American Diabetes Association®

Health Care Reform and People with and At-risk for Diabetes

The federal health care reform legislation (the *Patient Protection and Affordable Care Act* and the *Health Care & Education Affordability Act of 2010*) which became law in March 2010, includes many new tools in the fight to stop diabetes. Once the provisions of the law are fully in place, people with diabetes can no longer be denied insurance or forced to pay more for coverage simply because they have diabetes. Insurance companies will not be allowed to limit benefits or drop coverage when a person needs health care most. In sum, a diagnosis of diabetes will no longer be a lawful reason to deny health care, ending the current system that sanctions such discrimination.

Throughout the health care reform debate, the American Diabetes Association fought hard to ensure that reform benefited the nearly 24 million people with diabetes and the 57 more with prediabetes. (These numbers are now nearly 26 million people with diabetes and 79 million with prediabetes). While the new laws are not perfect, they will protect people with diabetes in fundamental ways. These new provisions include:

Effective in 2010 [timeline noted in brackets; note that the exact date will depend in many cases on when the insurance plan year begins, so actual dates may be later]

- **New Coverage Options for Individuals with Pre-existing Conditions:** Uninsured people with diabetes are now able to access insurance through new high risk pools in every state specifically created to make insurance available to people with pre-existing conditions. These high risk pools, called the Pre-existing Condition Insurance Plan (PCIP), are available until the provisions banning discrimination based on pre-existing conditions are fully in place in 2014.

- **No Pre-existing Condition Exclusions for Children:** Job based health plans and new individual plans are prohibited from excluding children with diabetes from being covered due to their pre-existing condition. [Beginning as early as September 23]

- **No Dropping the Sick:** Insurers are prohibited from rescinding policies to avoid paying medical bills when a person is diagnosed with diabetes or has a complication related to diabetes. [Beginning as early as September 23]

- **No Lifetime Limits on Benefits and Annual Limits are Restricted:** Lifetime limits on benefit coverage are prohibited and annual limits in most plans are restricted and will eventually be phased out. [Beginning as early as September 23]

- **Young Adults Can Stay on Their Parents' Plans:** Children with diabetes will be able to stay on their parents' insurance plan until age 26 with only a limited exception for a parent with a "grandfathered" health plan who has an adult child with his/her own offer of employer-sponsored insurance. [Beginning as early as September 23]

- **Coverage of Free Preventive Care:** Some preventive services are now free of co-pays and deductibles under many private insurance plans and Medicare. [Beginning as early as September 23]

- **Limits the Out-of-Pocket Drug Costs on Seniors:** A $250 rebate was provided for seniors with diabetes who fell into the donut hole in 2010. The donut hole is the gap in the Medicare drug benefit (Part D) when seniors have to pay the full cost for their medications and premiums.

- **New Program to Prevent Type 2 Diabetes:** Established the National Diabetes Prevention Program providing grants to community organizations for lifestyle intervention programs to prevent type 2 diabetes. This is based on proven cost-effective community programs that have already been successfully piloted and shown to reduce the risk of diabetes by 58%. The National Diabetes Prevention Program has been authorized and established under the federal health care reform law but funding has not yet been appropriated as of the beginning of 2011.

- **Prevention and Wellness Trust Fund**: Provides $15 billion in dedicated funding over the next 10 years for public health programs designed to prevent disease and promote wellness. The first $500 million of the fund became available immediately and must be used by September 30, 2010. For FY2011, $750 million has been allocated to the fund.

- **New Health Care Website:** A new federal government health care web portal was created that includes information about the Affordable Care Act and a tool to search for insurance options. This is available at: www.healthcare.gov.

Effective in 2011

- **Expansion and Strengthening of the Health Care Workforce:** Expands investments in the nation's health care workforce to help meet the needs of the nearly 65 million Americans who cannot easily access primary care through expanding funding for scholarships and loan repayments for primary care practitioners working in underserved areas and expanding primary care and nurse training programs to help address workforce shortages.

- **Medicare Annual Wellness Visit and Personalized Prevention Plan:** A new, free annual wellness visit is available in Medicare to identify a person's health risks and establish a personalized prevention plan to stem the risk for onset or complications of conditions such as diabetes.

- **Closing the Donut Hole:** Begins to close the donut hole by instituting a 50% discount on brand-name drugs, including biologics like insulin, and a 7% discount on generic drugs paid for out-of-pocket while in the donut hole. The discount will be gradually expanded to 75% by 2020, when the donut hole will effectively be closed.

Effective in 2014

- **No Denials of Coverage:** Insurers will no longer be able to refuse to sell or renew policies based on the fact that a person has diabetes, and will no longer be able to exclude coverage for an individual of any age because of a pre-existing condition.

- **No Increased Cost Based on Health Status or Gender:** Insurers will no longer be able to charge higher rates because a person has diabetes or because of gender.

- **No Annual Limits on Benefits:** Annual limits on essential health benefits are prohibited.

- **Essential Benefits Must Be Offered:** All small group and individual plans, including all qualified health plans offered through state-based Exchanges, as well as benefits offered to people newly-eligible for Medicaid must offer a minimum set of health benefits including coverage of preventive and wellness services and chronic disease management. The specific elements of coverage will be established during a regulatory process.

- **Subsidies to Make Health Care More Affordable:** Medicaid eligibility will increase to 133% of poverty level for all non-elderly individuals. Tax credits will be available to those whose income is below 400% of the poverty level who do not have access to affordable coverage.

- **Health Insurance Exchanges:** If you are not employed or your employer does not offer insurance or that insurance isn't affordable, you will be able to buy insurance directly through an Exchange in your state. An Exchange will be a new marketplace where individuals and small businesses can buy affordable health insurance that meet certain benefit and cost standards.

Other related provisions:

- **Creates the Cure Acceleration Network (CAN):** Housed at National Institutes of Health (NIH), the CAN provision awards grants to develop cures and treatments of diseases – for development of medical products and behavioral therapies for high-needs diseases.

- **Catalyst For Better Diabetes Care provisions:** Creates a national and state-by-state level Diabetes Report Card to track health outcomes; alters death certificates to include information about diabetes-related mortality; and requires the Department of Health and Human Services to collaborate with the Institute of Medicine to develop recommendations on appropriate levels of diabetes medical education that should be required prior to medical licensing and board certification.

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