

**Health Policy Update: Year One of the Affordable Care Act  
May 27, 2011**

The Affordable Care Act (ACA) was signed into law over one year ago, on March 23, 2010. While the major coverage provisions are not scheduled for implementation until 2014, implementation is well under way. The NC Institute of Medicine has released an [interim report](#) on ACA implementation in North Carolina. This report outlines in detail all aspects of current implementation efforts at the state level and provides NC-specific context for the implementation of major coverage provisions, including Medicaid expansion and development of the Health Benefits Exchange, planned for 2014. Several highlights from the first year of implementation in North Carolina include:

*Extension of Insurance Coverage to Adult Children*

- For plan years beginning after September 23, 2010, insurers must offer parents the option of enrolling adult children up to age 26 (regardless of student status) on their plan. Note that for “grandfathered” plans the adult child must not be offered health insurance through their employer. The adult child’s spouse or children are not eligible.

*Private Insurance Changes*

- Other private insurance changes implemented in the first year include that insurers cannot deny coverage for children under the age of 19 or impose pre-existing condition exclusions (although until 2014 insurers can price plans based on health status) and they cannot restrict lifetime limits on the dollar value of the health insurance coverage and are restricted in the use of annual limits (specifically for essential health benefits).

*Pre-Existing Conditions High Risk Pool*

- Our state received \$145 million for the creation of a federal high risk pool to provide insurance coverage for those with specific pre-existing conditions that make private insurance cost prohibitive or unavailable. NC created a federal high risk pool to complement the already operating state high risk pool, Inclusive Health. The NC Institute of Medicine reports that as of last report, NC was second only to California in the number of uninsured residents of the state who have entered into the federally-funded high risk pool.

*Public Health Provisions—Home Visitation*

- The ACA includes a variety of provisions focused on public health. One of these is the funding of maternal, infant and early childhood home visiting programs focused on improving maternal and child health, parenting skills, school readiness and family economic self-sufficiency. The NC Division of Public Health has received over \$2 million to implement evidence-based home visitation models, including Nurse-Family Partnership, Healthy Families America, Parents as Teachers and Early Head Start.

*Community Health Center Funding*

- The ACA provides substantial funding to support new and existing community health centers. However, earlier in the year a budget deal between Congress and the White House resulted in a \$600 million cut to community health center funding. This will result in year one ACA funding being used to backfill existing community health center funding. As a result, communities like Charlotte will likely not get funding for establishing new community health center access points to serve the low-income population this year.

### *Additional ACA Policy Resources*

- **Basic:** Consumers Union has created an easy-to-understand guide to the first year of ACA implementation. It is available [here](#). Kaiser Health News has a useful [FAQ section](#) that outlines current hot topics in health care, such as the health insurance exchanges, Medicaid block grants, and Accountable Care Organizations.
- **More Detailed:** For more detailed information on specific provisions and the timeline of implementation, [Kaiser Family Foundation](#) continues to be a valuable resource (see also their recently updated [summary](#) of the law).
- **Complex:** [Health Reform GPS](#), a project of the George Washington University Health Law and Policy Program and the Robert Wood Johnson Foundation, also continues to be a valuable resource for up-to-date ACA implementation briefs and in-depth policy analysis.