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Benefits of the Affordable Health Care for America Act In the 1st Congressional District of Massachusetts Committee on Energy and Commerce

The Affordable Health Care for America Act will make health care affordable for the middle class, provide security for seniors, and guarantee access to health insurance coverage for the uninsured — while responsibly reducing the federal deficit over the next decade and beyond. This analysis examines the benefits of the legislation in the 1st Congressional District of Massachusetts. Congressman John W. Olver represents the district.

In Congressman Olver's district, the Affordable Health Care for America Act will:

- Improve employer-based coverage for **439,000** residents.
- Provide credits to help pay for coverage for up to **147,000** households.
- Improve Medicare for **108,000** beneficiaries, including closing the prescription drug donut hole for **8,200** seniors.
- Allow **15,900** small businesses to obtain affordable health care coverage and provide tax credits to help reduce health insurance costs for up to **14,300** small businesses.
- Protect up to **700** families from bankruptcy due to unaffordable health care costs.

Affordable and Improved Health Care Coverage for the Middle Class

Better health care coverage for the insured. Approximately 69% of the district's population, 439,000 residents, receive health care coverage from their employer. Under the legislation, individuals and families with employer-based coverage can keep the health insurance coverage they have now, and it will get better. As a result of the insurance reforms in the bill, there will be no co-pays or deductibles for preventive care; no more rate increases or coverage denials for pre-existing conditions, gender, or occupation; and guaranteed oral, vision, and hearing benefits for children.

Affordable health care for the uninsured. Those who do not receive health care coverage through their employer will be able to purchase coverage at group rates through a health insurance exchange. Individuals and families with an income of up to four times the federal poverty level — an income of up to \$88,000 for a family of four — will receive affordability credits to help cover the cost of coverage. There are 147,000 households in the district that could qualify for these affordability credits if they need to purchase their own coverage.

Coverage for individuals with pre-existing conditions. There are 3,100 individuals in the district who have pre-existing medical conditions that could prevent them from buying insurance. Under the bill's insurance reforms, they will now be able to purchase affordable coverage.

Health care and financial security. There were 700 health care-related bankruptcies in the district in 2008, caused primarily by the health care costs not covered by insurance. The bill caps annual out-of-pocket costs at \$5,000 for singles and \$10,000 for families and eliminates lifetime limits on insurance coverage, ensuring that no citizen will have to face financial ruin because of high health care costs.

Security for Seniors

Improving Medicare. There are 108,000 Medicare beneficiaries in the district. The health care reform legislation improves Medicare by providing free preventive and wellness care, improving primary and coordinated care, improving nursing home quality, and strengthening the Medicare Trust Fund.

Closing the Part D donut hole. Each year, 8,200 seniors in the district hit the donut hole and are forced to pay their full drug costs, despite having Part D drug coverage. The legislation will provide these seniors with immediate relief, covering the first \$500 of donut hole costs in 2010, cutting brand-name drug costs in the donut hole by 50%, and completely eliminating the donut hole by 2019.