

June 28, 2012

The ACA and the Supreme Court: What it Means for New Hampshire

The decision by the U.S. Supreme Court earlier today to uphold the vast majority of the Affordable Care Act (ACA) ensures that New Hampshire residents will have access to more affordable health care and will continue to be protected from insurance company abuses. As a result of the decision, New Hampshire citizens will continue to enjoy numerous consumer protections in purchasing health care coverage, Medicare beneficiaries in the Granite State will see lower costs, and local small businesses will still receive assistance in providing coverage to their employees. The New Hampshire economy as a whole will benefit as well, since the affirmation of the ACA means that efforts to curb health care cost growth will proceed as intended and that hundreds of millions of dollars in federal aid may flow into the state.

The following examines some of the specific benefits that the Affordable Care Act offers to New Hampshire's citizens and companies.

Consumer protections currently mandated by law for young adults, children, and the sick will continue.

- The estimated 665,000 New Hampshire residents with private health insurance coverage will not have to worry about exhausting lifetime limits on their coverage should they become ill.ⁱ
- Young people will still be able stay on their parents' health plan until they are 26. An estimated 8,330 young adults in New Hampshire gained coverage under this provision in 2010 and 2011.ⁱⁱ
- Children in New Hampshire with pre-existing conditions will remain protected from having their health care coverage denied.

With the affirmation of the ACA, New Hampshire residents will not be vulnerable to insurance industry abuses. In particular:

- Those with insurance who become ill will not run out of coverage because they exceed annual limits on their insurance coverage.ⁱⁱⁱ
- People who apply to purchase health insurance coverage will not be denied it because they are considered a bad risk due to their health history, age, or other factors.^{iv}

- Insurers can not refuse to renew coverage to customers because they have become ill.^v
- Adults with preexisting conditions will be protected from having their coverage denied.^{vi}

Small businesses will continue to access tax credits that have been helping them pay for up to 35 percent of the costs of their workers' health insurance.

- An estimated 19,600 New Hampshire businesses – constituting 80 percent of small businesses in New Hampshire – have been eligible for small business tax credits under the ACA.^{vii} Due to the Court's ruling, they will continue to receive such assistance.

Medicare beneficiaries will still enjoy free coverage of preventive services.

- The 163,746 Medicare beneficiaries in New Hampshire who receive free preventive services – such as mammograms and colonoscopies – or who are entitled to a free wellness visit with their doctor will continue to enjoy such benefits.^{viii}
- Due to the ACA, Medicare beneficiaries in New Hampshire saved a total of \$8.1 million on prescription drugs in 2010 and 2011. Given the Supreme Court's decision, they will realize similar savings in the future.^{ix}

New Hampshire residents will still receive anticipated assistance in purchasing health care.

- Under the provisions of the ACA, uninsured households are slated to receive substantial financial help, ranging from \$2,626 to \$6,337 per family, with the cost of health care coverage.^x Due to the Supreme Court's ruling, these subsidies will be paid as anticipated.
- Families with insurance are expected to see their premiums fall by \$873 on average by 2019 due to the ACA. With the ACA upheld, they can continue to look forward to such savings.^{xi}

The Affordable Care Act's tools to contain the rising costs of health care will come to be used as expected, including:

- *The implementation of medical loss ratios (MLR):* Under the ACA, insurance companies will be required to spend at least 80 percent of premium dollars on health care costs or to pay rebates to their customers each year. These rebates will be paid for the first time in August of this year and, nationwide, will total \$1.1 billion.^{xii}
- *Insurance rate review:* As a result of the Supreme Court's ruling, insurance companies will be required by federal law to explain how they set premiums.

- *The establishment of Exchanges.* The ACA establishes a system of Exchanges, regulated marketplaces through which individuals and businesses will be able to choose from a range of health insurance plans. In addition, under the Exchanges, insurers will be required to explain what services and procedures are covered and at what cost.
- *Information sharing on treatment effectiveness.* The ACA creates the Patient Centered Outcomes Research Institute to conduct research on what drugs and treatments work best for which patients so doctors have information they need to make the best decisions possible. Such research will be essential in curbing health care cost growth.

ⁱNHFPI calculations based on 2009 ACS Survey 1 year estimates, Table B27016

ⁱⁱ<http://www.healthcare.gov/law/resources/nh.html>

ⁱⁱⁱ PPACA §1001 (2711)

^{iv} PPACA §1201 (2702)

^v PPACA §1201 (2712), §1201(2703)

^{vi} PPACA §1201 (2704)

^{vii} Estimates developed by the Lewin Group, "A Helping Hand for Small Business, Health Insurance Tax Credits," Families USA and Small Business Majority, Table 1, p. 3.

^{viii} <http://www.healthcare.gov/law/resources/nh.html>

^{ix}Ibid.

^x Ibid.

^{xi} Data analysis by Jonathan Gruber of MIT, "The Bottom Line: How the Affordable Care Act Helps New Hampshire Families," Families USA, October 2011, Tables 1, 2a&2b, p.3-4.

^{xii} Medical Loss Ratio Rebates, June 21, 2012, US DHHS. Accessed at <http://www.healthcare.gov/law/resources/reports/mlr-rebates06212012a.html>