



## State and Federal Health Care Reform Produces Real Benefits for All Ohioans

Ohio has been addressing issues related to health care reform for several years while waiting for federal health care reform to become a reality. We are closer to reform at the national level than we have ever been. Although states stand to benefit greatly from health care reform, state lawmakers will have to continue addressing issues of accessibility, affordability, chronic disease management, and health information technology. In addition, promoting healthy habits such as good nutrition and exercising and quitting smoking can help reduce health care costs and improve economic productivity.

The health care status quo is not an option for states. We know if nothing is accomplished in the current health care reform debate, by 2019 the number of uninsured Ohioans will grow by 17% to 1.7 million. Businesses will see their premiums nearly double resulting in fewer people getting coverage through their employer.

Ohio leaders have already advanced some important health care reform measures including changing Ohio's open enrollment program so more people with pre-existing conditions can have access to affordable insurance coverage. The changes to the program, effective January 1, 2010, will help 52,000 Ohioans access health insurance coverage.

The continuum of state and federal reforms will give the most relief to Ohio families struggling to afford coverage for their families or to keep insurance once they become sick. According to the Department of Health and Human Services, Ohio will benefit in the following ways from national health care reform:

- An estimated 2/3 of Ohio's 1.4 million uninsured and 533,000 residents who have non-group insurance could get affordable coverage through the health insurance exchange.
- 942,000 residents could qualify for premium tax credits to help them purchase health coverage.
- 1.8 million seniors would receive free preventive services.
- 325,000 seniors would have their brand-name drug costs in the Medicare Part D "doughnut hole" halved.
- 118,000 small businesses could be helped by a small business tax credit to make premiums more affordable.

In addition, proposals implemented in 2010 and 2011 will produce real benefits for Ohioans by prohibiting insurance companies from placing lifetime limits on coverage and restricting the use of annual limits, denying coverage due to pre-existing conditions, and arbitrarily dropping coverage.

Relief will be available to **small businesses**. While small businesses make up 69 percent of Ohio's businesses, only 46 percent of them offered health coverage benefits in 2008. 118,000 small businesses in Ohio could be helped by a small businesses tax credit proposal that makes premiums more affordable. And these small businesses would be exempt from any employer responsibility provisions.

**State budgets** will see relief from rising health care costs as reform as reform reduce state employee premiums and uncompensated care. Coverage would immediately be expanded to the uninsured, decreasing the amount of uncompensated care costs that gets shifted to the premiums of state employees. For states that provide early retiree health benefits to their state employees, a reinsurance program would provide premium relief of up to \$1,200 per family policy per year for all employees. Right now, providers in Ohio lose \$2.3 billion in uncompensated care each year, which states subsidize at least in part. Uncompensated care would begin to be reduced immediately as more uninsured people gain coverage.

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