



## GUEST OPINION

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### Some policy implications of the high court ruling

By Andrew Cannon

While many are focusing on the political and judicial ramifications of Thursday's Supreme Court ruling affirming the constitutionality of the Affordable Care Act (ACA), it's important to focus on how the law will affect health coverage.

ACA provisions at the heart of the Supreme Court decision are the personal responsibility requirement (or individual mandate) and the Medicaid expansion. Both provisions are not scheduled to take effect until Jan. 1, 2014.

However, a number of provisions have been in effect since 2010 — shortly after the law's passage — and have helped make insurance coverage accessible and more affordable for millions of Americans. Today's ruling upholding the law means that millions of Americans will retain that coverage and those benefits.

Among the provisions currently in effect:

- **Young adult coverage:** Uninsured persons age 18 through 25 may continue to be insured as a dependent on their parents' health coverage. This provision has extended health care coverage to an estimated 6.6 million young Americans.
- **Protections against pre-existing condition exclusions for children:** The ACA prevents insurers from denying coverage to sick children. In Iowa, there are up to 51,000 children who have pre-existing conditions.
- **The end of lifetime and annual benefit limits:** Consumers with serious health conditions and treatment expenses no longer need to worry about bumping against maximum amounts an insurer will pay.
- **The elimination of the Medicare "doughnut hole":** Under existing Medicare law, seniors with high prescription costs had to pay for prescriptions entirely out-of-pocket. The ACA gradually eliminates this "doughnut hole," providing seniors a 50 percent discount on name-brand drugs and a 7 percent discount on generic drugs.
- **Tax credits for small businesses:** Small businesses that meet specified qualifications may presently receive a tax credit if they offer their employees coverage and cover at least half of the premium cost. Estimates of the number of eligible businesses vary, from about 2.6 million to about 4 million. Take-up has been limited, partially because of lack of awareness.

The provisions that will take effect in 2014 include:

- **Expanding Medicaid coverage:** Under the ACA, uninsured individuals with earnings at or below 133 percent of the federal poverty level (\$30,657 for a family of four in 2012) will qualify for enrollment in Medicaid. If Iowa fully participates in the Medicaid expansion, as many as 114,700 Iowans may receive coverage.

- **Creation of new insurance marketplaces, or “exchanges”:** The ACA instructs states to construct new insurance marketplaces, accessible by Internet, in which those who don’t receive insurance through their employer may shop for insurance coverage. Individuals who don’t qualify for Medicaid coverage will receive tax credits to help them cover the cost of their health premium. This is the group affected by the individual mandate. According to estimates, as many as 250,000 Iowans could find their health coverage through the new insurance marketplace, or exchange.

Although legal scholars and political pundits will undoubtedly have much to say for months on Thursday’s decision, the central purpose of the law should not be lost in the discussion: to expand health insurance coverage and help create a health system that works for everyone.

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