



AFFORDABLE CARE ACT

BEFORE AND SINCE BEING SIGNED INTO LAW by President Obama in 2010, the Affordable Care Act (ACA) has generated some of the most significant public debate in recent years—it has been challenged in the Supreme Court and faced multiple efforts to modify and repeal it in Congress. The ACA was enacted to expand health insurance coverage to more Americans and begin reducing growth in spending on health care.

The ACA, referred to by many as “Obamacare,” contains provisions to bolster health insurance coverage by providing premium subsidies to low- and moderate-income Americans, requiring individuals to obtain coverage and larger businesses to provide health insurance to their employees, and expanding Medicaid eligibility to low-income individuals and families. The ACA has faced extensive attention both because of its implementation challenges as well as its achievements. The Academy’s Election Guides are presented to help you better understand the ACA as it is debated by candidates and to form your own opinion on the issues.

Key Provisions of the ACA

Individual Mandate

The ACA requires most Americans to obtain a minimum amount of health insurance coverage through employer-sponsored plans, the private insurance market, public insurance program such as Medicare or Medicaid, or pay a penalty.

Employer Mandate

Businesses that employ 50 or more workers are required to offer health insurance coverage to their employees or pay a penalty if an employee offered affordable coverage obtains a subsidy through the exchange.

Health Insurance Exchanges (Marketplaces)

Under the ACA, individuals purchasing coverage in the individual market can obtain their coverage through state-based insurance exchanges. These exchanges allow residents to compare plans offered from different insurers and apply any premium subsidies to the plan of their choice.

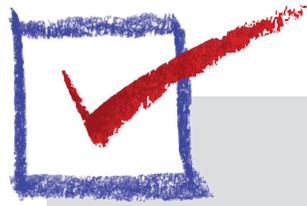
Premium Subsidies

Low- and moderate-income individuals and families earning between 100 percent and 400 percent of the federal poverty level are eligible to receive subsidies to help pay for health care insurance. The federal poverty levels used for 2016 premium subsidy eligibility are \$11,770 for individuals and \$24,250 for a family of four.



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Medicaid Expansion

The ACA included a provision to expand Medicaid eligibility to 138 percent of the federal poverty level with federal funds supporting the new enrollees. However, the U.S. Supreme Court ruled in 2012 that states can choose whether or not to implement the Medicaid expansion. As of March 2016, 31 states and the District of Columbia have adopted the Medicaid expansion.

Pre-Existing Conditions

Insurers are prohibited from denying coverage or charging higher premiums to people with pre-existing medical conditions, such as cancer or heart problems.

Cadillac Tax

The ACA established a tax on high-cost, employer-sponsored health plans, often referred to as the “Cadillac tax.” The 40 percent tax on a health plan’s value that exceeds a certain thresholds intends to reduce health care spending by discouraging overly generous plans. The implementation of the provision has been delayed to 2020.

ACA Considerations for Election 2016

Many proposals have been made to change, restructure, or eliminate the ACA. Here are some questions to consider as the 2016 election unfolds.

Would selling health care insurance across state lines lead to lower prices and better coverage? [READ MORE...](#)

What would eliminating the ACA’s individual mandate do? [READ MORE...](#)

Would changing or eliminating the Cadillac tax change the fundamentals of the ACA? [READ MORE...](#)

How would establishing association health plans (AHP) affect consumers and businesses? [READ MORE...](#)

