Children's Defense Fund
Health Reform: Gearing Up for 2014

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On March 23, 2009 President Obama signed into law landmark health reform legislation guaranteeing access to health coverage for millions of uninsured Americans, including 95 percent of all children. The **Affordable Care Act (ACA**) takes major steps to ensure that all people in America can have access to affordable, comprehensive health care coverage that is easy to get and to keep. Some provisions of the ACA have already gone into effect, bringing relief to millions of children and young adults. Even so, both children and young adults have a lot to gain in 2014 when the ACA is fully implemented.

The Affordable Care Act is already working for millions of children and young adults.

- Health coverage for children has remained strong, largely due to a provision in the ACA that prevents states from rolling back children's Medicaid or the Children's Health Insurance Program (CHIP) eligibility levels before 2019. Other provisions of the ACA also helped streamline Medicaid and CHIP enrollment and renewal practices, and increase outreach to eligible but uninsured children.

- All well-child and preventive services recommended by the American Academy of Pediatrics are now covered for children free of charge in all public and private insurance. The legislation has helped maintain or improve preventive services for more than 54 percent of children, and more than 18 million children have already benefited from this provision.[1]

- Young adults can remain on their parents' health insurance plans until age 26. Since this provision went into effect, more than 3 million 19- to 26-year-olds have become insured and no longer have to fear that they will lose coverage by aging out, graduating or changing employers.[2]

- Insurers can no longer refuse to cover the treatment of a child's pre-existing conditions. There are over 17.6 million children with pre-existing conditions who can no longer be denied coverage or treatment by their insurers. As a result of the ACA, up to 2 million previously uninsured children have been able to gain health insurance coverage. [3,4]

- Insurance companies are now prohibited from placing lifetime caps on coverage and from rescinding coverage when a person becomes sick. This is a huge win for the millions of children with disabilities, and those who suffer from chronic conditions.

- Medicaid reimbursement rates have increased to ensure that low-income children and young adults have access to primary care service providers who serve Medicaid patients. On average, these rates will increase by 73 percent in 2013.[5]

Beginning in 2014, more coverage options will be available to more people.

- On October 1, 2013 health insurance marketplaces or "exchanges" will open for enrollment with coverage beginning January 1, 2014. These marketplaces will provide individuals and families in every state with side-by-side comparisons of coverage options that are comprehensive and easy to compare. Subsidies to purchase coverage will be available for individuals and families with incomes below 400 percent of poverty (up to $45,960 for an individual and $94,200 for a family of four) who are not insured through an employer. The

Congressional Budget Office (CBO) estimates that 7 million people will get coverage through the marketplaces in 2014.[6] This is intended to be a "one stop shop" so families can apply for coverage together even if family members are eligible for other programs, such as Medicaid and CHIP.

- Starting on January 1, 2014 the largest expansion of Medicaid coverage since the program's enactment in 1965 will occur, with more than half of states extending eligibility to all Americans with incomes below 138 percent of poverty (up to $15,281 for an individual).

- Even with some states refusing to expand their Medicaid programs, about 9 million newly eligible children, parents and childless adults are expected to gain Medicaid or CHIP coverage in 2014, with this number growing to about 12 million by 2019.[7]

Young adults will also have more affordable coverage options.

- Eighty-six percent of uninsured young adults have incomes below 400 percent of poverty and could be eligible for subsidies to help them purchase coverage in the state insurance marketplaces.[8] Forty-five percent of currently uninsured young adults have incomes below 138 percent of poverty, [9] making them eligible for Medicaid if they live in a state that has opted to expand coverage.

- People under age 30 will also have the option to purchase a low-cost "catastrophic plan," designed to provide health coverage with low premiums—but high deductibles—for young adults.

- Medicaid coverage will be extended up to age 26 to youth who were in foster care at age 18 who might not otherwise be eligible for Medicaid.

Insurers will no longer be able to deny many young adults or parents coverage.

- Insurers will no longer be able to refuse to cover young adults, parents and childless adults with pre-existing conditions or refuse treatment for a pre-existing condition.

- Annual coverage limits will be eliminated, removing any caps to insurance payments for children, young adults, parents, and childless adults.

Child well-being will improve as parents gain coverage.

- The ACA requires that parents who are newly eligible for Medicaid also enroll their children. Children with uninsured parents are three times more likely to be uninsured than children with insured parents,[10] so as more parents secure health coverage through the ACA, more children are likely to become insured.

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[1] http://aspe.hhs.gov/health/reports/2013/PreventiveServices/ib_prevention.cfm
[2] http://aspe.hhs.gov/aspe/gaininginsurance/rb.shtml
[3] http://www.whitehouse.gov/sites/default/files/uploads/careact.pdf
[4] http://aspe.hhs.gov/health/reports/2012/pre-existing/
[5] MACPAC, Report to Congress on Medicaid and CHIP, June 2013 http://www.macpac.gov/reports
[6] http://www.cbo.gov/sites/default/files/cbofiles/attachments/43900_ACAInsuranceCoverageEffects.pdf
[7] http://www.healthreformgps.org/resources/explaining-recent-changes-in-cbo-projections-of-health-insurance-coverage-and-costs-under-the-affordable-care-act/
[8] http://www.commonwealthfund.org/~/media/Files/Publications/Issue%20Brief/2012/Jun/1604_collins_young_uninsured_in_debt_v4.pdf
[9] http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Eligibility/Downloads/2013-Federal-Poverty-level-charts.pdf
[10] http://ccf.georgetown.edu/ccf-resources/medicaid-coverage-parents-the-affordable-care-act-brief/