

THE AFFORDABLE CARE ACT FAST FACTS

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What does this mean to our members?

The 2010 Affordable Care Act – called “Obamacare” by some – protects USW members and all Americans from the worst insurance company abuses. The law does many good things, including:

- Ends lifetime caps so sick people can’t get kicked off insurance when they need it most
- Bans pre-existing conditions
- Being a woman is no longer a pre-existing condition
- Provides coverage for dependents up to the age of 26
- Tax credits for small businesses that provide health care
- Strengthens Medicare
- Allows for co-pay free preventative care for seniors, women and others
- Helps seniors pay for medicine by closing the prescription drug “donut hole”
- Insurance companies must refund money when they don’t spend at least 80 percent of what you pay on actual health care
- Beginning in 2014, tax credits averaging \$4,000 for middle class families to use to buy health insurance

Employers and others are trying to blame rising health care costs on this law, even trying to bargain higher costs or wage cuts with this excuse. Is this true?

Healthcare reform comes with some costs, but in our experience to date, those costs have been extremely minimal – in fact, lower than what we’ve seen in more than 50 years. And, where we’ve seen minimal costs, the trade-off is an increase in benefits, which is a real contrast to recent years where we continually pay more, but get nothing for it. With expanded coverage for preventative care, there may be higher costs saved in the long run by catching problems earlier. (Journal of Health Affairs, January 2012:

<http://content.healthaffairs.org/content/31/1/208.abstract>)

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Did President Obama raid Medicare to pay for the Affordable Care Act?

No! Misleading ads claim the president cut \$716 million from Medicare benefits to pay for the law, but that's just not true. The \$716 million comes from Medicare savings achieved through reduced provider reimbursements and curbed waste, fraud and abuse – not benefit cuts. In fact, GOP Vice Presidential candidate Paul Ryan endorses the same cuts in his budget plan – the same plan Mitt Romney has said he would sign as president if it reached his desk. (Source: Washington Post, Aug. 14, 2012: <http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/08/14/romneys-right-obamacare-cuts-medicare-by-716-billion-heres-how/>)

Is the Affordable Care Act is a new tax on workers, including a tax on so-called “Cadillac” health insurance plans.

This excise tax will kick in for benefits costing in excess of \$27,500 for family coverage in 2018 (indexed to inflation after that.) The tax will only be applied to those costs in excess of that amount at a rate of 40 percent. The tax will be on the insurance company. We can assume the insurer will try to pass on those cost. The Steelworkers were not supportive of this tax, and we successfully worked to: 1) raise the dollar threshold higher 2) raise the dollar threshold higher for retiree plans and 3) delay the implementation (originally was to start in 2013.) The regulations are not yet out on the excise tax, so more details are to come.

For more information on the Affordable Health Care Act, visit www.usw.org/healthcare