



Take health care into your own hands

## How the Health Care Law is Making a Difference for the People of California

For too long, too many hardworking Americans paid the price for policies that handed free rein to insurance companies and put barriers between patients and their doctors. The Affordable Care Act gives hardworking families in California the security they deserve. The new health care law forces insurance companies to play by the rules, prohibiting them from dropping your coverage if you get sick, billing you into bankruptcy because of an annual or lifetime limit, or, soon, discriminating against anyone with a pre-existing condition.

All Americans will have the security of knowing that they don't have to worry about losing coverage if they're laid off or change jobs. And insurance companies now have to cover your preventive care like mammograms and other cancer screenings. The new law also makes a significant investment in State and community-based efforts that promote public health, prevent disease and protect against public health emergencies.

Health reform is already making a difference for the people of California by:

### ***Providing new coverage options for young adults***

Health plans are now required to allow parents to keep their children under age 26 without job-based coverage on their family coverage, and, thanks to this provision, 3.1 million young people have gained coverage nationwide. As of December 2011, 435,000 young adults in California gained insurance coverage as a result of the health care law. *For more details on these numbers, visit [here](#).*

### ***Making prescription drugs affordable for seniors***

The health care law includes benefits to make Medicare prescription drug coverage more affordable. In 2010, 355,501 people with Medicare in California who hit the prescription drug donut hole received a \$250 rebate. In 2011, people with Medicare who hit the donut hole began receiving a 50 percent discount on covered brand-name drugs and a discount on generic drugs. Since the law was enacted, California residents with Medicare have saved a total of \$387,260,041 on their prescription drugs. In the first nine months of 2012, 200,308 people with Medicare received a 50 percent discount on their covered brand-name prescription drugs when they hit the donut hole. This discount has

resulted in an average savings of \$580 per person, and a total savings of \$116,138,856 in California in 2012. By 2020, the law will close the donut hole.

### **Covering preventive services with no deductible or co-pay**

In 2011, 2,110,058 people with Medicare in California received [free preventive services](#) – such as mammograms and colonoscopies – or a free annual wellness visit with their doctor. And in the first nine months of 2012, 1,722,968 people with Medicare received free preventive services.

Because of the law, 54 million Americans with private health insurance gained [preventive service coverage with no cost-sharing](#) in 2011, including 6,181,000 in California. And for policies renewing on or after August 1, 2012, women can now get coverage— without cost-sharing—of even more preventive services they need. Approximately [47 million women](#), including 5,306,748 in California will now have guaranteed access to additional preventive services without cost-sharing.

### **Providing better value for your premium dollar through the 80/20 Rule**

Under the new health care law, insurance companies must provide consumers greater value by spending generally at least 80 percent of premium dollars on health care and quality improvements instead of overhead, executive salaries or marketing. If they don't, they must provide consumers a rebate or reduce premiums. This means that 1,877,186 California residents with private insurance coverage will benefit from \$73,905,280 in [rebates](#) from insurance companies this year. These rebates will average \$65 for the 1,100,000 families in California covered by a policy.

### **Scrutinizing unreasonable premium increases**

In every State and for the first time under Federal law, insurance companies are required to publicly justify their actions if they want to raise rates by 10 percent or more. California has received \$5,324,242 under the new law to help fight unreasonable premium increases.

### **Removing lifetime limits on health benefits**

The law bans insurance companies from imposing lifetime dollar limits on health benefits – freeing cancer patients and individuals suffering from other chronic diseases from having to worry about going without treatment because of their lifetime limits. Already, 12,092,000 residents, including 4,448,000 women and 3,255,000 children, are

free from worrying about lifetime limits on coverage. The law also restricts the use of annual limits and bans them completely in 2014.

### **[Creating new coverage options for individuals with pre-existing conditions](#)**

As of August 2012, 11,977 previously uninsured residents of California who were locked out of the coverage system because of a pre-existing condition are now insured through a new Pre-Existing Condition Insurance Plan that was created under the new health reform law. To learn more about the plan available in California, check [here](#).

### **[Supporting California's work on Affordable Insurance Exchanges](#)**

California has received \$236,901,012 in grants for research, planning, information technology development, and implementation of Affordable Insurance Exchanges.

- ***\$1,000,000 in Planning Grants:*** This grant provides California the resources needed to conduct the research and planning necessary to build a better health insurance marketplace and determine how its exchange will be operated and governed. Learn how the funds are being used in California [here](#).
- ***\$235,901,012 in Exchange Establishment Grants:*** These grants are helping States continue their work to implement key provisions of the Affordable Care Act. Learn how the funds are being used in California [here](#).

### **[Preventing illness and promoting health](#) (Last Updated: March 15, 2012)**

Since 2010, California has received \$90,600,000 in grants from the Prevention and Public Health Fund created by the Affordable Care Act. This new fund was created to support effective policies in California, its communities, and nationwide so that all Americans can lead longer, more productive lives.

### **[Increasing support for community health centers](#)**

The Affordable Care Act increases the funding available to community health centers nationwide. In California, 131 health centers operate 1,195 sites, providing preventive and primary health care services to 3,104,183 people. Health Center grantees in California have received \$472,863,126 under the Affordable Care Act to support ongoing health center operations and to establish new health center sites, expand services, and/or support major capital improvement projects.

### **[Strengthening partnerships with California](#) (Last Updated: March 15, 2012)**

The law gives states support for their work to build the health care workforce, crack

down on fraud, and support public health. Examples of Affordable Care Act grants to California not outlined above include:

- **\$1,000,000 to support the [National Health Service Corps](#)**, by assisting California in repaying educational loans of health care professionals in return for their practice in health professional shortage areas.
- **\$10,000,000 for [health professions workforce demonstration projects](#)**, which will help low income individuals receive training and enter health care professions that face shortages.
- **\$1,500,000 for the [Personal and Home Care Aide State Training Program](#)**, which will help train key health care aides and strengthen the direct care worker workforce.
- **\$2,500,000 to support [teaching health centers](#)**, creating new residency slots in community health centers.
- **\$4,100,000 for the expansion of the [Physician Assistant Training Program](#)** (PDF - 65.8 KB), a five-year initiative to increase the number of physician assistants in the primary care workforce.
- **\$3,000,000 to help California reduce [health care fraud](#)** by identifying efficient and effective procedures for long-term care facilities to conduct background checks on prospective employees, thereby protecting its residents.
- **\$17,400,000 for [school-based health centers](#)**, to help clinics expand and provide more health care services such as screenings to students.
- **\$1,500,000 to [support outreach to eligible Medicare beneficiaries](#)** about their benefits.
- **\$510,000 to [support Aging and Disability Resource Centers \(ADRCs\)](#)**. ADRCs help seniors, people with disabilities, and their families understand and evaluate their long-term care options, including those available in their community.
- **\$190,700 for [Family-to-Family Health Information Centers](#)**, organizations run by and for families with children with special health care needs.

- **\$797,000 to support the Personal Responsibility Education Program**, to educate youth on both abstinence and contraception for the prevention of pregnancy and sexually transmitted infections, including HIV/AIDS.
- **\$1,500,000 for disease demonstration projects**, to test approaches that may encourage behavior modification among Medicaid beneficiaries and determine solutions.
- **\$30,300,000 for Maternal, Infant, and Early Childhood Home Visiting Programs**. These programs bring health professionals to meet with at-risk families in their homes and connect families to the kinds of help that can make a real difference in a child's health, development, and ability to learn - such as health care, early education, parenting skills, child abuse prevention, and nutrition.