

Obama Administration Record on Health Care

“Today, two years after we passed health care reform, more young adults have insurance, more seniors are saving money on their prescription drugs, and more Americans can rest easy knowing they won’t be dropped from their insurance plans if they get sick. The law has made a difference for millions of Americans, and over time, it will help give even more working and middle-class families the security they deserve.”

- President Barack Obama, March 23, 2012

President Obama knows that putting Americans back to work is job one. But we have to do more. We have to reclaim the security the middle class has lost. For too long, too many hard working Americans paid the price for policies that handed free rein to insurance companies and put barriers between patients and their doctors. The Affordable Care Act gives hard-working families the security they deserve. The new health care law forces insurance companies to play by the rules, prohibiting them from dropping your coverage if you get sick, billing you into bankruptcy because of an annual or lifetime limit, or discriminating against women or anyone with a pre-existing condition. The Obama Administration’s record on making health care more accessible and affordable, and holding the insurance industry accountable, includes:

- **Holding Insurance Companies Accountable:** Before the Affordable Care Act, most insurers could raise premiums without any explanation, spend much of your premium dollars on administration and profits, and deny or limit coverage to those with pre-existing conditions. Under the new law, patients have more rights and protections – and, soon, security that their coverage will be there for them when they need it.
 - **No more pre-existing condition denials for children:** Insurance companies are now prohibited from denying coverage to children born with health problems, or children who develop asthma or other diseases. The parents of over 17.6 million children with pre-existing conditions no longer have to worry that their children will be denied coverage in the individual market because of a pre-existing condition.
 - **No more lifetime dollar limits on coverage:** 105 million Americans no longer have a lifetime dollar limit on essential health benefits. Annual dollar limits are set at increasingly higher amounts until January 1, 2014, when most plans issued or renewed are banned from having an annual dollar limit on coverage.
 - **Insurance companies can’t drop your coverage when you get sick:** Americans no longer need to fear that their insurance company can rescind or take away coverage when they get sick because of an unintentional mistake on an application.
 - **No more coverage denials without appeals:** Many Americans with private coverage have gained the right to appeal an insurance company’s coverage decision.
 - **Helping consumers understand their coverage:** The Health Insurance Finder on HealthCare.gov gives Americans unprecedented information about the health plan choices in their own communities. Starting this Fall, health plans will provide

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consumers with clear, consistent and comparable information about their health plan benefits and coverage. The Summary of Benefits and Coverage forms will enable consumers to easily understand their health coverage and determine the best health insurance options for themselves and their families.

- **Making Care More Affordable:** The new health care law is bringing down health care costs and making sure health care dollars are spent wisely.
 - **80/20 Rule:** Insurance companies can no longer pass unlimited administrative costs, for things like marketing or CEO bonuses, on to consumers. The health insurance companies of 76 million Americans now have to meet the 80/20 rule, or Medical Loss Ratio, where they must spend at least 80 percent of your premium dollars on your health care or improvements to care. If they fail to meet this standard, they must provide a rebate to their customers.
 - **Reviewing premium increases:** For the first time ever in every State, insurance companies must publicly justify any rate increase of 10 percent or more. And the new law gives States new resources to review and block these premium hikes. Already, more than \$154 million in grants have gone to States to assist them in implementing or improving their rate review activities.
 - **Small business tax credits:** Small businesses have long paid a higher price for health insurance – often 18 percent more than large employers. Tax credits included in the Affordable Care Act are designed to ease the burden of insurance on small businesses, help them provide coverage to their workers, and benefit an estimated two million workers who get their insurance from 360,000 small employers who will receive the credit for 2011. In 2014, small business owners will get more relief with tax credits and affordable insurance choices in the new Affordable Insurance Exchanges in every State. For the first time, they will have the same purchasing power as big corporations, and insurers will have to actively compete for their business.
 - **Supporting early retiree coverage:** The Early Retiree Reinsurance Program (ERRP) has provided \$5 billion in reinsurance payments to employers so they can continue to provide benefits to their retired workers who are not yet eligible for Medicare. This program has reduced premiums or cost sharing for at least 19 million early retirees, workers, their spouses, surviving spouses and dependents.
- **Increasing Access to Affordable Care:** In the two years since the Affordable Care Act was signed into law, millions of Americans have gained the security of more affordable health coverage and care. Under the law, Americans with pre-existing conditions and young adults have new options for health care.
 - **Coverage for young adults:** 2.5 million young adults who were uninsured have gained coverage by being able to stay on their parent's health plan, giving their families peace of mind.

