



## How Does Health Care Reform Impact People Living with HIV/AIDS?\*

President Obama signed the final piece of historic health care reform legislation on March 30, 2010. Below are some of the highlights of the legislation for people living with HIV/AIDS. Note that many of the changes take place in future years; few of the changes go into effect immediately.

### Public health care

- Creates Medicaid eligibility for individuals and families with incomes below 133 percent of the federal poverty line and eliminates the Medicaid disability requirement. This means that individuals living with HIV no longer must wait for an AIDS diagnosis before becoming eligible for Medicaid. This change will also relieve some of the strain on state AIDS Drug Assistance Programs (ADAPs) by expanding access to Medicaid.
  - More specifically: In 2011, states will have the option to expand their Medicaid programs to all people under a certain income (133% Federal Poverty Level (FPL) – FPL increases every year, in 2010 it is \$14,403 for one person and \$29,324 for a family of four). In 2014, Medicaid will be expanded by federal mandate and will cover everyone under 133% FPL, ending the requirement that people with HIV must get sick before they can qualify for Medicaid.
- Phases out the Medicare Part D donut hole. Currently, when people on Medicare Part D hit the initial coverage limit of \$2,510 they are required to pay \$4,550 out of pocket, referred to as “true out of pocket costs” or TrOOP, before catastrophic coverage kicks in. (Most people with HIV reach the gap in the second or third month of the plan year.)
  - More specifically: In 2010, people who depend on Medicare Part D for their prescription drugs will receive a \$250.00 rebate when they reach the coverage gap. In 2011, the pharmaceutical industry has to provide a 50% discount on brand name drugs while people are in the coverage gap (though full price will count toward TrOOP). By 2020, the coverage gap for Medicare Part D is eliminated.

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- While people will continue to have out of pocket-costs, those will constitute a diminishing percentage of drug costs.
- Also, under the new law, ADAP benefits will be considered toward TrOOP so that ADAP, rather than individuals living with HIV, pays the out-of-pocket expenses.
  - In 2011, AIDS Drug Assistance Program (ADAP) payments that are made to Medicare Part D on behalf of HIV positive people who are in the coverage gap will count toward the amount of out-of-pocket spending they must reach to get meaningful prescription coverage under Medicare Part D. This will save money for ADAPs and allow Medicare beneficiaries to gain access to a much more comprehensive formulary of necessary drugs.

### **Private health insurance**

- Increases access to private health insurance by eliminating discrimination based on health status (pre-existing conditions), and by preventing the practice of charging individuals differently based on their health status and gender.
  - More specifically: within six months, children cannot be denied insurance due to pre-existing conditions. By 2014, adults will no longer be able to be denied for pre-existing conditions. Within six months, adults with pre-existing conditions will be allowed to buy into a temporary national “high-risk” plan that will stay in effect until 2014. Out of pocket costs will be capped under the temporary plan.
  - Also, in 2010, insurance companies will no longer be able to take away coverage when someone gets sick.
- Ends lifetime caps on benefits, and increases coverage for a new mandated benefits package that includes prescription drugs, preventative care, chronic disease management, and substance abuse and mental health treatment.
  - In 2010, lifetime caps on benefits will be prohibited.
  - In 2010, some health plans will be required to cover some preventive services free of cost to their participants.
- Increases affordability by offering subsidies to individuals and families with incomes between 133-400% of the federal poverty level.

### **Other key improvements**

- Invests in prevention and wellness initiatives, including addressing health disparities, and invests in public health infrastructure and the clinical workforce and Community Health Centers serving vulnerable populations.
- Invests \$75 million in evidence-based sex education programs.
- Requires that health insurance plans in the exchange include where available community providers that serve predominately low-income, medically-underserved individuals.

## The Losses

The legislation does not achieve everything HIV and reproductive rights advocates had hoped, and it includes some harmful provisions:

- Fails to include a public health insurance option.
- Imposes a 5-year waiting period on permanent, legal residents before they are eligible for assistance such as Medicaid, and prohibits undocumented workers from even using their own money to purchase health insurance through an exchange.
- Greatly restricts access to abortion coverage. The new law imposes a requirement on insurance plan enrollees who buy coverage that includes abortion care through the health insurance exchanges to write two monthly checks, one for an abortion care rider and one for all other health care. This burdensome system will result in greatly restricting access to, or possibly eliminating, abortion coverage.
- Re-authorizes harmful abstinence-only-until-marriage programs, at a cost of \$250 million over five years. This defeat comes only one year after these programs had finally been eliminated from the federal budget.
- Fails to incorporate ETHA (Early Treatment for HIV Act) into the final legislation. ETHA would have allowed states to immediately expand access to Medicaid to people living with HIV (as opposed to people living with AIDS) until the broader Medicaid expansion goes into effect in 2014.

**If you'd like to learn more, below are a few links to useful resources:**

### 1. **Benefits of Health Care Reform, District by District Impact**

This site allows you to see how the legislation will impact the population in your congressional district.

[http://energycommerce.house.gov/index.php?option=com\\_content&view=article&id=1924:benefits-of-health-care-reform-district-by-district-impact&catid=169:legislation&Itemid=55](http://energycommerce.house.gov/index.php?option=com_content&view=article&id=1924:benefits-of-health-care-reform-district-by-district-impact&catid=169:legislation&Itemid=55)

2. **KaiserEDU.org** and **kff.org (Kaiser Family Foundation)** contain numerous resources on health care reform, including a side-by-side bill comparison tool.

[http://www.kaiseredu.org/health\\_reform\\_index.asp](http://www.kaiseredu.org/health_reform_index.asp) and <http://healthreform.kff.org/>

Of particular note is a summary of the bill's key provisions:

<http://www.kff.org/healthreform/upload/8023-R.pdf>

3. **How Obama Revived His Health-care Bill** *Washington Post*, Ceci Connolly, 03/23/2010

A tale of the political maneuvers leading up to the passage of the reform legislation on March 21.

<http://www.washingtonpost.com/wp-dyn/content/article/2010/03/22/AR2010032203729.html?hpid=topnews>