

## The Affordable Care Act: Immediate Benefits for Delaware

- **Small business tax credits.** 14,000 small businesses in Delaware could be helped by a new small business tax credit that makes it easier for businesses to provide coverage to their workers and makes premiums more affordable.<sup>1</sup> Small businesses pay, on average, 18 percent more than large businesses for the same coverage, and health insurance premiums have gone up three times faster than wages in the past 10 years. This tax credit is just the first step towards bringing those costs down and making coverage affordable for small businesses.
- **Closing the Medicare Part D donut hole.** Last year, roughly 11,900 Medicare beneficiaries in Delaware hit the donut hole, or gap in Medicare Part D drug coverage, and received no extra help to defray the cost of their prescription drugs.<sup>2</sup> Medicare beneficiaries in Delaware who hit the gap this year will automatically be mailed a one-time \$250 rebate check. These checks will begin to be mailed to beneficiaries in mid-June and will be mailed monthly throughout the year as new beneficiaries hit the donut hole. The new law continues to provide additional discounts for seniors on Medicare in the years ahead and completely closes the donut hole by 2020.
- **Support for health coverage for early retirees.** An estimated 16,000 people from Delaware retired before they were eligible for Medicare and have health coverage through their former employers. Unfortunately, the number of firms that provide health coverage to their retirees has decreased over time.<sup>3</sup> Beginning June 1, 2010, a \$5 billion temporary early retiree reinsurance program will help stabilize early retiree coverage and help ensure that firms continue to provide health coverage to their early retirees. Companies, unions, and state and local governments are eligible for these benefits.
- **New consumer protections in the insurance market beginning on or after September 23, 2010.**
  - Insurance companies will no longer be able to place lifetime limits on the coverage they provide, ensuring that the 510,000 Delaware residents with private insurance coverage never have to worry about their coverage running out and facing catastrophic out-of-pocket costs.
  - Insurance companies will be banned from dropping people from coverage when they get sick, protecting the 29,000 individuals who purchase insurance in the individual market from dishonest insurance practices.
  - Insurance companies will not be able to exclude children from coverage because of a pre-existing condition, giving parents across Delaware peace of mind.
  - Insurance plans' use of annual limits will be tightly regulated to ensure access to needed care. This will protect the 481,000 residents of Delaware with health insurance from their employer, along with anyone who signs up with a new insurance plan in Delaware.
  - Health insurers offering new plans will have to develop an appeals process to make it easy for enrollees to dispute the denial of a medical claim.
  - Patients' choice of doctors will be protected by allowing plan members in new plans to pick any participating primary care provider, prohibiting insurers from requiring prior authorization before a woman sees an ob-gyn, and ensuring access to emergency care.
- **Extending coverage to young adults.** Beginning on or after September 23, 2010, plans and issuers that offer coverage to children on their parents' policy must allow children to remain on their parents' policy until they turn 26, unless the adult child has another offer of job-based coverage in some cases. This provision will bring relief to roughly 2,340 individuals in Delaware who could now have quality affordable coverage through their parents.<sup>4</sup> Some employers and the vast majority of insurers have agreed to cover adult children immediately.

- **Affordable insurance for uninsured with pre-existing conditions.** \$13 million federal dollars are available to Delaware starting July 1 to provide coverage for uninsured residents with pre-existing medical conditions through a new transitional high-risk pool program, funded entirely by the Federal government. The program is a bridge to 2014 when Americans will have access to affordable coverage options in the new health insurance exchanges and insurance companies will be prohibited from denying coverage to Americans with pre-existing conditions. If states choose not to run the program, the Federal government will administer the program for those residents.
- **Strengthening community health centers.** Beginning October 1, 2010, increased funding for Community Health Centers will help nearly double the number of patients seen by the centers over the next five years. The funding could not only help the 12 Community Health Centers in Delaware but also support the construction of new centers.
- **More doctors where people need them.** Beginning October 1, 2010, the Act will provide funding for the National Health Service Corps (\$1.5 billion over five years) for scholarships and loan repayments for doctors, nurses and other health care providers who work in areas with a shortage of health professionals. This will help the 14% of Delaware's population who live in an underserved area.
- **New Medicaid options for states.** For the first time, Delaware has the option of Federal Medicaid funding for coverage for all low-income populations, irrespective of age, disability, or family status.

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1 [Http://www.irs.gov/pub/newsroom/count\\_per\\_state\\_for\\_special\\_post\\_card\\_notice.pdf](http://www.irs.gov/pub/newsroom/count_per_state_for_special_post_card_notice.pdf)

2 Office of the Actuary. Centers for Medicare and Medicaid Services. Number represents only non-LIS seniors.

3 Kaiser Family Foundation. 2009 Employer Health Benefits Survey.

4 U.S. Census Bureau, Current Population Survey. Annual Social and Economic Supplements, March 2009; and 45 CFR Parts 144, 146, and 147.

[http://www.hhs.gov/ociio/regulations/pr\\_omnibus\\_final.pdf](http://www.hhs.gov/ociio/regulations/pr_omnibus_final.pdf)