FactSHEET

Understanding the New Health Reform Law

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How Health Reform Helps American Indians and Alaska Natives

The historic health reform law, signed by President Obama, moves our nation toward a health care system that covers many more people, reforms the insurance industry, improves the quality of care, and curbs rising costs. The benefits and protections the new law provides are critical to promoting health equity among communities of color. As the law moves toward eliminating disparities, American Indians and Alaska Natives stand to gain from its health reform provisions—both from those that will affect all communities but have a disproportionate impact on communities of color, and from those that are designed specifically to eliminate health disparities.

Expands Access to Health Care

The new health reform law will significantly expand access to affordable health coverage, which is especially important for American Indians and Alaska Natives. In 2008, over 29 percent of American Indians and Alaska Natives were uninsured compared to a national average for all racial and ethnic groups of 15 percent and 11 percent for non-Hispanic whites.[1] Health reform will expand coverage by doing the following:

- ### Expanding Medicaid

  Under the new law, Medicaid coverage will be expanded to cover children and adults with incomes up to 133 percent of the federal poverty level—roughly $14,403 for an individual and $24,352 for a family of three in 2010.[2] Over 277,800 non-elderly American Indians and Alaska Natives will be newly eligible for Medicaid.[3] This Medicaid expansion, which will go into effect in 2014, will provide coverage to many American Indian and Alaska Native individuals and families who would otherwise go without quality, affordable health coverage, particularly adults without dependent children.

- ### Creating New Marketplaces

  The new law will expand coverage through the creation of state health exchanges for individuals who do not qualify for Medicaid or who cannot get affordable coverage from their employer. Beginning in 2014, these exchanges will allow individuals to shop for insurance and easily compare prices and benefits. To ensure that health insurance is affordable, the law will provide refundable tax credits to offset a portion of the cost of health insurance premiums. These tax credits will be available to individuals and families whose incomes fall between 133 percent and 400 percent of poverty ($14,403 to $43,320 for an individual and $24,352 to $73,240 for a family of three in 2010) and who purchase coverage through an exchange.[4]

Legal immigrants *will* be eligible to purchase coverage through the exchanges and receive tax credits for that coverage without being subject to a waiting period. Under reform, it is estimated that nearly 274,800 non-elderly American Indians and Alaska Natives will be eligible for premium tax credits.[5]

These historic coverage expansions should have a significant impact on American Indians and Alaska Natives with low or moderate incomes.

Eliminates Discrimination Due to Pre-Existing Conditions

The new law offers critical protections to individuals, including many American Indians and Alaska Natives, who have pre-existing conditions today—as well as for those who are healthy now but who may develop a health problem as they grow older. Under health reform, no individual with a pre-existing condition will be denied coverage, charged a higher premium, or sold a policy that excludes coverage of essential health benefits simply because he or she has a pre-existing condition, such as cancer or obesity. According to a recent report by Families USA, more than one-quarter of American Indians and Alaska Natives (25.9 percent) have a condition that, without health reform, could lead to a denial of coverage.[6]

Reauthorizes the Indian Health Care Improvement Act

The health reform law included a reauthorization of the Indian Health Care Improvement Act ("the Act"), which had not been comprehensively updated since 1992. This was quite significant for Indian Country because the Act is now permanently reauthorized, demonstrating the federal government's commitment to honoring its trust responsibility to Indian tribes. In addition to expanding the authorities of the Indian Health Service (IHS) Director to include advocacy and consultation on matters relating to Indian health within the Department of Health and Human Services (HHS), the Indian Health Care Improvement Act also makes improvements to Medicare, Medicaid, and CHIP outreach and reimbursement. The Act also strengthens scholarship and loan programs to address the shortage of Indian health care providers, improves the Indian Health Service and tribal health facilities, creates elder care programs that focus on behavioral health, and improves preventive care screenings.[7]

Increases Funding for Community Health Centers

Community health centers play a critical role in expanding access by serving as a trusted safety net, especially for communities of color. Typically located in medically underserved areas, community health centers provide culturally and linguistically appropriate care to all residents regardless of insurance status, citizenship status, or ability to pay. American Indians and Alaska Natives, who make up almost 1 percent of the U.S. population, are disproportionately represented among those who use community health centers: Of those who used community health centers in 2008, approximately 2 percent were American Indian or Alaska Native.[8] Beginning in fiscal year 2011 and continuing through 2015, the health reform law will appropriate $11 billion to community health centers for the services they provide and for construction and renovation.

Increases Workforce Diversity

It is projected that, within the next 32 years, people of color will make up the majority of the population.[9] As health reform expands coverage, it will be increasingly important to make sure that the health care workforce is diverse and addresses the needs of all individuals. American Indians and Alaska Natives are vastly underrepresented in the health care workforce. Currently, American Indians and Alaska Natives make up 1 percent of the U.S. population, but only 0.8 percent of 2009 medical school graduates and 0.3 percent of the registered nurse population.[10][11]

The health reform law will fund scholarships, grants, and loan repayment programs for health care professionals, and it will provide continuing education support for health professionals who serve minority and underserved populations. It will also offer grants to improve health care services, increase retention, and increase the representation of minority faculty members and health professionals. These provisions will improve access to the health care system and enhance the practice environment by making sure that care is culturally appropriate.

