



# Fact Sheet

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## Senate Democrats Are On Your Side Implementing Health Reform that Works for Middle-Class Americans

Earlier this year, Congress passed and the President signed landmark health insurance reform legislation, the *Patient Protection and Affordable Care Act* (**P.L. 111-148**) and the *Health Care and Education Reconciliation Act* (**P.L. 111-152**), and Americans are already experiencing the benefits. These two laws, together referred to as the *Affordable Care Act*, put control over health care decisions in the hands of the American people, not insurance companies. Senate Democrats are committed to implementing health reform that holds insurance companies accountable, brings costs down for everyone, and provides Americans with the insurance security and choices they deserve. This fact sheet provides an overview of recent health reform implementation activity, including:

- [Reducing Costs for Medicare Beneficiaries](#)
- [Support for Families of Children with Special Health Care Needs](#)
- [Improving Access to Care](#)
- [How Health Reform Helps Your State](#)
- [Increasing Options for Americans with Pre-Existing Conditions](#)
- [Helping 700 More Businesses Help Early Retirees](#)
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Previous updates and other information are available from the DPC. [[DPC](#)]

### ***Reducing Costs for Medicare Beneficiaries***

Senate Democrats are committed to protecting and strengthening Medicare for America's seniors. Medicare is a sacred trust with Americans and the *Affordable Care Act* ensures that trust is preserved. The *Affordable Care Act* increases Medicare benefits and strengthens the program's sustainability, extending Medicare solvency by twelve years. [Trustees Report, [8/5/10](#); CMS Office of the Actuary, [4/22/10](#)]

Recently, the Department of Health and Human Services (HHS) studied how the changes to Medicare made by the *Affordable Care Act* will save Medicare beneficiaries money. [HHS, accessed [11/11/10](#)] HHS found that the average Medicare beneficiaries enrolled in traditional Medicare will

save approximately \$3,500 in out-of-pockets costs over the next ten years, and that beneficiaries with higher prescription drug costs could save as much as \$12,300 during that time.

## ***Support for Families of Children with Special Health Care Needs***

The Department of Health and Human Services recently announced the availability of \$3.9 million to continue support for Family-to-Family Health Information Centers. [HHS, [10/26/10](#)] Section 5507 of the *Affordable Care Act* extended funding for these non-profit organizations through Fiscal Year 2012. [[P.L. 111-148](#); [P.L. 111-152](#)] Family-to-Family Health Information Centers are run by families and for families with children who have special health needs, providing information, education, training and support. This funding will continue support for centers in 40 states and the District of Columbia. Centers in the remaining ten states are in the second year of three-year funding and are ineligible for this opportunity. Grant applications are due December 15, 2010, and more information is available at [Grants.gov](#) (CFDA 93.504).

## ***Improving Access to Care***

The *Affordable Care Act* creates an expanded and sustained national investment in community health centers by providing \$11 billion over five years to these critical health care providers. [[P.L. 111-148](#); [P.L. 111-152](#)] The country's 1,250 community health centers provide quality health care to 20 million Americans without regard to a patient's ability to pay or health insurance coverage. [National Association of Community Health Centers, accessed [8/23/10](#)] The *Affordable Care Act's* investment in community health centers will allow them to nearly double the number of patients they serve. By providing primary care and focusing on preventive services, health centers estimate they save our health care system \$9.9 billion - \$17.6 billion each year.

Recently, HHS announced the availability of \$335 million to expand access to primary and preventive care at existing community health centers nationwide under the Expanded Service (ES) initiative. [HHS, [10/26/10](#)] In applying for these funds, existing health centers must demonstrate how the funding will be used to expand medical capacity and services to underserved populations. Grant applications are due January 6, 2011, and application information is available from the Health Resources and Services Administration. [HRSA, accessed [11/10/10](#)].

## ***How Health Reform Helps Your State***

Recently, HHS updated HealthCare.gov with new information on how the *Affordable Care Act* helps each state. [HealthCare.gov, accessed [11/10/10](#)] State-by-state fact sheets are also available from the DPC. [DPC, [6/22/10](#)]

## ***Increasing Options for Americans with Pre-Existing Conditions***

For far too long, Americans with pre-existing conditions have struggled to obtain the health insurance and health care they need. For plan or policy years starting after September 23, 2010, the *Affordable Care Act* prohibits insurers from discriminating against children with pre-existing conditions, and starting in 2014, the new law protects all Americans from this discrimination. [[P.L. 111-148](#); [P.L. 111-152](#)] But these Americans need help now. As a bridge to a reformed health insurance marketplace, the *Affordable Care Act* creates a special high risk

insurance pool, called the Pre-Existing Condition Insurance Plan (PCIP), for uninsured Americans who have been denied health insurance because of a pre-existing condition. More information on the PCIP, including [application information](#), is available at [PCIP.gov](#).