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- **Protecting women’s health:** The Affordable Care Act builds on the President’s strong record of protecting women’s health. Starting in 2014, insurance companies will be prohibited from charging women more for health care simply because of their gender. The law also bans insurance companies from imposing a cap on the amount of care they cover. That means if you develop breast cancer or another serious disease, your coverage will continue even if your treatments are expensive, and you won’t be facing bankruptcy because your benefits run out. Already, more than 39.5 million women are free from worrying about lifetime limits on coverage thanks to the new health care law. The new law also restricts the use of annual limits and bans them completely in 2014. Finally, under the new health care law all Americans joining a new health care plan must be able to receive preventive services – such as mammograms, bone density scans, cervical cancer screenings, vaccinations for your child, contraception, and wellness visits – with no out-of-pocket costs such as co-pays or deductibles. These measures are already helping more than 20.4 million women detect problems early on by covering preventive services without additional cost sharing.
- **Access to free preventive services:** 54 million additional Americans now receive coverage through their private health insurance plan for many preventive services without cost sharing such as copays or deductibles. That means that more Americans will receive wellness visits, cancer screenings, and other services that will help them get and stay healthy.
- **Coverage for people with pre-existing conditions:** More than 50,000 Americans with pre-existing conditions have gained coverage through the new Pre-Existing Condition Insurance Plan. This temporary program makes health coverage available and more affordable for individuals who are uninsured and have been denied health insurance because of a pre-existing condition.
- **Investing in primary care:** The new health care law also invests in training and supporting thousands of new primary care doctors and nurse practitioners by providing bonus payments, scholarships, and loan repayment, as well as new training opportunities.
- **Strengthening the Children’s Health Insurance Program (CHIP):** The second bill signed into law by President Obama extended and improved the Children’s Health Insurance Program, ensuring that millions of children across the country continue to have access to health care. Thanks to CHIP and Medicaid, the number of uninsured children fell by 14 percent between 2008 and 2010 despite the economic downturn. More than 1.5 million children gained Medicaid or CHIP coverage in 2011.
- **Strengthening Medicare:** Approximately 50 million seniors and Americans with disabilities depend on Medicare every day. The new health care law protects and makes Medicare stronger by making several key improvements, from new benefits and lower costs to fighting fraud and extending the life of the Medicare Trust Fund. Medicare

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spending growth has slowed, the Part B premium and deductible are lower, and, since 2010, Medicare Advantage enrollment is up by 17 percent while average premiums are down by 16 percent.

- **Reducing prescription drug costs in Medicare:** In 2010 and 2011, over 5.1 million seniors and people with disabilities on Medicare saved over \$3.2 billion on prescription drugs thanks to the Affordable Care Act. These savings include a one-time \$250 rebate check to eligible seniors who fell into the prescription drug coverage gap known as the “donut hole” in 2010. Additionally, 3.6 million beneficiaries saved \$2.1 billion in 2011, or an average of \$604 per person, due to a 50 percent discount on brand-name drugs in the donut hole. Through the first two months of 2012, 103,000 seniors and people with disabilities have already received \$93 million in savings in the donut hole.
- **New preventive benefits:** The Affordable Care Act makes many key preventive services available with no co-pay or deductible to help ensure that seniors don’t have to skip a potentially life-saving cancer screening because they can’t afford it. More than 32.5 million seniors have already received one or more free preventive services, including the new Annual Wellness Visit.
- **Saving money for seniors:** The average person with Medicare will save approximately \$4,200 from 2011 to 2021, while those with high prescription drug costs will save much more – as much as \$16,000 over the same period. This is especially good news for people with chronic conditions such as diabetes and heart disease who must take their medication every day for many years.
- **Fighting fraud and saving taxpayer dollars:** The health care law and other Administration efforts help prevent fraud and abuse and crack down on those who steal from Medicare. Medicare can now prevent fraud using the same safeguards your credit card company uses when someone buys ten flat screen TVs with your credit card. All told, our anti-fraud efforts have recovered \$4.1 billion in taxpayer dollars in 2011, the second year that recoveries have hit this record breaking level. Total recoveries over the last three years were \$10.7 billion. Prosecutions are way up, too: the number of individuals charged with fraud increased from 797 in fiscal year 2008 to 1,430 in 2011 – a 79 percent increase.
- **Higher Quality Care:** For too long, the health insurance market has worked very well for big insurance companies, but not so well for patients and providers. Our health care system is full of barriers, red-tape and roadblocks – ranging from the way we pay for health care services to a lack of usable, reliable information for patients and clinicians alike – that often limit health care professionals from practicing medicine in the best way possible. The Affordable Care Act is working to cut red tape and create new opportunities and incentives to improve care for patients:
 - **Cutting red tape:** New rules under the health care law save an estimated \$14.8 billion for physicians, other health care providers, and plans by simplifying rules for

