

FREQUENTLY ASKED QUESTIONS

Health Care Reform and people living with HIV

GENERAL INFORMATION

How will health care reform help people with HIV?

Two key parts of the Patient Protection and Affordable Care Act, or ACA, will significantly benefit people with HIV. First, there are important improvements and protections to current health programs that serve people with HIV which include Medicaid, Medicare, group and individual insurance. Second, there are new health care options for people with HIV.

For example, Medicaid will serve everyone at or under 133% Federal Poverty Level or FPL (around \$14,500 in 2011), regardless of their current health. People who do not qualify for Medicaid will be able to purchase affordable individual coverage as well as find federal help to pay for it. It's believed that as many as 70% of uninsured HIV-positive people who now get services through Ryan White and the AIDS Drug Assistance Program (ADAP) will qualify for Medicaid. Many of the remaining 30% will qualify for individual coverage with federal help.

What is health care reform?

President Obama signed the ACA into law in March 2010. This law, commonly known as health care reform, dramatically expands health care coverage to uninsured and underinsured Americans. It also provides much needed protections and other positive changes to all the programs that make up the US health care system including Medicare, Medicaid, and individual and group insurance. It promises to significantly improve and stabilize health care coverage for people with HIV. Although the ACA is already law, many of its details are still being considered and put into place by federal and state agencies.

When does the law take effect?

The changes will be phased in over several years. Some are already in place, including allowing children to remain on their parents' insurance policy until age 26; providing new insurance options for people with pre-existing conditions; and ensuring insurance companies do not take away a person's coverage if they're sick. In 2014 people who are uninsured, underinsured and those struggling with health care costs will have protected access to new and affordable options.

What is the individual insurance mandate?

Beginning January 1, 2014, most people will be required to have health insurance. People who do not carry insurance will not face criminal charges but will be required to pay a fine. Parents will be responsible for their children's coverage and fines for children under 18 will be one-half of the adult's fine. Exceptions can be made for specific reasons, including:

- Religious objections;
- Financial hardships (must meet State Health Benefit Exchange requirements);
- Members of Native American tribes;
- People who are undocumented;
- People who are incarcerated.

Will health care reform differ by state?

For the first time, the federal government will establish a mandatory minimum benefits package. These benefits must be provided by various plans that a person can choose from in the Health Benefit Exchange and by Medicaid. (For details of the Essential Benefits Package, see www.familiesusa.org/assets/pdfs/health-reform/benefits-package.pdf). Although the broad categories are in the law, the details will be decided by the Secretary of Health and Human Services.

FREQUENTLY ASKED QUESTIONS: Health Care Reform and HIV

However, differences will occur state by state. The new state Health Benefit Exchanges (see below) are expected to play a major role in health care reform when they're implemented in 2014. Since states have a lot of leeway in creating and running their own exchanges, people will likely see major differences in their insurance options and how to apply for them. However, Medicaid plans from state to state will probably have fewer differences although they may still vary somewhat in the types of benefits they offer.

What happens if my state tries to pull out of health care reform?

Medicaid expansion requires all states to have a Medicaid program. And although some states have recently threatened to pull out of Medicaid, they do not appear to be following up on those threats. It's difficult to see how they could run these critical programs without federal matching money.

As for state Health Benefit Exchanges, only Minnesota and Alaska did not apply for grants to begin developing an exchange. The ACA ensures that the federal government will step in and develop one if a specific state refuses. How this will happen has yet to be developed, but it will be included in the federal government's guidance on exchanges.

What are Health Benefit Exchanges?

Starting in 2014, Health Benefit Exchanges will be set up as state or regional markets that sell various health insurance plans directly to individuals. The exchanges will primarily serve people with incomes above 133% FPL and small businesses with 100 employees or less. They are intended to be organized in a way that makes it easy to compare plans before choosing one.

How will people afford insurance under the Health Benefit Exchange?

In an effort to make insurance more affordable, the federal government will offer financial support (subsidies) and/or credits to help pay for premiums and other out-of-pocket costs. Subsidies will be available to persons with income between 134%–400% FPL. In addition, there will be a limit placed on the amount that individuals and families have to pay out of pocket for their health care.

HEALTH CARE INSURANCE UNDER REFORM

How will the uninsured get insurance under health care reform?

Starting January 1, 2014, there will be two new insurance options. First, for uninsured people with incomes under 133% FPL, Medicaid will cover their health care costs. Second, for people with incomes above 133% FPL, they will be able to purchase insurance through their state Health Benefit Exchange. Subsidies and tax credits will be available to people with incomes between 133–400% FPL. Limits will be placed on the amount a person has to spend out of pocket for their health care.

Who is considered uninsured?

Someone who is not eligible for, and is not enrolled in, a creditable public or private health insurance program is considered uninsured. Examples of creditable insurance include Medicaid, Medicare, health insurance from an employer, individual health insurance, and Veterans Administration coverage. Ryan White funded health services and/or drug coverage through the ADAP is not considered "creditable." Most people using only Ryan White services will have

FREQUENTLY ASKED QUESTIONS: Health Care Reform and HIV

new insurance options available to them in 2014. Most will also be required to participate in that coverage as part of the individual insurance mandate (discussed above).

