



# Fact Sheet

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## The Health Care Republicans Don't Want You to Have

Support for the new health reform law continues to grow and Americans trust Democrats to handle health care over Republicans by a 13-point margin, yet Republicans continue their campaign to repeal the law of the land. [AP-GfK, [6/10](#)] In an effort to advance what they perceive as their own political interests, Republicans are working to revoke benefits of health reform that have already begun or will begin before the year is out, including enhanced Medicare benefits for seniors, tax credits for small businesses, strengthened consumer protections, and other benefits. This report examines the health care Republicans don't want you to have, and the cruel consequences for Americans if their scheme to repeal health reform were to succeed.

### ***\$250 for Seniors Who Hit the 'Donut Hole'***

The first round of \$250 checks has already been mailed to Medicare beneficiaries who do not receive Medicare Extra Help and who have already entered the "donut hole." Checks will continue to go out monthly for the rest of the year as beneficiaries enter the coverage gap. [White House, [6/8/10](#)] The \$250 rebate check is tax-free and seniors do not need to do anything to receive it; Medicare automatically mails a check when the beneficiary reaches the "donut hole." [Centers for Medicare & Medicaid Services, [5/10](#)] Seniors should expect their check in the mail within 45 days or less of hitting the coverage gap. Information on the number of seniors in your state who may qualify for the rebate check is available from the DPC. [DPC, [6/22/10](#)]

Beginning next year, Medicare beneficiaries who do not receive Medicare Extra Help will receive a 50 percent discount on brand-name drugs and biologics they purchase when they are in the coverage gap. In addition to the discount, coverage in the "donut hole" will increase until 2020, when 75 percent coverage on all drugs purchased in the gap will completely fill in the "donut hole." More information on filling in the "donut hole" and other benefits of health reform for seniors is available from the DPC. [DPC, [6/10/10](#)]

### **Republican Repeal Plan Raises Drug Costs for Seniors**

The Republican scheme to repeal health reform would deny seniors the \$250 rebate check rescind the 50 percent discount on brand-name drugs and biologics purchased in the "donut hole" next year to help them afford their medication. The Republican plot to repeal reform would ensure the "donut hole" remains in place, rather than being closed by 2020 as under the health reform law.

## ***Health Insurance Tax Credits for Small Businesses***

The *Patient Protection and Affordable Care Act* provides tax credits for up to 35 percent of premium costs for small businesses that offer coverage to their employees. Effective this year, the full credit is available to firms with 10 or fewer employees and average annual wages of up to \$25,000, while firms with up to 25 employees and average annual wages of up to \$50,000 will also be eligible for a credit. Beginning in 2014, tax credits are available for up to 50 percent of premium costs. In April, the Internal Revenue Service began mailing postcards to more than four million small businesses and tax-exempt organizations that may be eligible for the credit, and provided answers to frequently asked questions about the credit. [IRS, [4/19/10](#); [5/5/10](#)] Information on the number of small businesses in your state who may qualify for the tax credit is available from the DPC. [DPC, [6/22/10](#)]

## **Republican Repeal Plan Revokes Tax Credits for Small Businesses**

The Republican scheme to repeal health reform would deny small businesses this tax credit, putting small business owners right back where they were before health reform was enacted, struggling to find affordable coverage options to offer their employees, or simply not offering coverage because affordable plans are unavailable.

## ***Coverage for Young Adults***

The *Patient Protection and Affordable Care Act* allows young adults to stay on their parents' health insurance plan until age 26. Before passage of the new law, many plans removed young adults from their parents' policies at age 19 or upon graduation from high school or college. [National Conference of State Legislatures, [4/10](#)] Thirty percent of young adults age 19 through 29 are uninsured, the highest rate of any age group. While this provision is effective for policy and plan years beginning on or after September 23, 2010, more than 65 insurance companies have voluntarily agreed to provide coverage to young adults before the deadline. [The White House, [5/10/10](#)] Information on the number of young adults in your state who may benefit from this coverage extension is available from the DPC. [DPC, [6/22/10](#)]

## **Republican Repeal Plan Rescinds Coverage Expansion for Young Adults**

The Republican scheme to repeal health reform would revoke the new health insurance coverage options that health reform offers for young adults. For young adults, especially new college graduates, facing a challenging job market, the option to stay on a parent's health insurance could be the only reasonably priced insurance option they have. Without it, many will be forced to go uninsured.

## ***Coverage for Children with Pre-Existing Conditions***

The *Patient Protection and Affordable Care Act* prohibits health insurers from excluding coverage of pre-existing conditions for children, effective for policies and plan years beginning on or after September 23, 2010, and applying to all employer-sponsored plans and all new plans in the individual market. The Administration has worked with the health insurance industry, which has agreed to ensure that children with pre-existing conditions are not denied coverage. [HHS, [5/10/10](#)] This means that children, no matter their health status, and their parents will soon

have the peace of mind that comes with knowing coverage of a child's pre-existing condition cannot be denied.

