



Federal Health Care Reform

Frequently Asked Questions

Updated July 23, 2013

I currently have insurance through my employer. How will this legislation affect me?

1. There will be no impact on your current health care insurance coverage.
2. If you are enrolled in a plan that is considered a “Cadillac Plan,” a 40 percent excise tax will be assessed on the portion of most employer-sponsored health coverage (excluding dental and vision) that exceeds a premium of \$10,200 a year for an individual and \$27,500 for families beginning in 2018.

I’m over 65 and on Medicare. How does this legislation affect me?

1. Traditional Medicare plans will not see any reduction in benefits.
2. The Medicare prescription drug benefit is improved. This year, seniors who have found themselves in the Part D coverage gap, or “doughnut hole,” will receive \$250 to help pay for their medications. Between 2010 and 2020 the gap will be reduced and seniors who now pay 100 percent of their drug costs in the doughnut hole will pay 25 percent. The doughnut hole for 2010 currently does not pay for drug costs between \$2,830 and \$6,440. Also, as under current law, once seniors spend a certain amount on medications, they receive “catastrophic” coverage and pay only 5 percent of the cost of their medications.
3. This bill provides for free preventive services such as colon, prostate and breast cancer screenings to people on Medicare.
4. Government payments to Medicare Advantage plans, the private health plan version of Medicare, will be cut starting in 2011. The cuts will be phased in over seven years. Currently, approximately 14 percent of Oklahoma’s seniors are enrolled in these plans.

I am under 26. Can I stay on my parent’s plan?

1. If you are a dependent adult younger than 26, your parents have the option to keep you on their insurance as long as you are not offered health coverage at work.
2. People in their 20s will be given the option of buying a “catastrophic” plan with lower premiums when insurance exchange programs are available.

I have a pre-existing condition and cannot currently get health insurance. What help is provided to me in this legislation?

1. For children, exclusions for pre-existing conditions by insurance companies are no longer allowed beginning in September 2010.
2. A temporary high-risk pool will be created to provide coverage to individuals with pre-existing conditions who have been uninsured for at least six months. These individuals will be able to receive subsidized premiums beginning in September 2010. This pool will cease to exist as of Dec. 31, 2013, as this population will move to the insurance exchange.
3. All exclusions of insurance coverage for adults due to pre-existing conditions must be eliminated beginning in 2014.

I'm uninsured. I want health insurance, but I cannot afford it. What do I qualify for and when?

1. Beginning in 2014, you might be eligible for government subsidies to help pay for private insurance sold in new insurance exchanges.
2. Premium subsidies on a sliding fee scale will be available for individuals and families with incomes between 100 percent and 400 percent of the federal poverty limit.
3. The Supreme Court's decision to uphold the Affordable Care Act stipulated that states cannot be coerced into expanding Medicaid. States are determining whether or not to expand their Medicaid eligibility to include working adults with incomes less than 133 percent of the federal poverty limit. However, Gov. Fallin has announced that Oklahoma will not be expanding Medicaid to cover this population.

How will this legislation affect my doctor?

1. Medicaid (SoonerCare) will be required to pay primary care physicians 100 percent of the Medicare rate for Medicaid services. This will be financed by 100 percent federal match.
2. Primary care physicians and general surgeons practicing in shortage areas will receive a 10 percent bonus for Medicare services from 2011-2015.
3. Oklahoma could take advantage of unused residency slots from other states to grow primary care residency training programs, thus making more physicians available in our state.

Will my taxes increase to pay for health care reform?

1. If you earn more than \$200,000 as an individual in 2013, or \$250,000 as a couple, you will pay a higher Medicare payroll tax on earnings above those amounts. The current Medicare payroll tax is 1.45 percent and the new rate will increase by 0.9 percent to 2.35 percent. Also, if you have unearned income such as dividends and interest over the threshold, you will incur an additional 3.8 percent tax.
2. The bill raises the threshold to qualify for deducting unreimbursed medical expenses from 7.5 percent of adjusted gross income to 10 percent.
3. Starting in 2013, the bill limits to \$2,500 the amount of money that can be put in a flexible spending account to pay medical expenses.

Won't the new Medicaid requirements be an unfunded mandate on the state of Oklahoma?

1. If Oklahoma decided to expand Medicaid eligibility, childless adults with incomes below 133 percent of the federal poverty limit would qualify for Medicaid (SoonerCare) beginning in 2014. **The federal government will provide 100 percent of the funding for this new population beginning in 2014.** This federal subsidy gradually decreases to 90 percent by 2020.
2. 180,000 medically underserved Oklahomans are estimated to be eligible for this benefit.
3. The state's cost of covering this population will be more than offset by savings in the cost of mental health and substance abuse services, corrections, and public health programs. Oklahoma will also benefit through the addition of health care sector jobs.

For more information on this topic, go to www.okoha.com/federalfunding.