What will happen to people on Medicare?

People over the age of 65 and certain disabled people will continue to be eligible for Medicare. The ACA makes these following important improvements:

- The law allows the amount that a person spends on their medicines through ADAP to count towards his or her True-out-of-Pocket (TrOOP) costs. (This change is to Medicare's prescription drug coverage, called "Part D".)
- The law phases out the "doughnut hole" by 2020. (This is the gap in the Medicare drug benefit that forces people to pay full cost for their medicines or rely on ADAP for their prescription drugs.)
- The law gives a 50% discount on brand name drugs while people are in the coverage gap.

The ACA also eliminates co-pays and deductibles for many preventive care services, and covers annual wellness visits. Many of the reforms improve the quality of care for people with Medicare. For example, hospitals will get incentives to improve patient care after discharge to prevent unnecessary re-admissions, and doctors will be encouraged to coordinate care that their patients receive from different specialists. A new agency will also be created to address the unique needs of individuals enrolled in both Medicare and Medicaid.

What will happen to people who get insurance through their employer?

Beginning in 2014, employers with at least 50 full-time employees will be required to offer "comprehensive" and "affordable" health insurance or face penalties. Employer insurance must pay at least 60% of an employee's health care costs; the employee can pay the remaining portion. However, the coverage must cost less than 9.5% of an employee's household in-

come. Employers who do not offer health insurance will be assessed an annual tax penalty of \$2,000 for every full-time employee beyond the first 30 employees. If health insurance is offered, but it is not considered comprehensive or affordable, the employer must pay a \$3,000 annual assessment for every employee who declines employer insurance and instead gets insurance through a state Health Benefit Exchange. Although the ACA shields companies with fewer than 50 employees from these requirements, it also encourages those with fewer than 25 workers to offer health insurance by making tax credits available for two years.

What happens to people with Veteran's Administration (VA) coverage?

Health coverage for eligible veterans will continue through the Veteran's Administration. People will meet the insurance mandate requirement if they are covered by VA insurance.

What will Medicaid expansion look like?

Effective January 1, 2014, individuals with income under 133% FPL will be eligible for Medicaid. Unlike current Medicaid rules, eligibility will be based on income alone; assets and disability will not be requirements. The federal government will reimburse states 100% for the initial years of expansion and will decrease reimbursement to 90% by 2020. It's expected that most uninsured people with HIV who currently get Ryan White services and ADAP medications will be eligible for Medicaid in 2014.

Will undocumented immigrants be eligible for coverage under health care reform?

Undocumented immigrants will not be eligible for Medicaid or the Health Benefit Exchange. This means that the ACA does not create any new insurance options for undocumented immigrants, and they are not subject to the insurance mandate.

FREQUENTLY ASKED QUESTIONS: Health Care Reform and HIV

With some exceptions, legal immigrants are still subject to the five-year waiting period for Medicaid. They can purchase insurance through the Health Benefit Exchange during their waiting period.

As the ACA moves forward, one of the major challenges will be to ensure that safety-net health programs remain adequately funded so that undocumented persons and other immigrants will continue to find health care.

Are there options for uninsured people between now and 2014?

The ACA currently prohibits individual and group health plans from denying coverage to children under 19 for pre-existing conditions (for plan years beginning on or after September 23, 2010).

The prohibition does not go into effect for adults until 2014. Therefore, the federal government has developed a Pre-existing Condition Insurance Plan (PCIP) to serve adults with pre-existing conditions until 2014. Each state has a PCIP, and although the rates are similar to rates for those without pre-existing conditions, they are still unaffordable for most people with HIV. Some states provide financial assistance to people living with HIV to help them cover their PCIP costs.

RYAN WHITE AND HEALTH CARE REFORM

Will Ryan White funding still be needed when health care reform is fully implemented?

The ACA greatly increases the number of people who can get medical care though it still has gaps in what it covers and who is covered. It's clear that there will be a critical ongoing

need for Ryan White services that support health but are not completely medical in nature, such as dental care and social support programs. Ryan White funding will also be needed to ensure that health care remains accessible to and affordable for people living with HIV. This will include cost-sharing and/or premium support for people who will have private insurance through the exchange or their employers. Coverage under health care reform is not available to undocumented people so Ryan White funding will be needed to support this care. Finally, it is anticipated that the ACA will create new needs for Ryan White funding, including assisting people with HIV to find new health care coverage, supporting individuals who experience gaps in their coverage due to changes in income or other circumstances, and supporting adequate reimbursement for HIV providers.

What will happen to Ryan White funded clinics?

The Ryan White Program has created a strong system of expert HIV care. One of the major challenges of health care reform will be transitioning the current Ryan White health system to the Medicaid programs and Health Benefit Exchange plans where most uninsured people with HIV will be served after 2014.

Ryan White clinics have been funded through a grant system and will now have to develop the capacity and the skill base to negotiate and contract with, as well as bill and interact with, Medicaid programs and insurance plans. In addition, reimbursement rates will vary and may not be sufficient to maintain the quality of care necessary to best serve people with HIV. Strategies will need to be developed to ensure adequate provider reimbursement for all aspects of quality care.