

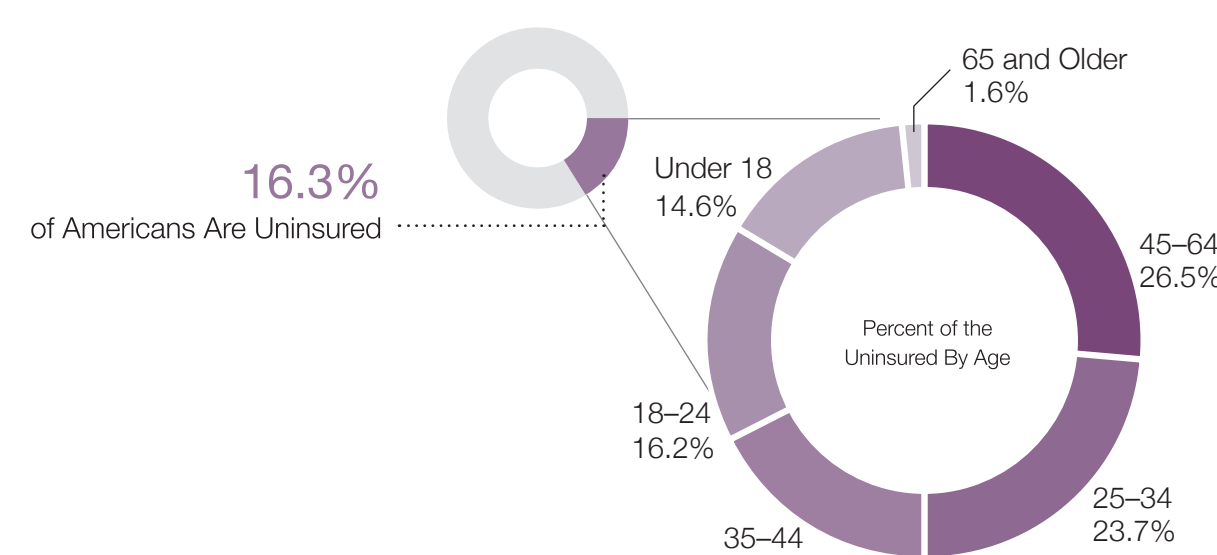
What Is It?

Thus, to improve the quality and efficiency of health care system, President Barack Obama signed the federal health care law on March 23, 2010. The ACA "represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965." PPACA is aimed primarily at decreasing the number of uninsured Americans and reducing the overall costs of health care. "It provides a number of mechanisms—including mandates, subsidies, and tax credits—to employers and individuals in order to increase the coverage rate" (Wikipedia). In addition, the health law implements anti-discrimination requirements, protecting people from the unfair practices of insurance companies.



