



## National Health Reform: The Facts / Q&A

SEIU members were a national force driving the passage of the historic healthcare legislation President Obama signed into law on Tuesday, March 23, 2010. For more than a decade we marched, we voted, we raised our voices in support of quality, affordable healthcare for all, and against big insurance companies and special interests. Now, thanks to the power of our voices on behalf of working women and men everywhere, it has become a reality. Our nation has taken a major step forward in improving the quality and affordability of health care for all Americans, of all ages, and all incomes—but especially America's middle class.

National health reform is an enormous victory for every working family who ever worried about how they were going to pay for their children's healthcare, struggled in the face of medical bankruptcy or saw their dreams taken away by skyrocketing healthcare costs. SEIU members should be very proud to share this good news with their family, friends, and neighbors.

### **The Facts: What Health Reform Means to America's Working Families**

Health insurance reform means families will have secure, affordable healthcare they can count on, insurance companies won't be allowed to deny coverage based on pre-existing conditions, or take your coverage away if you get sick, and America will be able to strengthen its economy by cutting the deficit and growing more good jobs.

- It helps more than 32 million Americans afford health care who cannot afford it today, including 15 million children.
- It provides the largest middle class tax cut for health care in history, reducing premium costs for millions of working families who can't afford it.
- It holds insurance companies accountable. Gets skyrocketing premium costs under control. Prevents insurance industry abuses and denial of care.
- It will end discrimination against Americans with pre-existing conditions.
- For working women and men who don't have health insurance through their employer, it will provide a choice of affordable healthcare plans, giving tens of millions of Americans the exact same choices that members of Congress have.
- Tax credits are available immediately for small businesses who offer coverage, and small businesses will have more affordable, stable insurance choices.
- It strengthens our national economy by reducing the deficit and generating more jobs throughout the healthcare industry, jobs that can't be shipped overseas.
- It closes the Medicare prescription drug 'donut hole' and protects and strengthens Medicare for our seniors and for future generations.

**National health reform will bring real protections and key benefits that take effect this year. \***

1. No lifetime limits and restricted annual limits on coverage;
2. If we get sick, insurance companies can't drop us
3. Our children can stay covered under our policy until the age of 26;
4. Our children can't be denied care because of a pre-existing condition;
5. Our parents will be paying less for their prescriptions;
6. All new plans must cover preventive screenings and immunizations.
7. Tax credits will be available for small businesses who offer coverage

*\* Once local collective bargaining agreements expire, or after 6 months (whichever is later) insurance companies will have to start offering workers a choice of plans that follow these new rules.*

## **National Healthcare Reform: Questions and Answers:**

**Q1: I have great healthcare coverage that we bargained for and won. What does this bill mean for me?**

A. The healthcare you've won will stay in place until the agreement expires or is re-opened. Over the past decade, an increasing share of wages have been going toward healthcare costs and have "crowded out" wage increases for working families. By working to control overall healthcare costs, national health reform will help keep healthcare costs off the bargaining table.

**Q2: Will national health reform happen right away?**

A. Improvements to our healthcare system will happen in stages: there are immediate benefits that take effect this year, including ensuring that children can't be denied care due to an existing illness, allowing parents to keep their children on their coverage up to age 26 and a \$250 rebate for seniors who fall in the Medicare 'donut hole'. More improvements will continue to take effect each year, with major expansions of health care to low-income and working families happening in 2014.

**Q3: I heard this plan will tax my healthcare benefits. Is that true?**

A. One of the underlying problems this legislation tries to address is that healthcare plans can be high cost simply because of where we live, or our age or our health status.

The tax doesn't take effect until 2018 and the threshold for the tax has been raised to \$10,200 for individual premiums and \$27,500 for family premiums, with even

higher thresholds for retirees. In addition, dental and vision coverage will not be taxed. To avoid the tax, some employers and plans will have to make changes, especially state and local governments. Public employers need to use their buying power to demand lower premiums and higher quality. This legislation is meant to lower overall healthcare costs without lowering the quality of the plans of provided.

