

The New Healthcare Law and You

An Overview from The Health Foundation of Greater Cincinnati

The Patient Protection and Affordable Care Act, or the ACA, was passed in March 2010 and affects almost everyone. Parts of the ACA start at different times between now and January 2014. Here is a brief overview of how the ACA may affect you.

New consumer protections are in place.

- Your insurance cannot be canceled unless you lie to your insurance company or commit fraud.
- Children cannot be denied insurance because they have a health problem. Starting in 2014, no one can be denied insurance for this reason.
- If you have health problems and can't get insurance, you may now buy it from the new pre-existing condition insurance plan. See www.pcip.gov and choose your state.
- Starting in 2011, your insurance cannot have lifetime limits for essential health benefits (the basic services everyone needs). In 2014, it cannot have annual limits.
- If your insurance company spends less than 80 cents of every premium dollar on members' healthcare, it will have to refund part of your premium to you.
- Your insurance will pay the full cost of many preventive services by 2014. New health insurance must pay for preventive care now.
- In 2014, your out of pocket expenses will be limited. The limits are based on income.

More people will be covered.



- New insurance plans must cover your children until they reach age 26. Older plans must only cover children who cannot get insurance from their work until they are 26.
- By 2014, you will be able to compare and buy insurance on a health insurance exchange. The exchange will offer a choice of approved insurance plans. It also will help you find the best plan for you and your family.
- In 2014, a person with income below 400% of the **federal poverty level (FPL)** (currently \$43,560 for a single person) can get a subsidy to buy health insurance. The subsidy will be higher for those with lower income.
- If you are under 65 and make less than 133% of the FPL (currently \$12,305 for a single person), you can get Medicaid in 2014.



The ACA increases some taxes and requires insurance.

- If your income is over \$200,000 (single) or \$250,000 (couple), your Medicare payroll tax and tax on unearned income will increase in 2013.
- Some rules have changed for healthcare spending accounts and flexible spending accounts (HSAs or FSAs). If you have one of these accounts, your taxable income may slightly increase. Also you can no longer buy over the counter drugs with these accounts.
- You have to pay a 10% tax on indoor tanning services.
- In 2014, you must have health insurance, or pay a fine, with exceptions for financial hardship or religious belief.
- In 2013, if you are under 65 and itemize your taxes, your deduction limit for unreimbursed medical expenses will increase from 7.5% to 10%.

There are more health insurance choices.

- You can now compare health insurance plans at www.healthcare.gov. People on Medicare can find out about doctors and other providers on this site.
- A long-term care insurance program for workers is being developed. Details of the plan will be announced by 2012.

You can make healthier food choices.

- Chain restaurants and vending machines will list the calories their foods contain to help you make your own choices.

Medicare coverage gaps will close.

- The so-called “donut hole,” or gap in coverage in the Medicare (Part D) Prescription Drug Plans, will be phased out. If you are in this coverage gap, you are now eligible for drug discounts.
- You will not be charged for many preventive services, including yearly wellness exams and cancer screenings.
- In 2015, Medicare will pay doctors for high quality results, not just for procedures.
- Medicare will study which treatments show the best results. Then providers can choose the best treatments for their patients.

Medicaid coverage and enrollment will be simplified.

- It will be easier to enroll in Medicaid and the state Children’s Health Insurance Programs (CHIP).
- Medicare and Medicaid will coordinate care better for people who are in both plans.
- New rules will make it possible to receive more care at home rather than in a nursing home.

Look to us for more information.

Information about the ACA will evolve as more of its rules and procedures become clearer or the law is changed. The Health Foundation will continue to update this information when needed. Look to us for information about the ACA’s effect on:

- Medicare
- Private health insurance
- Medicaid
- Cost of Healthcare
- and other topics.



This is first in a series provided by The Health Foundation of Greater Cincinnati, an independent nonprofit dedicated to improving community health through grants, evaluation and education. The Foundation works in Cincinnati and 20 surrounding counties in Indiana, Kentucky and Ohio.

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You can ask us questions and find copies of our materials at: <http://reform.healthfoundation.org>.