

# Advisory Bulletin



Important Industry Information for our Valued Customers

## Is the Affordable Care Act Working?

The Affordable Care Act (ObamaCare) was signed into law in March of 2010 and required everyone to have insurance by November 2014. Since we have 1 year of the ACA in place, let's look at the effect it has on your EMS Billing revenue.

### *Has the percentage of uninsured been reduced?*

In the 4th quarter of 2013, 17.1% of adults nationally were uninsured. By the 2nd quarter of 2015, that decreased 5.7% to only 11.4% of adults nationally were uninsured.

Medicaid has been expanded in 30 states as of April 23, 2015. Families may qualify for free or lower cost care through Medicaid based on income and family size (138% of the poverty level). At least as many people have enrolled in Medicaid, as have signed up for private insurance through the new Marketplace.

### *Has insurance been affordable?*

In 2016 the average family plan will see a premium increase of 11.2%, Individual plans 8%, and the "Bronze" plan will have an average increase of 16.6%.

Due to the increase in monthly premiums, 2014 saw the largest one-year increase in enrollment in "high deductible plans" from 18-23% of all covered employees. In 2010 only 10% of covered Americans had deductibles of \$1,000 or more, however, in 2014 that has increased to **41%**.

Across the board we are seeing you are seeing an increase Contractual,

Residential or Bad Debt write offs due to increase in Deductibles and Co-insurances.

***How has the Affordable Care Act impacted the EMS industries.***

The effect of higher deductibles and more primary care physicians closing their offices and/or not accepting Medicaid patients is causing Americans to skip preventive care, which is causing an increase in Emergency Room visits and the severity of illness or injury among ER patients.

***Conclusion***

With the increase of patients being enrolled in the Medicaid Expansion programs, Medicaid charges as the primary payor has increased 4% from 2013. Since Medicaid traditionally pays significantly less than other commercial plans, this shift in insurers is causing a negative impact on EMS Billing revenue. Over the past 12 months, the average insurance payment has decreased 8%.