

# THE NEW HEALTH CARE LAW: WHAT'S IN IT FOR ME & TENNESSEE?

## Federal Investment is an Outstanding Deal for Tennessee!

Tennesseans and their families will soon begin to receive security and peace of mind from the new health care law, the *Patient Protection and Affordable Care Act*. The guarantee of affordable, quality coverage is essential, yet some worry about the costs. The state of Tennessee has determined helping Tennessee families and small businesses will cost the state \$1.1 billion over 5 years, or \$220 million per year. This is a very modest investment given that:

- 1) All 6.1 million Tennesseans will benefit from the reform, including 650,000 who will gain coverage through the Exchange and expansion of TennCare; and
- 2) The federal government is paying for 95 percent of the expansion—to the tune of \$21.5 billion over 5 years (\$4.3 billion per year for 5 years). Put another way: *for each \$1 expansion cost, the federal government pays 95 cents and the state of Tennessee pays 5 cents.*

Under the law, **Tennessee will receive investments from the federal government of \$21.5 billion<sup>1</sup> over 5 years** (2014-2019) for expanding health care coverage through subsidies to help Tennesseans afford private insurance through the Exchange and expansion of Medicaid to all adults and children at or below 133 percent of poverty--that's \$29,300 (gross) annual income for a family of four.

The \$21.5 billion does not include the hundreds of millions of investment dollars the federal government will deliver to Tennessee to help create and expand dozens of Community Health Centers,<sup>2</sup> train primary care doctors and nurses,<sup>3</sup> and provide premium assistance subsidies to help Tennesseans afford coverage through Access TN, state's high-risk pool. Access TN will be bridge coverage for Tennesseans with pre-existing conditions until the consumers' health insurance Exchange and TennCare expansion begin in 2014.<sup>4</sup>

Sources:

<sup>1</sup>Jonathan Gruber, Professor of Economics, Massachusetts Institute of Technology, February 2010. Modeling analysis of Senate health reform legislation, H.R. 3590, the Patient Protection and Affordable Care Act, as passed by the Senate on Dec. 24, 2009. <sup>2</sup>National Association of Community Health Centers and Committee on Energy and Commerce "Benefits of Health Reform" March 2010

<sup>3</sup> Ibid

<sup>4</sup> Patient Protection and Affordable Care Act

For more information about the Patients Protection and Affordable Care Act, including implementation timeline, explanation of components of the law, and benefits to Tennessee @ <http://thcc2.org/WhatsHot/home.html>



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