



## **The New Health Law Will Secure Coverage and Improve Quality of Care**

The *Affordable Care Act (ACA)* contains many strong provisions that will benefit consumers and help provide quality affordable coverage for all. The new law will create strong consumer protections, contain health care costs, lower costs of insurance premiums and out-of-pocket costs, improve choice and competition, and require greater accountability from health insurance companies.

### **ACA guarantees secure insurance coverage by:**

- Preventing insurers from denying coverage to people with pre-existing conditions and by barring insurance companies from basing premiums on health conditions or gender, as many do now
- Restricting insurers from raising rates when people get sick
- Requiring insurers to devote at least 85 percent (80 percent in the individual and small market) of premiums to medical benefits. If insurance companies do not meet this threshold, they must provide rebates to consumers

### **ACA creates affordable health care options for individuals and families by:**

- Significantly expanding Medicaid, including to adults who are currently ineligible in most states.
- Providing subsidies to make health insurance more affordable for millions of low- and moderate-income families
- Requiring insurers to cap out-of-pocket costs for all families and by eliminating lifetime caps on benefits and medical services
- Assisting small businesses in purchasing health benefits for employees through tax credits
- Extending funding for the Children's Health Insurance Program (CHIP) until 2015
- Requiring hospitals to limit charges to people who can't afford their out-of-pocket costs and who qualify for financial assistance

**ACA allows individuals and families to make informed choices about health insurance by:**

- Creating marketplaces to compare and purchase certified health plans, called Exchanges. Exchanges will make it easier for consumers to find the best plan that meets their needs
- Funding the immediate startup of state-based consumer assistance offices dedicated to answering questions about insurance options, assisting with enrollment, and helping to navigate the health care system

**ACA improves quality of care by:**

- Promoting access to primary and preventive care; strengthening infrastructure by rewarding care coordination, innovation and efficiency within the delivery system
- Shifting the health care system toward more patient- and family-centered care
- Developing pathways to test and evaluate payment and delivery system reforms to improve quality and lower long-term costs
- Establishing a national strategy to improve delivery of care, patient outcomes and population health, including reduction of racial and ethnic disparities
- Expanding funds for prevention initiatives and targeting racial and ethnic disparities

**ACA strengthens Medicare by:**

- Limiting cost-sharing for seniors enrolled in Medicare Advantage
- Creating a new office dedicated to improving policies for some of the most frail and sick seniors. It also promotes integrated care for beneficiaries who are dually eligible for Medicare and Medicaid
- Reducing Senior's prescription drug costs by closing the Medicare Part D "doughnut hole" or coverage gap