

Health Reform for American Indians and Alaska Natives

*The Affordable Care Act Gives American Indians and Alaska Natives
Greater Access to Quality and Affordable Health Care*

Health Reform Law and American Indians and Alaska Natives: Overview

American Indians and Alaska Natives are celebrating passage of the historic health reform law, the Affordable Care Act, P.L.111-148. This law will improve the quality of health care and make it more accessible and affordable for all Americans, including our First Americans. The Affordable Care Act also includes the permanent reauthorization of the Indian Health Care Improvement Act (IHCA), which extends current law and authorizes new programs and services within the Indian Health Service.

The new health reform law **builds** on the U.S. health insurance system, and makes three key changes.

- First, the law ends the worst practices of insurance companies, providing security to Americans who have coverage.
- Second, it makes insurance affordable for millions of Americans by creating a new insurance marketplace and providing tax credits for those who need additional help.
- Third, it brings down the costs of coverage for families and businesses while also reducing the federal deficit.

How do American Indians and Alaska Natives Benefit from Health Reform?

The Affordable Care Act law applies to American Indian and Alaska Native **individuals** because they are a part of the U.S. health care system, and may use sources of health care other than the Indian Health Service, such as private or employer-sponsored health insurance, Medicare, Medicaid, Community Health Centers and the Veteran's Administration. The Affordable Care Act provides American Indians and Alaska Natives more choices – to use the Indian Health Service if they are eligible, to purchase affordable health care coverage, and/or to access coverage through other sources such as Medicare, Medicaid, and the Children's Health Insurance Program (CHIP) if they are eligible.

The Affordable Care Act also impacts Indian **Tribes** because they may purchase insurance for their employees or their members, and can benefit from more affordable options and reduced costs.

The Indian Health Service and its **hospitals and clinics** are also enhanced under the Affordable Care Act because many provisions expand coverage or improve the quality of healthcare for all Americans, including underrepresented minorities.

Examples of Health Reform Provisions Specific to American Indians and Alaska Natives

There are several provisions in the Affordable Care Act that will **specifically benefit** American Indian and Alaska Native individuals, Tribes and Indian health facilities. For example:

- The law creates state-based Exchanges by 2014 through which individuals and small businesses can purchase health insurance coverage. This will give families and small businesses the ability to comparison shop and choose the quality affordable insurance option that is right for them.
- American Indians and Alaska Natives who purchase health insurance on the individual market through an Exchange do not have to pay co-pays or other cost-sharing if their income does not exceed 300 percent of the poverty level, roughly \$66,000 for a family of four in 2010 (\$83,000 in Alaska).
- Members of American Indian and Alaska Native Tribes are exempt from individual responsibility assessments.
- The value of health services/benefits from IHS-funded health programs or Tribes will be excluded from an individual's gross income so it cannot be taxed starting with benefits and coverage provided after the date of enactment.
- The Affordable Care Act also expands Medicaid coverage starting in 2014 to individuals with incomes up to 133% of poverty level (about \$30,000 for a family of four), providing affordable, comprehensive health insurance coverage to some of the most vulnerable Americans.
- For individuals who have Medicare drug coverage (Part D coverage), IHS, Indian tribe or tribal organization, or urban Indian organization spending will count toward the annual out-of-pocket threshold in the donut hole as of January 1, 2011.

How the Indian Health Care Improvement Act Reauthorization Helps American Indians and Alaska Natives

The Indian Health Care Improvement Act, which authorizes Congress to fund health care services for American Indians and Alaska Natives through the Indian Health Service, was originally approved by Congress in 1976 and last reauthorized in 2000. The Affordable Care Act makes the reauthorization of this law **permanent** and authorizes new programs within the Indian Health Service to ensure the Service is more equipped to meet its mission to raise the health status of American Indians and Alaska Natives to the highest level. For example, it includes:

- Authorities for new and expanded programs for mental and behavioral health treatment and prevention;
- Expanded authorities for long-term care services, including home health care, assisted living and community-based care;
- New authorities for development of health professional shortage demonstration programs;
- Expanded authorities for funding of patient travel costs;

- New authorities for demonstration projects for innovative health care facility construction;
- New authorities for the provision of dialysis services;
- Improvements in the Contract Health Services program, which pays for referrals;
- New authorities for facilitation of care for Indian veterans; and
- New authorities for urban Indian health programs.

Some have expressed concern that the Indian Health Service would no longer exist with passage of health reform due to expanded insurance coverage. However, this concern is unfounded. Not only does the Affordable Care Act permanently reauthorize the Indian Health Service but it also includes authorities for new services provided by its facilities. This legislation contributes to transforming the health care system to make affordable health care accessible to all Americans, including First Americans.

Plans for Implementation of Provisions Specific to American Indians and Alaska Natives

Due to the many provisions in the Affordable Care Act and the reauthorization of the Indian Health Care Improvement Act, implementation will be a complex undertaking. Not all provisions can be implemented at once and some provisions will require additional work to implement. The Department of Health and Human Services and the Indian Health Service are currently reviewing every provision in the new laws that relates to Indian Country and quickly assessing next steps and timelines for implementation.

In the weeks and months ahead, outreach efforts will provide more education and information about the new law, plans for its implementation and how it will impact Indian Country. In addition, Tribes will also be consulted on the implementation of Affordable Care Act. The most recent information on health reform implementation is available at:

<http://www.whitehouse.gov/health-care-meeting/reform-means-you>;

<http://healthreform.gov/> -for the health reform law in general; and

<http://www.ihs.gov/> -for information for American Indians and Alaska Natives