As you are well aware, the Supreme Court of the United States largely upheld the Patient Protection and Affordable Care Act (the “ACA”) in a highly anticipated decision that was released on June 28, 2012. Chief Justice John Roberts wrote the majority opinion in which he stated “the Affordable Care Act’s requirement that certain individuals pay a financial penalty for not obtaining health insurance may reasonably be characterized as a tax. Because the Constitution permits such a tax, it is not our role to forbid it, or to pass upon its wisdom or fairness.”1

The court did, however, restrict the law’s expansion of Medicaid. In so doing, the court ruled that Congress exceeded its constitutional authority by threatening to withhold all federal Medicaid funding from states that failed to expand their Medicaid program to increase coverage of the uninsured under the Act.

Now that the dust has settled on the Supreme Court’s ruling, the Oklahoma State University Center for Rural Health has conducted a literature review and analysis of how some of the ACA’s provisions are directly impacting (and will impact) rural health care in Oklahoma.2 The following summaries of commonly discussed ACA provisions and the impact of these provisions are intended as objective analyses that refrain from editorial regarding the law itself. Much of the content is dictated by what data is readily available from secondary resources.

Young Adults Eligible to Stay on Parents’ Health Insurance
Health plans are required to allow parents to keep their children on their insurance plans until their children reach age 26 under the ACA. In 2010, there were 60,249 young adults aged 19 – 25 years old who were living in rural Oklahoma without health insurance.3 All of these young adults would have been potentially eligible to stay on their parents’ insurance. As of December 2011, there were 49,000 young adults in the State of Oklahoma who had become insured as a result of this provision, which is roughly 38% of all of the young adults who are eligible.4 Using this same adoption percentage for rural Oklahoma yields an estimated 22,929 young adults in rural Oklahoma who have become insured by staying on their parents’ health insurance.

Medicare “Donut Hole” Beneficiaries
The ACA will provide financial assistance to seniors who fall into the Medicare Part D “donut hole.” The donut hole refers to the span in which beneficiaries must cover the entire cost of prescriptions after they exceed their initial coverage limit until they reach the catastrophic coverage amount. The ACA has provided rebates and discounts on prescription drugs for Medicare beneficiaries when they hit the donut hole. In 2010, 57,161 persons in Oklahoma received a $250 rebate to compensate for their out-of-pocket expenses incurred for prescriptions while they were in the donut hole.5 Sixty percent of all Medicare D enrollees in Oklahoma live in rural areas, which equates to 34,297 of Oklahoma’s rural residents receiving rebates in 2010.6

Preventive Services with No Deductible or Co-Pay
The ACA requires all insurance providers, including Medicare, to provide certain preventive services to beneficiaries without requiring a deductible or co-pay. In 2011, 420,097 Medicare beneficiaries in Oklahoma took advantage of free preventive services.7 With 51.5% of all Medicare A and B beneficiaries living in rural counties, an estimated 216,350 of the Medicare beneficiaries receiving free preventive services were rural Oklahomans.8 Another 616,000 persons with private insurance benefited from free preventive services.9 Because 41.6% of the privately insured population lives in rural Oklahoma, approximately 256,256 of the privately insured rural Oklahomans received free preventive services.10

No More Lifetime Limits on Health Benefits
Insurance companies can no longer place caps on the level of benefits that individuals can receive over their lifetimes under the ACA. The lifetime limit provision is particularly beneficial to cancer patients and individuals suffering from chronic disease. There are 1,197,000 Oklahomans who are no longer in danger of losing their insurance coverage because they have exceeded a lifetime limit on their health benefits.11 With 41.6% of the state’s private insurance population living in rural Oklahoma, approximately 497,952 rural Oklahomans do not have to worry about losing their health insurance because they have exceeded their lifetime limit.12

Insured Children with Pre-Existing Conditions
Individuals with pre-existing medical conditions can no longer be denied health insurance under the ACA. As of April 2012, 731 Oklahomans who had been denied insurance coverage due to pre-existing conditions are being insured through the Pre-Existing Condition Insurance Plan (PCIP).13 Because 47.6% of uninsured people live in rural Oklahoma, approximately 348 of the individuals who are now insured through the PCIP live in rural Oklahoma.

Reduction in Medicaid DSH Payments
Medicaid provides Disproportionate Share Hospital (DSH) payments to hospitals that provide a disproportionate amount of the number of insured patients rises). In federal fiscal year 2012, the State of Oklahoma received $43,975,111 in DSH payments for private and community hospitals.14 $9,920,410
The Affordable Care Act’s Impact on the State of Oklahoma and Rural Oklahoma

<table>
<thead>
<tr>
<th>ACA Impact</th>
<th>Oklahoma</th>
<th>Rural Oklahoma</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
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</tr>
<tr>
<td>Mandates on Large Employers</td>
<td>261</td>
<td>87</td>
</tr>
<tr>
<td>Individuals Potentially Eligible to Become Medicaid Beneficiaries</td>
<td>261,157-367,541</td>
<td>124,311-174,950</td>
</tr>
<tr>
<td>Uninsured Individuals Mandated to Buy Private Health Insurance</td>
<td>214,753</td>
<td>10054</td>
</tr>
</tbody>
</table>

of this funding was allocated to hospitals in rural areas. While the United States Department of Health and Human Services has yet to determine the exact methodology for how it will reduce Medicaid DSH payments to states under the ACA, Oklahoma will likely receive 40% - 60% less in DSH payments from Medicaid. This means that Oklahoma hospitals will receive $17,590,044 - $26,385,067 less in DSH funding per year at the height of the reductions. This will translate into a loss of $2,692,765 - $4,039,148 for hospitals located in rural areas. The impact of losing these DSH payments will be even more dramatic if Oklahoma elects to opt out of the Medicaid expansion under the ACA because hospitals will have more uncompensated care than they would otherwise.

