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THE HEALTHCARE INDEPENDENCE ACT OF 2013- ESSENTIAL INFORMATION



Prepared by Master of Science in Nursing Students: University of Arkansas
Samantha Chandler Herbert RN BSN
Gayla Johnson RN BSN
Kathryn Yates RN BSN
Hannah Nikko RN BSN

THE PLAN

Medicaid is a joint state-federal health insurance program providing coverage to low-income individuals. Traditionally, Medicaid covered pregnant women, children, and the disabled. Over 55 million Americans receive health insurance through Medicaid, including 740,000 individuals in Arkansas.

The Affordable Care Act gives states the option to expand Medicaid to include all the individuals below 138% of the federal poverty level. Currently Arkansas Medicaid covers those below 17% of the federal poverty level. Expansion would add 250,000 individuals. For those states choosing expansion, the federal government promises to pay 100% of the costs for newly eligible individuals from 2014 to 2017, with states gradually assuming 10% of the total cost by 2020.

In April 2013, Arkansas expanded its Medicaid program as described by the President's health care law. However, instead of

expanding traditional Medicaid, Arkansas developed a new model of expansion called the "private-option." Under the private option law, Arkansas will accept the federal money allotted for Medicaid expansion and use it to buy insurance for about 250,000 eligible low-income

residents. The private option will allow individuals in Arkansas who are below 138% of the federal poverty level—approximately \$32,000 for a family of four—to receive government subsidy to purchase insurance through Arkansas' health insurance exchange. According to sponsors, this will allow Arkansas families to have a choice when it comes to their health insurance.

WHO IS ELIGIBLE

The target population would include individuals ages 19-65 with an income that is equal to or less than 138% of the federal poverty level. An individual can earn no more than \$15,414 or \$30,809 for a family of four. The individual must be a U.S. citizen and must not be more effectively covered through a standard Medicaid program.



COST \$

The Congressional Budget Office estimates, it will cost about \$9000 to

buy a person private insurance on health insurance exchanges created by the law, compared with about \$6000 to add the person to Medicaid. The added cost of Arkansas Private Option plan will be covered through the state's federal Medicaid allowance.

IMPLEMENTATION

On April 23, 2013 Governor Mike Beebe signed into law the Healthcare Independence Act of 2013. This plan sunsets in 2017. Recipients of the plan will receive premium subsidy paid for by federal Medicaid dollars and in 2017, some state funding. Medicaid recipients will be able to shop online and buy insurance through a health insurance marketplace. Go to www.arhealthconnector.org