

# NATIONAL DEMOCRATIC SENIORS COORDINATING COUNCIL

## The Affordable Care Act: What It Means For Seniors

Most Americans are insured through an employer or through Medicare or Medicaid. But for some 3.3 million people ages 55 to 64, the Affordable Care Act (ACA) marketplace plans provide them with health coverage. The ACA protects them and all Americans from the worst insurance company abuses and guarantees consumers have access to essential health benefits like emergency services and prescription drug coverage. The law also improved Medicare's benefits such as providing free coverage for preventive services like flu shots and screening for cardiovascular diseases. And while Republicans' efforts to repeal and replace the ACA have so far been defeated, President Trump has taken actions aimed at sabotaging the law. This fact sheet highlights some of the ways the ACA helps older Americans and how actions by the Trump administration to destabilize it could harm older Americans.

### **The ACA allows millions of Americans ages 55 to 64 to access affordable health care before they are eligible for Medicare.**

In 2017, 27 percent of the 12 million Americans who purchased coverage through the ACA marketplaces were ages 55 to 64. The health care law put a stop to insurers denying people coverage or charging them more because of pre-existing conditions. The law guarantees that insurance plans offer coverage that is comprehensive and provides essential health care benefits. The ACA bars insurance companies from charging out-of-pocket costs for a variety of recommended preventive care services and tests.

### **The ACA helps older Americans who do not have employer-sponsored coverage afford health insurance.**

Nationally, 83 percent of all those who are enrolled in ACA plans receive tax credits to help purchase coverage. The amount of help they receive is based on income.

### **The Trump administration ended the Affordable Care Act's cost-sharing reduction payments.**

The ACA also provides low-income households with cost-sharing reductions (CSRs), which lower their out-of-pocket costs for deductibles and copayments. In 2017, some 58 percent of all those enrolled in an ACA plan benefited from CSRs. CSR payments help insurance companies fulfill the ACA's requirement that they reduce out-of-pocket costs for people in households with incomes below 250 percent of the federal poverty level (about \$30,000 for an individual). Without CSR payments, insurance companies could be forced to raise premiums, something that could eat up a large share of income, especially for those who have significant health care needs. President Trump's decision to withhold CSR payments could ultimately destabilize ACA markets and raise costs and reduce choice for Americans age 55 to 64 who do not have employer-sponsored coverage.

## **The ACA has improved Medicare.**

- Goodbye prescription drug donut hole.
- As of early 2017, some 12 million Medicare beneficiaries have saved \$26.8 billion on their prescriptions thanks to provisions in the ACA that are working to close the coverage gap for Medicare prescription drugs completely.
- Adding an ounce of prevention. The ACA allows seniors to better prevent illness, detect problems early when treatment works best, and monitor health conditions. Before the ACA, seniors had copayments for recommended preventive screenings. For many seniors, the copayment was a barrier to mammograms, colonoscopies, immunizations, and other recommended services. Now, these and other preventive services have no deductible or copayment. In 2016, some 40.1 million Medicare beneficiaries had at least one preventive service with no cost-sharing.
- Protecting Medicare from the worst abuses of private insurers.
- Part of Medicare's increasing costs (and the cost of seniors' Part B premiums) comes from excess payments to private insurance companies under the Medicare Advantage program. Bit by bit, the Affordable Care Act decreases these excess payments to private insurers. The law also forbids Medicare Advantage plans from charging higher copayments than traditional Medicare. The ACA stops private plans from directing too much of premium dollars to marketing, profits, administrative costs, and agent commissions. Insurers must use 85 cents of every premium dollar to pay medical claims and provide activities that improve the quality of care.

## **The ACA stops plans from taking benefits away from early retirees.**

In the past, some people with cancer or other chronic illnesses ran out of insurance coverage because their health care costs hit a dollar cap imposed by their insurance plan. About 105 million people in large and small employer health plans and those with individually purchased insurance had these dollar restrictions before the ACA. For early retirees, doing away with dollar restrictions on coverage is important. Because of their age, early retirees are more likely to have health care expenses that can reach the dollar limit. The law stops insurers from imposing annual or lifetime dollar limits on essential health benefits.

## **The ACA protects seniors who rely on long-term care services.**

Many Americans over age 80 need long-term care, but Medicare does not cover most nursing home and home care services. Instead, Medicaid is the nation's largest payer for long-term care. The ACA increased protections for spouses of people who receive Medicaid long-term services. No longer will a husband or wife be forced into poverty so that a spouse can qualify for Medicaid long-term care in the home or community.

## **The DNC Seniors Council will continue to fight against repeal of the ACA and to urge improvements to the health care law.**