These **3.2 million (1.9)** uninsured people are **53% (52%)** of all uninsured Texans.
- Only **4.1%** in the state purchase private insurance on the open market. These type of premiums are the most harsh and subject to rapid increase.
- New rules for Medicaid. Households with an income that does not exceed 133 percent of the FPL (less than \$30,000 for family of four) will be eligible for Medicaid.
 - **41% (44%)** of people who live at less than 133% FPL are uninsured; they represent **36% (41%)** of all uninsured Texans.
- **NO** Insurers will be able to deny coverage to people with pre-existing conditions.
- **ALL** annual and lifetime limits are eliminated.
- Higher benefit standards are implemented.

Fines

- Employers who have more than 50 employees and do not provide health insurance to their employees will be fined.
 - 28% of all business in TX have 50 or more employees, and 91% of them provide health insurance. The tax would only apply to **2% of all businesses in TX.**
- Those who do not purchase health insurance will be fined.
 - This **excludes** families that have an income less than that is required for a filling an income-tax.
 - It also **excludes** people that are unable to purchase a policy that is less than 8% of their income.
 - The cost of the fine and the penalty for not paying it is not so clear. It seems at this point, the fine will start at the greater of \$95 or 1% of income. It would increase in subsequent years.

In 2018....

High premium health care plans will see a 40 percent tax Taxes on health insurance. This is expected to be \$10,200 for individuals and \$27,000 for families.

By 2020 we should be saying goodbye to the Medicare “doughnut hole”. This part Medicare prescription drug program that limits the ability of seniors to afford their prescription drugs will be phased out.

- Starting **NOW (2010)**, those who find themselves in the gap will receive a **\$250 rebate.**
- Next year **(2011)** a **50% discount** on brand name drugs will be provided.

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