

On June 28, 2012, the United States Supreme Court ruled that the majority of the Affordable Health Care Act is Constitutional. Therefore an overview of the law highlighting the key features is helpful.

#### How will the Affordable Health Care Act effect Medicare?

Medicare will remain safe under the Affordable Health Care Act. Under the law, The Prescription Drug do not hole under Part D will decrease early next year until it is eliminated in 2020. Consequently the average Medicare recipient will save over \$4,181 over 10 years. However, higher income beneficiaries will continue to see higher premiums under Part B and Part A..

#### How will the Affordable Health Care Act effect Employee Health Coverage?

In 2014 all employees will be able to purchase coverage through the NY State Health Income Exchange. Individuals with low income will receive a refundable tax credit to purchase the insurance coverage. Employees already receiving coverage do not have to do anything. They can continue to receive coverage with the employee plan.

#### What if I do not purchase health insurance?

If any individual does not purchase health insurance by January 1, 2014, he will pay a special tax on his returns. Individuals, who have Medicare, Medicaid, or coverage from the employee, have the appropriate insurance and they will not be taxed. The tax in 2014 is computed by determining the greater of 1 percent of income or \$95. This amount will increase annually.

#### How will it effect Medicaid?

The Medicaid program will also remain in tact in NY under the Affordable Care Act. The resource limit will increase to 15,415 in 2014 for an individual and individuals under 65 years old will now be eligible for coverage.

#### How do I purchase coverage?

The program's insurance exchange begins in 2014. Individuals who do not have medical coverage can buy the coverage from the NY State Department of Health.

Individuals with pre-existing conditions will not be charged more or be denied coverage. Men and women will pay equal premium rates, young people can be covered up to age 26 under their parents insurance plan.

#### How will Medicare be effective in the future?

Medicare payments to hospitals will decrease for hospitals with readmissions with in 30 days. There will be a greater push to provide more care in the community and at home using technology and electronic devices. Insurance companies will be required to devote more from premiums to patient care.

Will the benefits be tied to taxes?

High wage tax payers, 200,000 individuals and 250,000 for a couple will have to pay higher premiums under Part A hospital insurance. We will continue to monitor and update on all aspects of the Affordable Care Act as the impact and implications on our clients becomes clear.