

The Affordable Care Act: How It Impacts Our Senior Population

Since its passage in 2010, the [Affordable Care Act \(ACA\)](#), commonly known as “Obamacare” has been a political football. The heated debates have proliferated much mis-information about the program, causing confusion among most of the population. No doubt, there will continue to be debates over healthcare reform. Regardless it is the law and its most significant provisions are now taking effect.

The health care insurance “marketplaces,” (previously called “exchanges”) open October 1st, 2013. Many people under age 65, including those with disabilities who have not been able to obtain private health insurance in the past may now have the opportunity to purchase affordable private health insurance.

These younger people who are shopping for coverage will have access to online sources to compare companies offering standardized policies. [Medicare](#) beneficiaries have had the benefit of standardized Medicare Supplement policies since 1993. Online shopping for Medicare prescription drug policies through a government website has been available to seniors since Medicare Part D coverage was enacted several years ago. In many ways, the marketplaces established under the Affordable Care Act will give non-seniors a way to shop for coverage similar to what Medicare beneficiaries have had for years. But seniors will still use the same Medicare systems for their supplemental coverage, not the marketplaces.

Here are some of the ways the Affordable Care Act does and does not impact seniors.

Individual Mandate

Much has been made in the news about an individual mandate to obtain healthcare insurance, with penalties imposed on those who do not comply. However, for the vast majority of our senior clientele, **this is not an issue.**

Seniors using Medicare as their health insurance **do not** need to register on the national health care insurance marketplace. Medicare beneficiaries are not subject to the individual mandate nor do they risk penalties for failing to sign up.

Working seniors, covered by employer plans, who have not signed up for Medicare, will generally not need to use the insurance marketplaces if they keep their employer-based plan. When coverage under the employer plan ends, these seniors will simply sign up for Medicare.

Medicare Changes

The Affordable Care Act has expanded benefits under Medicare, closing the “donut hole” for prescription drugs and giving more coverage for preventative services. Key Medicare benefits are protected under the ACA. Medicare Part A (hospitals, hospice care and some home health

services) and Medicare Part B (medical insurance) are protected and may not be cut. According to the National Council on Aging, the changes under the ACA give seniors even more Medicare benefits than before.

Changes to Prescription Drug Coverage

The Affordable Care Act has enacted a provision that requires Medicare to pick up more of the tab and will close the [“donut hole” of deductibles](#) by the year 2020 under Medicare Prescription Drug Plans, Medicare Part D. The “donut hole” has been a major problem for many seniors who take a number of drugs, so this is welcome news.

Preventive Care Expanded

The Affordable Care Act expands Medicare coverage of preventive care procedures and screenings. Prior to the ACA, Medicare did not cover the full costs of preventive services such as flu shots, tobacco use cessation counseling, cancer screenings, diabetes screenings and screenings for other chronic diseases. In addition, seniors are allowed an annual wellness visit. Previously, these services were paid out of the patient’s own pocket or separately purchased coverage.

Changes to Medicare Advantage Plans

The ACA prohibits Medicare Advantage Plans from charging higher cost-sharing fees for seniors receiving chemotherapy and dialysis. It also the amount of money these plans spend on administrative, marketing and other non-medical expenses. ACA also scales back the amount the federal government pays these plans. Up to now, the government paid these plans more to cover Medicare beneficiaries than traditional Medicare paid when it covered beneficiaries’ health costs directly. The new healthcare law reduces these extra payments to Medicare Advantage Plans over 10 years.

Non-Medicare Changes

Insurance

In addition to Medicare changes that certainly affect seniors, there are other changes written into the law that should be noted as well. Most of these would be considered beneficial to seniors.

For example, all health insurance carriers are prohibited from including pre-existing conditions clauses in their plans and are prohibited from charging individuals varying amounts for coverage based on their health, sex, age or other commonly-considered factors. In addition to those factors that may not be taken into consideration upon applying for coverage, there is also the protection of consumers once they are enrolled in the plan. The healthcare law says that once enrolled in a plan, the insurance company may not dis-enroll a person for becoming ill.

Elder Justice Act

A National Institute of Justice study showed that nearly 11% of Americans 60 years of age and

older faced some type of elder abuse in the past 12 months. A positive step in protection is the [Elder Justice Act](#), enacted under the ACA, which is aimed at protecting seniors from crimes and abuse including physical and mental abuse and financial exploitation.

Nursing Homes and Long Term Care

Unfortunately, the Affordable Care Act still does not address the biggest threat to most seniors' life savings, the costs of care in a nursing home or at home. It does enact some additional consumer protections, however. The ACA requires the [Center for Medicare and Medicaid Services](#) to provide a comprehensive website where consumers may find information regarding local nursing homes, including inspection and complaint reports. It also requires nursing homes to provide advance notice of closure, and ensure that all residents have been successfully relocated prior to actual closure of a facility.

Conclusion

Clearly there are some changes made by the Affordable Care Act that will affect seniors. The major impact, however, will be affect their younger family members, people with disabilities and those who have previously not been able to get health insurance because of low income or pre-existing medical conditions.

Our firm is dedicated to helping seniors and their loved ones, and younger people with disabilities work through health-related issues of coverage under the new ACA insurance provisions, Medicare, Medicaid and Veterans programs. We continue to help seniors and others in need of care for chronic conditions protect assets and obtain quality care through legal planning. If we can help in any way, please do not hesitate to contact our office.