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- health plan eligibility and health care claims, and \$2.4 to \$3.6 billion by helping change the way the health care industry pays bills – from paper transfers to electronic billing. This means fewer phone calls between physicians and health plans, lower postage and paperwork costs, fewer denied claims for physicians, and greater ability to automate health care administrative processes.
- **Encouraging innovation:** The newly established Innovation Center is testing and supporting innovative new health care models that can reduce costs and strengthen the quality of health care. So far, it has introduced 16 initiatives involving over 50,000 health care providers that will touch the lives of Medicare and Medicaid beneficiaries in all 50 states.
 - **Paying for quality care:** The Value-Based Purchasing Program will begin paying approximately 3,500 hospitals nationwide based on care quality, rather than solely relying on the quantity of services provided. Additionally, value-based purchasing for other Medicare services is currently being developed.
 - **Reducing preventable harm to patients:** The Partnership for Patients, a public-private partnership operated through the Innovation Center, is intended to make major reductions in preventable disease and mortality associated with stays at hospitals. As part of the Partnership, \$218 million has already been invested to reduce hospital acquired conditions by 40 percent by 2013, which would mean approximately 1.8 million fewer injuries to patients in the hospital, saving over 60,000 lives over three years.
 - **Coordinating care:** Accountable Care Organizations will help providers better coordinate care for patients, making it easier for providers to deliver high quality care and use health care dollars more wisely. Thirty-two “Pioneer” ACOs are already up and running and could save up to \$1.1 billion over the next five years.
 - **Investing in Public Health:** The Affordable Care Act brought an unprecedented focus on the importance of prevention and investing in public health. From the Prevention and Public Health Fund to the new National Prevention Strategy, the Obama Administration is working to help Americans live more healthy lives.
 - **Prevention and Public Health Fund:** The Administration allocated \$500 million in funds from the 2010 Prevention and Public Health Fund to programs to support activities such as community initiatives and the development of the public health infrastructure and workforce that can help prevent disease and illness. In 2011, building on the initial investment, an additional \$750 million in funds were dedicated to expanding prevention initiatives in community prevention, clinical prevention, public health infrastructure, and research. In 2012, the Prevention Fund is investing \$1 billion to support activities such as community-based efforts to combat chronic disease.
 - **National Health Service Corps:** Because of investments from the Recovery Act

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and the Affordable Care Act, the number of clinicians who practice in underserved communities through the National Health Service Corps has nearly tripled over the past three years, reaching more than 10,000. In 2011, the National Health Service Corps provided health care services to about 10.5 million patients, up from 3.7 million patients in 2008.

- **Community Health Centers:** Community Health Centers ensure access to quality primary health care services at more than 8,000 service delivery sites around the country. Since the beginning of 2009, health centers have increased the total number of patients served on an annual basis by 2.4 million. Also, since the beginning of 2009, health centers across the country have added more than 18,600 new full-time positions in many of the nation's most economically distressed communities. In addition, nearly \$110 million has gone to support school-based health centers, expanding their preventive and primary health care services by building new facilities and modernizing current sites.
- **Million Hearts Campaign:** The Million Hearts Campaign is a public-private initiative that aims to prevent one-million heart attacks and strokes over the next five years by preventing tobacco use, reducing sodium and trans-fat consumption, and improving care for people who need treatment.
- **Laying a Foundation for 2014:** The Affordable Care Act builds on ongoing State efforts to strengthen the health care system, and provides States with new tools, flexibility, and resources to provide their residents the health care benefits and consumer protections they need and deserve at an affordable price. In the nearly two years since President Obama signed the Affordable Care Act into law, States have taken action to implement health reform. Starting in 2014, State-based Affordable Insurance Exchanges will make it easy for individuals and small businesses to compare qualified health plans, get answers to questions, find out if they are eligible for tax credits for private insurance or health programs like Medicaid and the Children's Health Insurance Program (CHIP), and enroll in a health plan that meets their needs.
 - **Building Affordable Insurance Exchanges:** The Affordable Care Act gives States the resources and power to build and run their own Exchange. Thirty-three States, including the District of Columbia, are on their way, having received at total of nearly \$670 million in Exchange Establishment Grants.
 - **Ensuring Health Insurance Choices:** The Affordable Care Act creates a new type of non-profit health insurer, called a Consumer Operated and Oriented Plan (CO-OP). These insurers are run by their members. CO-OPs are meant to offer consumer-friendly, affordable health insurance options to individuals and small businesses. Already, ten non-profits intending to offer coverage in ten states have been awarded loans to get up and running.
 - **Banning the Worst Insurance Practices:** Starting in 2014, the Affordable Care Act will prohibit health insurers from charging more or denying coverage to

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people because of pre-existing conditions. It will also make charging women more for health insurance a thing of the past.

More Information on the Affordable Care Act in Your State: To learn more about how the Affordable Care Act is strengthening the health insurance marketplace and improving health care in your State, visit: www.HealthCare.gov/law/resources/index.html.