Improves Data Collection

It is well known that disparities in health exist across racial and ethnic minority groups, but there is limited coordination, documentation, and analysis of data that examine the nature of health disparities by race and ethnicity. Collecting and reporting these data are crucial for identifying and monitoring the health problems that exist among American Indians and Alaska Natives, and for developing the proper solutions to eliminate disparities in communities of color.

The health reform law requires that, by no later than 2012, data be collected and reported by race, ethnicity, sex, disability, and primary language for participants at the smallest geographic level possible for all federally conducted or supported health care or public health programs. Data and analyses will also be available to agencies within the Department of Health and Human Services (HHS), as well as to other federal agencies, nongovernmental organizations, and the public.

Conclusion

Although addressing disparities was not the primary focus of health reform, the legislation does take steps in the right direction to address disparities among communities of color. In addition to covering millions more people, reducing costs, and improving quality, health reform addresses widespread inequities that result in racial and ethnic health disparities. The coverage expansions, together with many other provisions, will significantly affect American Indians and Alaska Natives, as well as other communities of color. However, monitoring how provisions are being implemented to ensure reform is meeting the needs of all communities will be essential. Moving forward, it will be critically important for advocates to provide public comment on federal regulations and to inform communities of the opportunities to have their voices heard. Only then can we ensure that American Indians and Alaska Natives are able to benefit from the new law and that we continue to build upon this foundation to advance health equity.

Endnotes

[1] Families USA's Minority Health Initiatives, *Health Coverage in Communities of Color: Talking about the New Census Numbers* (Washington: Families USA, September 2009), available online at http://www.familiesusa.org/assets/pdfs/minority-health-census-sept-2009.pdf.

[2] Assistant Secretary for Planning and Evaluation, *The 2009 HHS Poverty Guideline*s (Washington: Department of Health and Human Services, April 2010), available online at http://aspe.hhs.gov/poverty/09poverty.shtml. Note that federal poverty guidelines are different for Alaska than for the contiguous United States. In Alaska, 133 percent of the federal poverty level is equal to approximately $18,000 for an individual and $30,500 for a family of three in 2010.

[3] Special data run for Families USA by The Lewin Group, June 30, 2010, on file at Families USA.

[4] Assistant Secretary for Planning and Evaluation, op. cit. Note that federal poverty guidelines are different for Alaska than for the contiguous United States. In Alaska, 133 to 400 percent of the federal poverty level is equal to $18,000 to $54,100 for an individual; and $30,500 to $91,600 for a family of three in 2010.

[5] Special data run for Families USA by The Lewin Group, June 30, 2010,on file at Families USA.

[6] Christine Sebastian, Kim Bailey, and Kathleen Stoll, *Health Reform: Help for Americans with Pre-Existing Conditions* (Washington: Families USA, May 2010), available online at http://www.familiesusa.org/assets/pdfs/health-reform/pre-existing-conditions.pdf. It is important to note that the analysis from the report looked only at those people who have been diagnosed with a pre-existing condition. Research shows that there are significant disparities in access to care and the delivery of care across racial and ethnic groups, which may in turn lead to differing rates of diagnosis.

[7] Sherice Perry and Jonay Foster, *Health Reform: Help for American Indians and Alaska Natives* (Washington: Families USA, May 2010), available online at http://www.familiesusa.org/assets/pdfs/health-reform/minority-health/help-for-american-indians-alaska-natives.pdf.

[8] National Association of Community Health Centers, *United States at A Glance, 2009* (Washington: National Association of Community Health Centers, 2009), available online at http://www.nachc.com/client/documents/United%20States%20FSv2.pdf.

[9] Families USA's Minority Health Initiatives, *Health Coverage in Communities of Color: Talking about the New Census Numbers* (Washington: Families USA, September 2008), available online at http://www.familiesusa.org/assets/pdfs/minority-health-and-the-census-numbers.pdf.

[10] Association of American Medical Colleges, *Total Graduates by US Medical School and Race and Ethnicity, 2009* (Washington, DC: Association of American Medical School, 2009), available online at http://www.aamc.org/data/facts/enrollmentgraduate/table30-gradsschlraceeth09-web.pdf.

[11] Health Resources and Services Administration, *The Registered Nurse Population: Initial Findings from the 2008 National Sample Survey of Registered Nurses* (Rockville, MD: Health Resources and Services Administration, March 2010), available online at http://bhpr.hrsa.gov/healthworkforce/rnsurvey/initialfindings2008.pdf.