

TO: National Association of Free Clinic MEMBERS

**FROM: NICOLE LAMOUREUX, Executive Director, NAFC
KERRY THOMPSON**

DATE: March 30, 2010

RE: NAFC-HEALTH CARE REFORM LEGISLATION

As the President signs the reconciliation package today the NAFC wanted to offer you a very high level breakdown of the legislation.

It is important to remember that this legislation will not begin its largest implementation until 2014 and even when the full implementation is complete (2019), free clinics will remain necessary for America's uninsured!

Signs indicate that some 23 million Americans will still lack insurance in 2019, after key provisions of the law have been in effect for as long as five or six years, according to a Congressional Budget Office (CBO) estimate.

In the upcoming weeks and months, the NAFC Board and staff are committed to reviewing this legislation to see exactly what the legislation will mean for free clinics right now and in the future.

SPECIFIC POINTS OF INTEREST TO FREE CLINICS:

1. EXPANSION OF MEDICAL MALPRACTICE COVERAGE FOR FREE CLINICS. This provision will expand the Federal Tort Claims Act to include free clinics staff, governing board members or contractors of free clinics. (This expansion does not include the entity or free clinic site - NAFC is working on this.) According to the law this expansion will take place the date this law is enacted. PLEASE NOTE THIS DOES NOT MEAN THAT FREE CLINICS AUTOMATICALLY RECEIVE THIS COVERAGE. ALL CLINICS WILL NEED TO APPLY FOR FTCA COVERAGE.

2. GRANTS TO PROMOTE THE COMMUNITY HEALTH WORKFORCE. The Director of the Centers for Disease Control and Prevention, in collaboration with the Secretary, will award grants to eligible entities to promote positive health behaviors and outcomes for populations in medically underserved communities through the use of community health workers.

HEALTH CARE REFORM INFORMATION:

1. No public option is included in this bill.
2. Broader implementation (i.e. health insurance requirements for all legal Americans) will start in 2014 and the expectation is that full implementation will take place in 2019.

3. Signs indicate that some 23 million Americans will lack insurance in 2019, after key provisions of the law have been in effect for as long as five or six years, according to a Congressional Budget Office (CBO) estimate.
4. The bill restricts access to health insurance through the Health Insurance Exchange to U.S. citizens and legal immigrants who are not incarcerated.
5. Requires most U.S. citizens and legal residents to have health insurance. The bill creates state-based American Health Benefit Exchanges through which individuals can purchase coverage, with premium and cost-sharing credits available to individuals/families with income between 100- 400% of the federal poverty level (the poverty level is \$18,310 for a family of three in 2009) and creates separate Exchanges through which small businesses can purchase coverage for its employees.
6. Requires U.S. citizens and legal residents to have qualifying health coverage. Those who are without coverage or who choose to opt-out of the coverage will pay a tax penalty of the greater of \$750 per year up to a maximum of three times that amount (\$2,250) per family or 2% of the household income.
7. The penalty will be phased-in according to the following schedule: \$95 in 2014, \$495 in 2015, and \$750 in 2016 for the flat fee or .05% of taxable income in 2014, 1.0% of taxable income in 2015, and 2% of taxable income in 2016.
8. People who feel insurance is unaffordable can get an exemption. This is similar to the "opt out," except that they may not owe a penalty. If insurance coverage would cost more than 8 % of household income, people won't face a penalty for going without it.
9. The bill expands Medicaid to 133% of the federal poverty level.
10. Beginning after 2016, the penalty will be increased annually by the cost-of-living adjustment. Exemptions will be granted for financial hardship, religious objections, American Indians, those without coverage for less than three months, undocumented immigrants, incarcerated individuals, if the lowest cost plan option exceeds 8% of an individual's income, and if the individual has income below 100% of the poverty level.
11. Requires employers to pay penalties for employees who receive tax credits for health insurance through an Exchange, with exceptions for small employers. It imposes new regulations on health plans in the Exchanges and in the individual and small group markets.

This is a high level overview of the health reform plan, the NAFC Staff will continue to read the bill and send you information as we fully digest the legislation. Attached to this email please find some helpful documents for your review.

Please do not hesitate to contact us directly at 703 -647-7427 or at nlamoureux@freeclinics.us or kthompson@freeclincis.us if you have any questions.

Thank you.

March 23, 2010

QUOTES FOR YOUR CONSIDERATION:

- 42 million Americans are uninsured in this country and while a historical health care bill has been passed and is awaiting the President's signature that will provide coverage for 29-30 million Americans, free clinics will continue to serve those who are in need of medical care today and in the future.
- Free clinics have been a member of the safety net since the 1960's and we remain committed to servicing our patients.
- Free clinics along with our patients are interested to see where this historic legislation will bring the country and we look forward to the future to serve our patients in new and rewarding ways.
- While Congress has passed historic health care reform and we are awaiting the president's signature to make the bill law, free and charitable clinics are committed to continue serving the nation's uninsured who are in need of health care immediately. Our clinic will continue to need the support from our community, our funders and our volunteers to provide the services to our patients.
- Currently there are 42 million uninsured Americans, including (insert the number of uninsured in your state) in the state of (insert you state), who are currently in need of health care and the (insert your clinic name) will continue to serve these patients while the legislative process is underway, which will take years to be fully implemented.
- This historic legislation is a first step in providing coverage for some our patients in the future, however, implementation of the legislation does not start until 2014 and full implementation is expected in 2019 and at that time there will still be millions of uninsured in the country. Free clinics will continue to services the nation's uninsured today and we look towards the future to how we will service those who will need our help.