

## The Affordable Care Act: Immediate Benefits for Maryland

### Support for seniors:

- **Closing the Medicare Part D donut hole.** Last year, roughly 63,200 Medicare beneficiaries in Maryland hit the donut hole, or gap in Medicare Part D drug coverage, and received no additional help to defray the cost of their prescription drugs.<sup>i</sup> As of early August, 10,171 of seniors in Maryland have already received their \$250 tax free rebate for hitting the donut hole. These checks began being mailed out in mid-June and will continue to be mailed out monthly through the year as more beneficiaries hit the donut hole. The new law continues to provide additional discounts for seniors on Medicare in the years ahead and closes the donut hole by 2020.
- **Free preventive services for seniors.** All 741,000 of Medicare enrollees in Maryland will get preventive services, like colorectal cancer screenings, mammograms, and an annual wellness visit without copayments, coinsurance, or deductibles.

### Coverage expansions:

- **Affordable insurance for uninsured Americans with pre-existing conditions.** \$84.7 million federal dollars are available to Maryland starting July 1 to provide coverage for uninsured residents with pre-existing medical conditions through a new Pre-Existing Condition Insurance Plan program, funded entirely by the Federal government. The program is a bridge to 2014 when Americans will have access to affordable coverage options in the new health insurance Exchanges and insurance companies will be prohibited from denying coverage to Americans with pre-existing conditions.
- **Small business tax credits.** 76,800 small businesses in Maryland may be eligible for the new small business tax credit that makes it easier for businesses to provide coverage to their workers and makes premiums more affordable.<sup>ii</sup> Small businesses pay, on average, 18 percent more than large businesses for the same coverage, and health insurance premiums have gone up three times faster than wages in the past 10 years. This tax credit is just the first step towards bringing those costs down and making coverage affordable for small businesses.
- **Extending coverage to young adults.** When families renew or purchase insurance on or after September 23, 2010, plans and issuers that offer coverage to children on their parents' policy must allow children to remain on their parents' policy until they turn 26, unless the adult child has another offer of job-based coverage in some cases. This provision will bring relief for roughly 18,000 individuals in Maryland who could now have quality affordable coverage through their parents.<sup>iii</sup> Some employers and the vast majority of insurers have agreed to cover adult children immediately.

- **Support for health coverage for early retirees.** An estimated 71,400 people from Maryland retired before they were eligible for Medicare and have health coverage through their former employers. Unfortunately, the number of firms that provide health coverage to their retirees have decreased over time.<sup>iv</sup> This year, a \$5 billion temporary early retiree reinsurance program will help stabilize early retiree coverage and help ensure that firms continue to provide health coverage to their early retirees. Companies, unions, and State and local governments are eligible for these benefits.
- **New Medicaid options for States.** For the first time, Maryland has the option of Federal Medicaid funding for coverage for all low-income populations, irrespective of age, disability, or family status.

### **Stronger Consumer protections:**

- **New consumer protections in the insurance market when families renew or purchase coverage on or after September 23, 2010:**
  - Insurance companies will no longer be able to place lifetime limits on the coverage they provide, ensuring that the 3.6 million residents with private insurance coverage never have to worry about their coverage running out and facing catastrophic out-of-pocket costs.
  - Insurance companies will be banned from dropping people from coverage when they get sick just because of a mistake in their paperwork, protecting the 243,000 individuals who purchase insurance in the individual market from dishonest insurance practices.
  - Insurance companies will not be able to exclude children from coverage because of a pre-existing condition, giving parents across Maryland peace of mind.
  - Insurance plans' use of annual limits will be tightly regulated to ensure access to needed care. This will protect the 3.3 million residents of Maryland with health insurance from their employer, along with anyone who signs up for a new insurance plan in Maryland.
  - Health insurers offering new plans will have to develop an appeals process to make it easy for enrollees to dispute the denial of a medical claim.
  - Consumers in new plans will have coverage for recommended preventive services – like colon cancer screening, mammograms, immunizations, and well-baby and well-child care – without having to pay a co-pay, coinsurance, or deductible.

### **Improved Access to Care:**

- Patients' choice of doctors will be protected by allowing plan members in new plans to pick any participating primary care provider, prohibiting insurers from requiring prior authorization before a woman sees an ob-gyn, and ensuring access to emergency care.

- **Strengthening community health centers.** Beginning October 1, 2010, increased funding for Community Health Centers will help nearly double the number of patients seen by the centers over the next five years. The funding can go towards helping the 126 existing Community Health Centers in Maryland and can also support the construction of new centers. This builds on a \$2 billion investment in Community Health Centers in the American Recovery and Reinvestment Act, which has provided an unprecedented opportunity to serve more patients, stimulate new jobs, and meet the significant increase in demand for primary health care services
- **More doctors where people need them.** Beginning October 1, 2010, the Act will provide funding for the National Health Service Corps (\$1.5 billion over five years) for scholarships and loan repayments for doctors, nurses and other health care providers who work in areas with a shortage of health professionals. And the Affordable Care Act invested \$250 million dollars this year in programs that will boost the supply of primary care providers in this country – by creating new residency slots in primary care and supporting training for nurses, nurse practitioners, and physicians assistants. This will help the 5% of Maryland’s population who live in an underserved area.

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<sup>i</sup> Office of the Actuary. Centers for Medicare and Medicaid Services. Number represents only non-LIS seniors.

<sup>ii</sup> Internal Revenue Service, “Count per State for Special Post Card Notice,” available at [http://www.irs.gov/pub/newsroom/count\\_per\\_state\\_for\\_special\\_post\\_card\\_notice.pdf](http://www.irs.gov/pub/newsroom/count_per_state_for_special_post_card_notice.pdf)

<sup>iii</sup> U.S. Census Bureau, Current Population Survey. Annual Social and Economic Supplements, March 2009; and 45 CFR Parts 144, 146, and 147. [http://www.hhs.gov/ocio/regulations/pract\\_omnibus\\_final.pdf](http://www.hhs.gov/ocio/regulations/pract_omnibus_final.pdf)

<sup>iv</sup> Kaiser Family Foundation. 2009 Employer Health Benefits Survey.