**Q4: My son doesn't have health insurance because he's young and healthy now, but I worry about him. Will he need to buy a healthcare plan?**

- A. In order to lower costs for everybody over time, everyone must take responsibility, pay their fair share, and be accountable to taxpayers, including employers, individuals and the state and federal government. This legislation includes many improvements so that every American has access to regular check-ups and preventive care; care that is very important to preventing disease and improving our health at any age. This means that people who can't afford healthcare coverage will be eligible for Medicaid or tax credits to help pay for their coverage. It also requires that everyone have health insurance so that those who can afford insurance, but opt not to buy it, are no longer a financial burden to all taxpayers.

If your son is younger than 26, this bill gives you the option of insuring him under your healthcare plan. With so many young people struggling in this job market, this could be a good option. If he can't afford a healthcare plan, he may be eligible for health insurance through Medicaid or a tax credit. By 2014, all Americans who have access to affordable health insurance need to be covered by a plan, or they will pay a small fee when filing their income taxes.

**Q5: How does national health reform help my state's economy?**

- A. Healthcare reform will bring billions in new healthcare funding to our states, hospitals, and community health centers which will generate new jobs throughout the healthcare industry. In addition, this bill will ensure that states receive fair funding for Medicaid services, which will help alleviate the budget crisis in our states and stabilize these essential safety net programs on the state level.

**Q6: If someone in my family loses his or her job, will this help?**

- A. Healthcare reform is critical to turning around our economy, reducing our deficit, and generating more family-sustaining jobs. While this won't happen overnight, should someone in your family lose his/her job tomorrow, he/she may be eligible to continue their healthcare coverage under COBRA. In addition, under the American Recovery and Reinvestment Act of 2009 (ARRA) that our members supported, he/she may be able to pay a greatly reduced healthcare premium.

By 2014, every American will have the security of knowing they can get affordable coverage if they lose their jobs, if their hours are cut, or if they return to school full time. Going forward, national health reform will mean more affordable, secure healthcare options for all Americans, whether they work for a large company, a small business, or as an independent contractor or freelancer.

**Q7: I help my parents with their prescription drug costs each month. What will this legislation do for us?**

- A. It will strengthen and protect Medicare by eliminating fraud and abuse and gradually close the Medicare Part D ‘donut hole’ by lowering the cost of prescription drugs. Seniors who hit the gap in drug coverage this year will receive a \$250 rebate for their prescription costs. In 2011, the bill provides a 50% discount on brand name prescription drugs. The ‘donut hole’ is completely closed by 2020.

**Q8: My employer thinks health reform is going to bankrupt America. What does he mean?**

- A. The forces opposing health reform have spread misinformation throughout this debate. The only option that would surely bankrupt America would have been to do nothing and ignore the skyrocketing costs of healthcare. Unfortunately, the forces opposing health reform will only grow louder now that the bill has been signed to try to turn working families and voters against it.

Change is always difficult, but passing this bill was an enormous first step toward strengthening our economy by reducing the deficit, generating good jobs in the healthcare industry, and bringing down the overall cost of our healthcare system.

**Q9: I work part-time and can't afford healthcare coverage. How will this help?**

- A. While this bill isn't perfect, it does begin to build a system of coverage for people who have part-time positions. By 2014, part-time workers who are not eligible for health insurance at work will be able to get affordable coverage in the new state insurance exchanges or they may be eligible for Medicaid.

*With 2.2 million members in Canada, the United States and Puerto Rico, SEIU is the fastest-growing union in the Americas. Focused on uniting workers in healthcare, public services and property services, SEIU members are winning better wages, healthcare and more secure jobs for our communities, while uniting their strength with their counterparts around the world to help ensure that workers—not just corporations and CEOs—benefit from today's global economy.*