Opinion	Percentage
Favorable	43%
Unfavorable	39%
Don't know/Decline to state	19%

Overview of the Uninsured



Medicare Reform

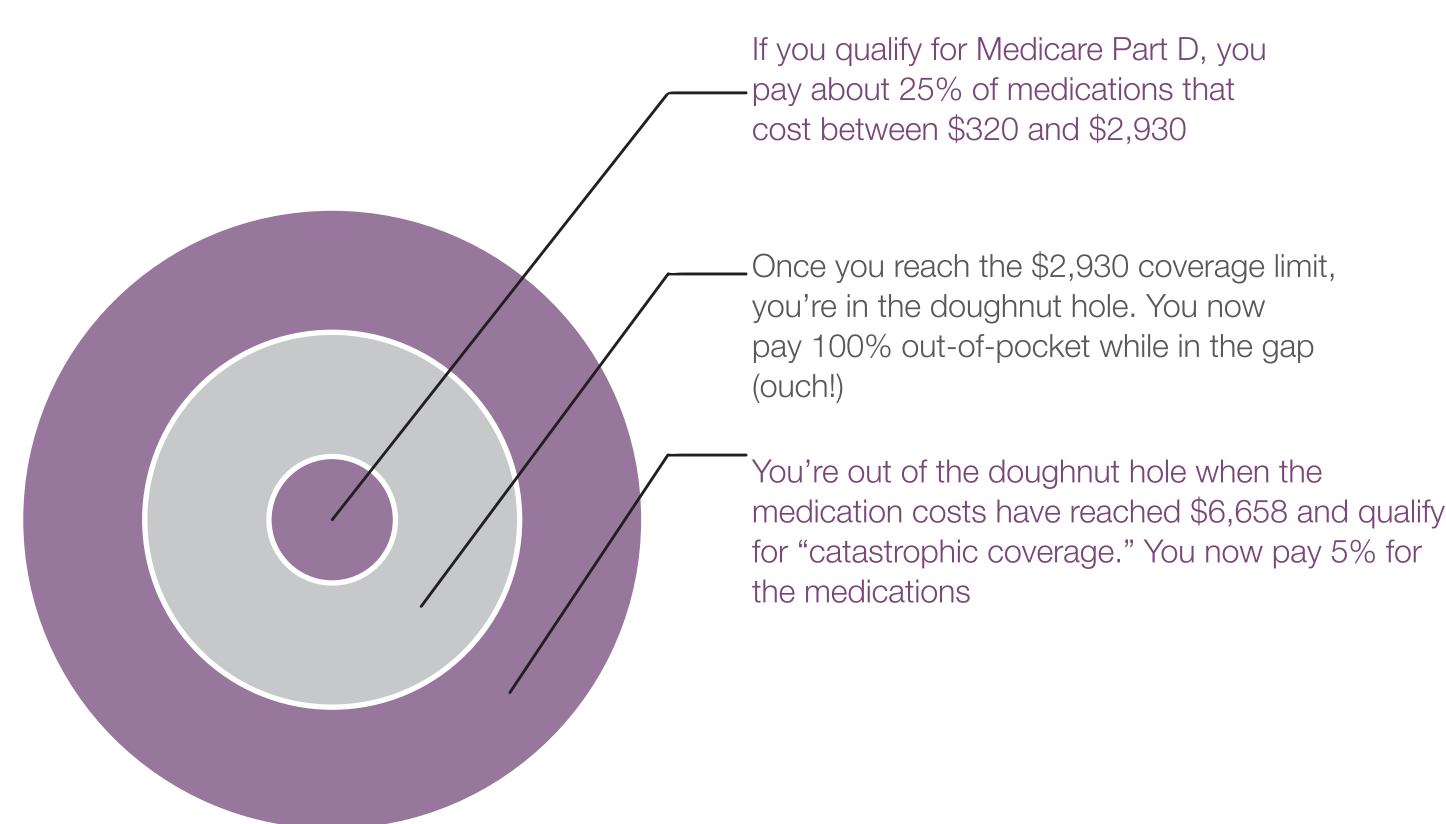
The ACA Provisions that Affect Medicare

"The health care law strengthens Medicare by protecting and improving guaranteed benefits [for people with Medicare] and cracking down on waste, fraud and inefficiency...The law lowers prescription drug costs, strengthens Medicare [such as adding preventive care benefits at no charge] and improves long-term care services. These benefits are in effect now" (AARP).

Closes the Doughnut Hole

Getting rid of the doughnut hole is one of the health law's goals. Doughnut hole refers to the Medicare Part D coverage gap. Under the ACA, the doughnut hole policy is being phased out and will ultimately be eliminated by 2020. Beginning in 2012, People with Medicare receive a 50 percent discount on brand-name prescription drugs and a 14 percent discount on generic prescription drugs while in the doughnut hole. The discounts will increase over time and the coverage gap will be phased out.

How Doughnut Hole Works



The ACA Tax Provisions

Net Investment Income Tax

¹⁰The 3.8 percent Net Investment Income Tax applies to individuals, estates and trusts that have certain investment income above certain threshold amounts" (IRS).

Additional Medicare Tax

* A new Additional Medicare Tax goes into effect starting in 2013. The 0.9 percent Additional Medicare Tax applies to an individual's wages, Railroad Retirement Tax Act compensation, and self-employment income that exceeds a threshold amount based on the individual's filing status. The threshold amounts are \$250,000 for married taxpayers who file jointly, \$125,000 for married taxpayers who file separately, and \$200,000 for all other taxpayers* (IRS).

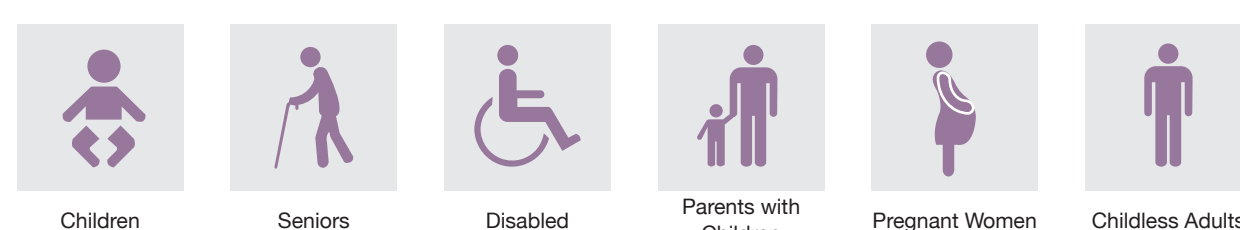
Medicaid Expansion

Medicaid, not to be confused with Medicare, is “the United States health program for certain individuals and families with limited incomes and resources.” The program is jointly funded by the federal and state governments and managed by the states. Unlike Medicare, Medicaid eligibility is solely determined by an individual’s income and “population categories.” That is, the program only provides health care coverage to 4 groups: children, adults (specifically parents of dependent children and pregnant women), aged and disabled. Thus, not every person with limited income qualifies for Medicaid, leaving many low income adults who do not have dependent children uninsured. In addition, “most states administer Medicaid through their own programs (Wikipedia). For instance, Medi-Cal is Medicaid program run in California while Massachusetts operates MassHealth.

