

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 pre-diabetes. 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 will be able to access insurance through high risk pools specifically created to make insurance available to people with pre-existing conditions. These high risk pools will be available until the provisions banning discrimination based on pre-existing conditions are fully in place in 2014. [90 days after the new law; on or around June 21]
- **No Pre-existing Conditions Exclusions for Children:** Insurers are prohibited from excluding children with diabetes from being covered under their parents' insurance due to their pre-existing condition. [Six months after the new law; on or around 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. [Six months after the new law; on or around September 23]
- **No Lifetime Limits on Benefits:** Lifetime limits on benefit coverage is prohibited. [Six months after the new law; on or around 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. [Six months after the new law; on or around September 23]
- **Coverage of Free Preventive Care:** Some preventive services will be free of co-pays and deductibles under private insurance plans and Medicare. [Six months after the new law; on or around September 23]

- **Limits the Out-of-Pocket Drug Costs on Seniors:** Provides a \$250 rebate for seniors with diabetes who fall into the donut hole. The donut hole is the gap in the Medicare drug benefit when seniors have to pay the full cost for their medications and premiums.
- **New Program to Prevent Type 2 Diabetes:** Establishes 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%.
- **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.

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.
- **Begins Closing the Donut Hole:** Closes the donut hole by reducing the coverage limit by \$500 and instituting a 50% discount on brand-name drugs, including biologics like insulin, paid for out-of-pocket while in the donut hole. The discount expands up to 75% and will include generic drugs by 2020.

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 benefit coverage are prohibited.
- **Medicare Wellness Visit and Personalized Prevention Plan:** Creates a new, free wellness visit to identify a senior's health risks and establish a personalized prevention plan to stem the risk for on-set or complications of conditions such as diabetes.
- **Essential Benefits Must Be Offered:** All small group and individual plans 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 percent of poverty level for all non-elderly individuals. Tax credits will be available to those whose income is above Medicaid eligibility and below 400 percent of the poverty level who do not have access to affordable coverage.
- **Menu Labeling:** Chain restaurants of 20 or more outlets, including drive-through displays and vending machines, will be required to post caloric information on menus and menu boards. Additional information, including carbohydrates, will be available upon request.

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.