Recently, HHS announced enhanced plan options for PCIP enrollees in the 23 states and the District of Columbia where the program is federally administered through the Office of Personnel Management. [HealthCare.gov, accessed [11/11/10](#)] This year, enrollees were offered one plan option. In 2011, enrollees will choose from three plan options, a Standard Plan, an Extended Plan, and a Health Savings Account Option. Premiums and benefits vary between plans, and plans will be available at child-only rates for enrollees aged 0-18.

## ***Helping 700 More Businesses Help Early Retirees***

The *Affordable Care Act* creates a \$5 billion Early Retiree Reinsurance Program to support employer health plans that provide coverage to retirees who are not yet eligible for Medicare, helping protect access to coverage while reducing costs for employers and retirees. [P.L. [111-148](#); P.L. [111-152](#)] HHS recently announced that another 700 employers were accepted into the program, bringing the total number of participating employers to nearly 3,600. [HHS, [10/28/10](#)] Participating employers come from all 50 states and the District of Columbia, representing large and small businesses, state and local governments, educational institutions, non-profits, and unions. A fact sheet explaining the program and a list of all participating employers in each state is available at [HealthCare.gov](#) and the list will be updated each week as new employers join the program. Applications are still being accepted, and more information on the Early Retiree Reinsurance Programs, including claims reimbursement information, is available at [ERRP.gov](#).

The Early Retiree Reinsurance Program is another bridge to the Health Insurance Exchanges and reformed health insurance markets effective in 2014, which will make it easier for earlier retirees to access affordable health insurance. Skyrocketing health care costs have made it difficult for employers to continue providing health benefits for employees and retirees, and this temporary program will provide financial assistance until 2014. Earlier this year, a survey found that 76 percent of large employers that offer retiree benefits planned to pursue participation in the program, and that the average federal reimbursement for each early retiree will represent between 25 and 35 percent of each early retiree's health care costs. [Hewitt Associates, [5/25/10](#)]

## ***Investments to Improve Information Technology***

Starting in 2014, the *Affordable Care Act* creates state-based Health Insurance Exchanges where individuals and small businesses can compare and purchase health insurance online at competitive prices and access the same coverage options that Members of Congress will have. [P.L. [111-148](#); P.L. [111-152](#)] Exchanges will offer consumers a choice of quality, affordable health insurance plans presented in a consumer-friendly format to ensure individuals and families can choose the right plan for their needs. To make coverage even more affordable, premium and cost-sharing tax credits will also be available through the Exchanges to help middle-class families afford coverage. A strong, consumer-friendly information technology (IT) infrastructure will be critical to the success of these new insurance marketplaces.

States are already working to design and implement the Exchanges, and HHS recently announced new, competitive "Early Innovator" grants for states that lead the way in developing the technologies and models needed for determining insurance eligibility and enrolling consumers in health plans. [HHS, [10/29/10](#)] Winning states will develop cutting-edge, consumer-friendly technology to create a simple system that helps families and small businesses choose

and enroll in the plan that is best for them. Five winning states or coalitions of states will receive two-year grants by February 15, 2011. Grant applications are due December 22, 2010, and more information is available from [Grants.gov](http://Grants.gov) (CFDA 93.525).

HHS also issued a notice of proposed rulemaking regarding increased reimbursement for Medicaid eligibility determination and enrollment activities. [HHS, [11/3/10](#)] Because consumers seeking health plan information through Exchanges may be eligible for an exchange plan, premium assistance tax credits, Medicaid, or CHIP, it is critical that IT systems ensure a coordinated enrollment process. Under the proposed rule, the design and development of new Medicaid eligibility systems could potentially be eligible for an enhanced federal matching rate of 90 percent, while maintenance and operations of these systems could potentially receive a 75 percent enhanced federal match. Both rates represent a significant increase over the current, 50 percent match rate for these activities. The rule is available on the *Federal Register*. [*Federal Register*, [11/8/10](#)]

Finally, the Centers for Medicare & Medicaid Services and the Office of Consumer Information and Insurance Oversight recently issued initial technical guidance to assist states as they develop IT systems for the Exchanges, Medicaid, and CHIP. [HHS, [11/3/10](#)] This guidance is available from HHS. [HHS, accessed [11/10/10](#)]

## ***Encouraging Biomedical Research***

The *Affordable Care Act* creates \$1 billion in temporary tax credits and grants for qualifying new therapeutic discoveries to encourage investments in new therapies that prevent, diagnose, and treat acute and chronic diseases,. [P.L. [111-148](#); P.L. [111-152](#)] Recently, the Departments of Treasury and HHS and the National Institutes of Health announced that nearly 3,000 small biotechnology companies in 47 states and the District of Columbia received awards under this program. [Treasury, [11/3/10](#)] The companies may receive a tax credit for up to 50 percent of qualifying investments made in 2009 and 2010 or, to encourage the participation of start-up companies, may elect to receive a grant instead. A list of all qualifying companies is available from the Internal Revenue Service. [IRS, [11/1/10](#)]

## ***Additional Information***

The Democratic Policy Committee has released 14 previous updates on health reform implementation, available on the DPC website [here](#). In addition, DPC maintains a centralized listing of health reform implementation resources which is frequently updated and is available [here](#).