Population Categories Eligible for Medicaid Now

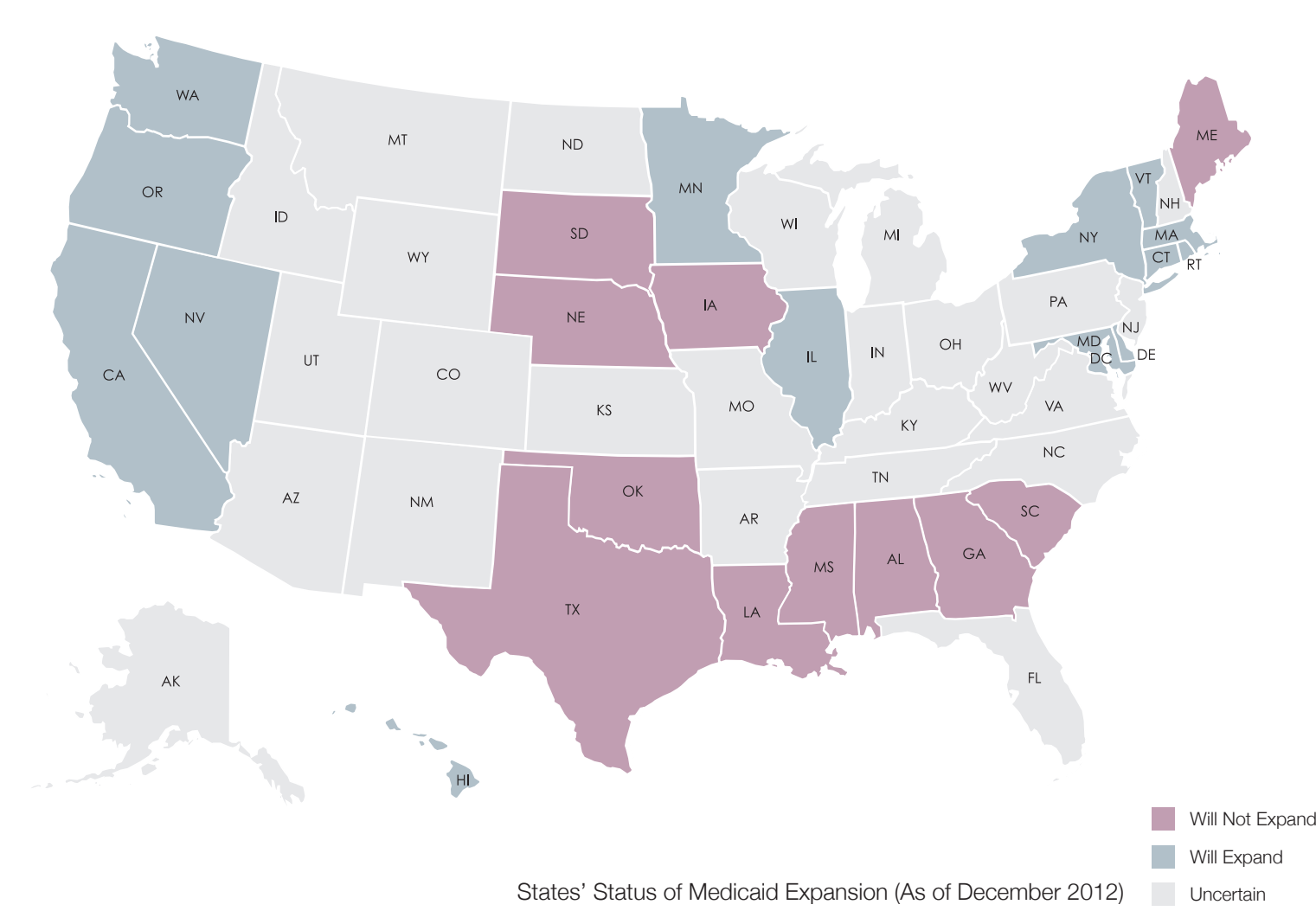


People Eligible for Medicaid in 2014



States' Commitment to Expand Medicaid Eligibility

Since the Medicaid coverage is limited to certain group of individuals and unlikely to cover low income adults without children, the ACA would have required states to expand Medicaid coverage to all adults, whether they have children or not, with incomes up to 133 percent of the federal poverty level¹ (NPR). Having said that, in July 2012, the Supreme Court ruled that Medicaid Expansion would be an option rather than a mandate, and thus the expansion is now optional for all states. Numbers of states have made a decision as to whether to implement the expansion. Many, however, are still uncertain. Beginning on January 1, 2014, adults, with or without children, with limited income (below 133% of FPL) will qualify for Medicaid in participating states.



The ACA Timeline 2010–2014 Unless repealed, these are things to expect under Obamacare