### **Republican Repeal Plan Rolls Back Protections for Children**

The Republican scheme to repeal health reform would deny children protection from having their health insurance coverage limited due to a pre-existing condition. The Republican effort to repeal reform gives insurance companies the freedom to deny coverage of a child's pre-existing condition, including congenital conditions a child may have at birth. No child should be denied health care for a condition they were born with, and every parent deserves the peace of mind that comes with knowing their child's health care is covered.

### ***Coverage for Uninsured Adults with Pre-Existing Conditions***

The *Patient Protection and Affordable Care Act* provides access to quality, affordable health insurance for as many as 5.6 million uninsured Americans who are unable to obtain health insurance because of a pre-existing condition. [staff estimate using AHRQ, [4/09](#) and HealthReform.gov, accessed [3/20/10](#)] As many as 57 million Americans under age 65 have a pre-existing condition that could lead to a coverage denial under old insurance market rules. [Families USA, [5/10](#)] The law creates a high-risk pool program which will operate until state-based health insurance Exchanges are running and discrimination based on pre-existing conditions is banned, in 2014. Information on the funding available in your state for this program is available from the DPC. [DPC, [6/22/10](#)]

### **Republican Repeal Plan Rolls Back Protections for Uninsured Adults with Pre-Existing Conditions**

The Republican scheme to repeal health reform would deny uninsured adults with pre-existing conditions the affordable coverage options health reform offer them, leaving them facing complete denials of coverage from insurance companies, or, in a best case scenario, facing premiums that are completely unaffordable for the vast majority of Americans. Until 2014, when the health insurance Exchanges are operational and coverage denial of any type is banned, uninsured adults with pre-existing conditions need the quality, affordable health insurance option that the health reform law offers.

### ***Lower Costs for Early Retirees***

The *Patient Protection and Affordable Care Act* created a \$5 billion re-insurance program for employer health plans that offer coverage to retirees who are not yet eligible for Medicare, to help protect access to coverage while reducing costs for employers and retirees. This temporary program will provide financial assistance until 2014, when health insurance Exchanges will make it easier for early retirees to access affordable health insurance options. Early retirees are at particular risk of becoming uninsured, or of being forced to pay exorbitant premium costs until they become eligible for Medicare, and the percentage of large firms offering retiree coverage has dropped precipitously, from 66 percent in 1988 to just 31 percent in 2008. [The White House, [5/4/10](#)] The program began on June 1, 2010, in advance of the June 22, 2010, effective date required by law. [Federal Register, [5/5/10](#); The White House, [5/4/10](#)] Information on the number of early retirees in your state who may benefit from this program is available from the DPC. [DPC, [6/22/10](#)]

## [Republican Repeal Plan Leaves Early Retirees Without Critical Protections](#)

The Republican scheme to repeal health reform would fail to protect early retirees, who will continue to be at a very high risk of becoming uninsured or of paying excessive premiums if they are lucky enough to maintain their health insurance coverage. Employers are struggling to continue providing health benefits to retirees, and Republicans are working to repeal the assistance that the health reform law provides them to do the right thing.

## [Consumer Protections and a Patients' Bill of Rights](#)

The *Patient Protection and Affordable Care Act* includes numerous consumer protections and a Patients' Bill of Rights – provisions that Senate Democrats have been fighting to enact for nearly a decade. These patient protections take effect for policy or plan years beginning on or after September 23, 2010, and apply to various types of health insurance plans, as noted.

- **Required coverage of preventive care with no cost-sharing.** Insurers will be required to provide free coverage of preventive health care services. This provision applies to all new plans in all markets.
- **No coverage rescissions when Americans get sick.** Insurers will be prohibited from rescinding health coverage when a beneficiary gets sick as a way of avoiding paying that person's health care bills. This provision applies to all new and existing plans in all markets.
- **No lifetime limits on coverage.** Insurers will be prohibited from imposing lifetime limits on benefits. This provision applies to all new and existing plans in all markets.
- **Regulated annual limits on coverage.** Insurance plans' use of annual limits will be tightly regulated to ensure access to needed care. This provision applies to all new plans and existing employer plans, until 2014, when the Exchanges are operational and use of any type of annual limit will be banned for all new plans and existing employer plans.
- **Fair opportunity to appeal coverage and claims decisions.** Health insurers will be required to develop an appeals process that, at a minimum, provides beneficiaries with a notice of internal and external appeals processes and allows beneficiaries to review their file and present evidence in their appeal. This provision applies to all new plans in all markets.
- **Patients' Bill of Rights.** Patients' rights are protected by allowing health insurance plan members to choose any participating primary care provider, or in the case of children, any participating pediatrician, prohibiting insurers from requiring prior authorization before a woman sees an ob-gyn, and ensuring access to emergency care. This provision applies to all new plans in all markets.

## [Republican Repeal Plan Revokes Consumer Protections and Patients' Rights](#)

The Republican scheme to repeal health reform would deny all Americans the consumer protections and patients' rights that will soon take effect as a result of the new health reform law. The *Patient Protection and Affordable Care Act* puts control over health care decisions in the hands of the American people, not insurance companies. It seems Republicans advocating for repeal of the new law are on the side of insurance companies, not patients.