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Seniors and the Affordable Care Act

By Evelyn Preston

Bob Dylan got it right…The times they are a-changing… again. Goodbye Medicare as we know it. Hello to fewer benefits/providers and higher costs/taxes because, whatever personal views you may hold about universal health care, it has to be paid for by everyone–seniors and retirees are not immune. According to Flor Harris, VP at Pacific Coast Benefits Insurance Services, health care changes—good and not so good—would benefit from an expert's eye for all. Seniors, be aware!

Question: *What's the basic reform for individuals before age 65?*

Answer: The Individual Mandate for health insurance with greatly expanded coverage and choices kicks in January 1, 2014, (enrollment from now thru December 31, 2013), with a penalty for opting out. Up to $285/family or 1% of family income, penalties will increase yearly though exceptions may apply.

Question: *What are the main changes to Medicare?*

Answer: Across-the-board changes in Medicare payment formulas for a variety of Medicare providers including hospitals, nursing homes, at-home care and hospice agencies will ultimately affect beneficiaries—that's you and me! Along with limits/higher costs for Medical Advantage Plans, the Medicare Part A "Hospital Insurance" tax will increase on high income earners ($200,000 and above). Higher Rx costs will help close the "donut hole" by 2020. Part of the future funding will come from increases on the employee portion of the FICA tax.

Question: *How do Health "Exchanges" work?*

Answer: California developed Covered California, health clearing houses (www.coveredcalifornia.gov), for individuals and small businesses (1-50 full-time employees), to compare and purchase health insurance in both the public and private market. However, deciphering tax credit availability, premium subsidies, diverse bronze through platinum coverage levels and new taxes/fees becomes a daunting task. Although government program "assisters" (8 hours training) are on tap, Flor Harris suggests that licensed, government certified insurance agents may more easily navigate the maze of options and better compare policies.

Question: *Why should many seniors care about the SHOP Exchange and tax credit programs?*

Answer: According to Flor, almost 20% of retirees go back to work in new careers as part-timers or small business owners; many take on a second job—they need to know the law! If not employed at a large company offering health care, working seniors can explore the Small Business Health Options Program (SHOP) and discover if they might qualify to receive a tax credit of up to 50%.

Question: *Can you boil down the plusses and minuses of the ACA?*

Answer: There's much good news! Insurance carriers can't exclude anyone from coverage or deny benefits based on age, health or pre-existing conditions. With a proactive approach, essential, core benefits must be part of all health plans including Medicare: ambulatory patient and emergency services, hospitalization, Rx drugs, laboratory services, 100% covered preventive/wellness services (colonoscopies, mammograms, cancer screening, etc.) and chronic disease management. Children can remain on parents' plans to age 26.

The negatives will relate mainly to increased costs/fees/taxes, diminishing services, reduced provider payments/doctor availability plus individual mandates/penalties. Even on Medicare, future costs and services are impossible to predict.

Question: *With so many moving parts to the ACA, what's the best way to proceed?*

Answer: Seek as much detail as possible; ask questions. In addition to the government sites, Pacific Coast Benefits Insurance Services has developed a new tool for guidance www.navigatereform.com. Check it out!

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