

Health and Student Loan Reforms Make Positive Impact For African-Americans

By Princess Clark-Wendel



What's In the Patient Protection and Affordable Care Act? Key Fact: If someone can't afford insurance, there will be government subsidies.

The recent healthcare reforms are extremely controversial, can be difficult to understand, and are often discussed without a clear view of the details and the impact that the reforms may have on differing groups of Americans. Because minorities (with the exception of Asian-Americans) tend to earn less money than the majority class, according to the US Census Bureau, they stand to benefit the most from the health care reform act.

What's In It For Minorities?

* In 2014, Medicaid will be expanded to incomes up to 133% of the Federal poverty level or \$14,404 for individuals and \$29,326 for a family of four based on the current guidelines provided by the Department of Health and Human Services.

* Minorities will also benefit from the wide range of benefits afforded under this legislation, particularly the preventative care tests. This legislation, if coupled with proper awareness, will

help minorities seek treatment before it's too late.

* Premium tax credits will help both women and minorities alike, if they earn up to 400% of the federal poverty level, or up to \$88,200 for a family of four in

2010. A family of four making \$50,000 would receive a credit of \$5,800, for example.

What's In It For Minority Women?

* A woman's greatest worry is the future of, and care for her children. This plan puts her at ease because it provides coverage for young adults to age 26. They can stay on their parent's health care plans or have the option of buying low premium catastrophic plans.

* Women of child bearing age will have their maternity costs covered in the new policies that go into effect in 2014. They can purchase these policies from the State-based insurance exchanges.

* Insurers will not be able to deny coverage based on pre-existing conditions from 2014 and on... right now since the bill passed children with pre-existing conditions are already covered or their policies are "guaranteed issued".

* There are now no lifetime limits on the dollar value of health insurance coverage. Today most plans have benefit caps, such as a \$ 3 million dollar lifetime benefit.

What If You Already Have Health Insurance?

* Employees getting insurance through their employers will see an average decrease in the cost of their premiums of up to 3 % by 2016

* In 2014, you can no longer be charged higher rates based on your health status or gender, and insurers cannot extend waiting periods beyond 90 days.

* Starting next year, reimbursements from health flexible spending accounts (health FSAs) and health reimbursement accounts (HRAs) for over-the-counter drugs will be restricted. In addition, beginning in 2013, contributions to health FSAs will be limited to \$2,500 per year. Finally, the income threshold for itemizing medical expense deductions will increase from 7.5% to 10% in 2013.

What If You Don't Have Insurance?

* If you don't have insurance, or if it's too expensive, the new reforms may make it easier for you to get and keep health insurance. By 2014, insurers will have to accept you regardless of your health history, and premiums can only vary based on tobacco use and age.

* In 2014, Medicaid availability is expanded to those under age 65 with incomes up to 133% of the Federal Poverty Level (FPL). You will also have state-based American Health Benefit Exchanges, available by 2014, through which you can buy health insurance from various plans.

How Does Student Loan Reform Impact Minorities?

Reforms will go into effect in 2014 and are promised to save \$68 billion dollars.

Within the Patient Protection and Affordable Care Act is another reform impacting student loans. This is especially important today as America faces its highest unemployment rates in decades. According to a report published by The Washington Post, only 66 out of 100 African American men are employed. Although the unemployment rate is just under 10% for the nation, it is the worst for African American men. Of African-American men, those who are college graduates are actually faring better than most- with only a 5% unemployment rate.

Student Loan Reform May Level The Playing Field in America.

* The first thing the reforms do is cut out the middle man (like Chase or Bank of America). Borrowers go right to lender, which in this case is now the federal government, which backs most of the federal loans anyway. This change will eliminate fees and processing costs that are generally imposed by private lenders.

* Secondly, the reforms make college more affordable, as the less we pay in fees and profits to private bankers, the more savings are available to families.

* Thirdly, as the loans are repaid back to the government, not only do taxpayers make a profit that was generally reserved for private lenders, but we also benefit by the contribution of the college graduates as they become doctors, lawyers, accountants and business owners.

Overall, the healthcare and student loan reform is good for everyone and helps to level the playing field for the minority population.

Princess Clark-Wendel is an international business woman, consultant and advisor to business owners across the country. Since 1989, she has successfully owned, operated and sold two firms and has held management roles in two Fortune 100 companies. She has a MBA from the prestigious University of Chicago, and is the author of two books: "Your Business, Your Retirement" and "A Pocketbook of Hope in Tough Economic Times".



As an African-American woman, Princess is an expert in helping minority individuals, business owners, and retirees understand concepts such as business valuation, employee motivation, retirement strategies, and succession or estate planning. She has a unique manner of addressing the minority audience- with the specific needs that differ from the majority. Princess presents key information to her clients that can be used immediately to more effectively create the lives they dream about...worry free.

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