Mandates on Large Employers
Beginning in 2014, employers with more than fifty employees will be required to provide health insurance to their employees or they must pay a penalty. Companies with fewer than fifty employees will not be required to comply with this requirement. If a company has fewer than 25 employees and does provide health insurance to its employees, however, it may qualify for a tax credit of up to 50% of the cost of the insurance. In the State of Oklahoma, 4.8% of non-public employers have more than 50 employees (4,357 employers). In rural Oklahoma, this percentage is 4.1%, which translates into 1,446 employers. While there is data available on the number of employers by size per county in Oklahoma, the data does not indicate how many of those employers currently provide health insurance to their employees. Nationally, 94% of employers with more than 50 employees offer health insurance. Applying this rate to Oklahoma results in 87 large, rural employers (out of 261 employers statewide) who will be forced to begin offering health insurance to their employees or face a penalty.

Individuals Potentially Eligible to Become Medicaid Beneficiaries
If an individual is making less than 133% of the federal poverty level (the federal poverty level for 2012 is $11,170 per year for an individual or $23,050 for a family of four), but not currently eligible for Medicaid, beginning in 2014 the ACA will make them eligible for Medicaid. Per the Supreme Court’s ruling, states may elect to participate in the Medicaid expansion. According to the Kaiser Family Foundation, if Oklahoma elects to participate in the Medicaid expansion under the ACA, the number of uninsured adults earning less than 133% of the federal poverty level who will become insured is expected to increase by 261,157 to 367,541 persons, depending on the aggressiveness of outreach and enrollment efforts (based on participation rates of eligible individuals ranging from 57% to 75%, respectively). With 47.6% of all uninsured individuals living in rural Oklahoma, 124,311 to 174,950 of these newly eligible Medicaid beneficiaries will be living in rural Oklahoma. The cost to the State of Oklahoma for this coverage from 2014 – 2019 is expected to range from $549 million to $789 million.

Uninsured Individuals Mandated to Buy Private Health Insurance
Under the ACA, certain individuals who do not meet the income eligibility for Medicaid enrollment will be required to purchase health insurance or pay a penalty or tax. The Urban Institute of the Robert Wood Johnson Foundation recently made national estimates of the number of individuals who will be subject to the individual mandate. It estimates that 59% of the total population will be potentially subject to the individual mandate if they are uninsured. It projects that 8% of the total population will be subject to the mandate and uninsured. If you subtract individuals who will be eligible for insurance through expansion of the Medicaid Program, the Urban Institute estimates that 6% of the total population will need to obtain private health insurance or face penalties. This amounts to roughly 214,753 Oklahomans, including 100,054 rural Oklahomans, who will face the individual mandate to acquire health insurance or pay penalties. Approximately 60% of these individuals will qualify for a partial subsidy to help them purchase private insurance through a health insurance exchange.
In 2006, he had a stroke and continued to work until his retirement in 2012.

Dr. Marouk also trained and graduated many interns and residents. He also taught many interns and residents as he was a program inspector for the Oklahoma Osteopathic Management of Surgeons for the American Osteopathic Association.

In 2006, he also had two nieces and one nephew: Andrea and Luke Shepard, Sam and Zarrin Marouk, and Elizabeth and Doug Coe. Armen was a member of the Holy Trinity Armenian Apostolic Church in Fresno, CA. Dr. Marouk was a respected neurosurgeon in Tulsa for 52 years. He opened his practice, Armen Marouk DO Inc. in 1960, that later became Neurosurgical Specialists of Tulsa. He was the Director of the Neurosurgery training program for the Oklahoma Osteopathic Hospital.

In honor of Dr. Marouk, the Oklahoma Osteopathic Association named an award in his honor, the Dr. Armen Marouk Award. The award is presented annually to an outstanding osteopathic neurosurgeon in the state of Oklahoma.

In summary, Dr. Armen Marouk was a dedicated neurosurgeon who made significant contributions to the field of osteopathic neurosurgery. He was a respected member of the medical community in Oklahoma and was deeply missed by his colleagues and friends.

Memorial

In Memory of

Dr. Armen Marouk

DO, OK

Richard Rosdahl, Sr.

Dr. Robert Ian and Kirsten Marouk of Chandler, AZ

Finton Shaw

Dr. Colin Aram and Debbie Marouk of Broken Arrow, OK

Finton Shaw

Dr. John Sarkis and Jacqui Ann Marouk of Tulsa, OK

Kevin Barrick

Dr. Denise Jean and Troy Witzansky of Sapulpa, OK

Ronnie Embry

Dr. Ian and Beau Marouk, Bryce and Tristyn Marouk, Christoph Marouk, Cassandra, Emily, Ethan, Andrew and Annelye Marouk, and Zachary and Olivia Witzansky.

Armen Marouk, DO

Arkansas D.O.

You will be missed.