



## What Health Care Reform Means for Direct Care Workers and Their Families

Health care reform is now the law of the land. The historic legislation will provide affordable health insurance to more than 32 million Americans who are currently uninsured. Once the law is fully implemented—a multi-year process—some 95 percent of Americans will have health insurance.

### How Will Reform Help Direct Care Workers? Some Examples:

**Direct Care Worker #1**—An uninsured single-parent with two children and an income of \$20,500 (earning \$9.84 per hour—the median wage for home health aides—and working full-time, year-round). Because this worker’s income is below 133 percent of the federal poverty line (\$24,352), she or he would be eligible for Medicaid coverage starting in 2014. Some states already provide Medicaid or other public coverage to workers in this income range.

**Direct Care Worker #2**—One of two uninsured adults in a family of four earning \$9.84 per hour. The other adult is a maintenance worker earning \$10.31 per hour. Both adults are in their early 40s. This family’s total income is just under \$42,000. Starting in 2014, they would be required to obtain coverage through their state’s health insurance exchange, or through their employer, if the employer offers it. Employers, other than small employers, will be required to offer coverage to their workers or pay a penalty. If the couple purchases coverage through the exchange, they would pay no more than \$2,462 for premiums (for a “silver” plan that covers 70% of benefit costs of plan; they could also opt for a somewhat less comprehensive “bronze” plan)—the total cost of the coverage would be considerably higher, but a subsidy would cover the amount above this level. Their total out-of-pocket expenses, including both premiums and

co-payments, would be limited to \$3,967. If the family lived in a state that provides a lower-cost Basic Health Plan for uninsured individuals with incomes between 133 and 200 percent of the federal poverty line (states have this option under the law), then the family would also be eligible for this plan.

**Direct Care Worker #3**—An uninsured single adult. In 2014, she starts a new job with a large agency with more than 200 employees. Starting in 2014, the agency would be required to automatically enroll her in a health insurance plan that meets the law’s standards. If the company doesn’t provide affordable coverage that meets the law’s standards, the worker could purchase coverage through the exchange and receive a subsidy. If the DCW receives a tax subsidy to purchase coverage through the state’s health insurance exchange, the company could be subject to a financial penalty.

**Direct Care Worker #4**—An uninsured adult working for a small for-profit agency (under 25 employees with average annual wages of less than \$50,000). The worker’s agency will not be required to provide coverage, but will be able to purchase coverage for its employees through the exchanges (and at a lower cost than currently available) and receive tax credits that offset the cost of providing coverage.

For more examples of how different people will be effected by the reforms, see this chart (right) and the Kaiser Family Foundation’s Health Reform Subsidy Calculator.

133% of Federal Poverty Line (2010)

1	\$14,404
2	\$19,378
3	\$24,352
4	\$29,327
5	\$34,301
6	\$39,275
7	\$44,249
8	\$49,223

## What Does the Law Do and How Soon Does It Take Effect?

### This year, the following provisions will take effect:

- Uninsured Americans with pre-existing conditions will be able to purchase affordable health insurance without discrimination;
- new plans and certain existing plans that offer dependent coverage will be required to cover children until age 26;
- states may extend Medicaid to more low-income workers; and
- Small business owners will be eligible for new tax credits if they provide coverage for their employees.

In addition, starting in 2011, the law establishes a

national, voluntary insurance program for purchasing community living assistance and supports (CLASS program).

### The biggest changes will happen in 2014, including:

- Americans will be required to obtain health insurance (with some exceptions);
- all low-income people with incomes between 133 percent of poverty (currently \$29,326 for a family of four) will be eligible for Medicaid;
- families will be able to purchase affordable and quality health insurance through “exchanges” operating at the state level; and
- families with incomes under 400 percent of the federal poverty line will receive tax credits based on their income that ensure their health insurance is affordable.

## Limit on Premium Contributions for Persons Purchasing Coverage Through Exchange

Income as a Percentage of Federal Poverty Level	Limit on Premium Contributions
133–150%	3–4 percent of income
150–200%	4–6.3 percent of income
200–250%	6.3–8.05 percent of income
250–300%	8.05–9.5 percent of income
300–400%	9.5 percent of income

## Does the Law Provide New Training Opportunities for Direct Care Workers?

The law also establishes a new grant program to provide training opportunities for direct care workers. It also

establishes a National Health Care Workforce Commission that would make recommendations to Congress and the President, along with a new competitive grant program for state-level partnerships to create health care workforce development strategies.