



## The New Healthcare Law and You

### How will your Private health insurance benefits change?

The **Affordable Care Act (ACA)** became law in March 2010. Today, parts of the law are already in place and affect almost everyone. The Health Foundation of Greater Cincinnati provides information written for consumers about the law.

The ACA will make several changes to **private** health insurance coverage between now and 2014. These changes may already affect your health benefits.

**You have private health insurance if you:**

- Receive it from your employer
- Receive it from a union or trade association
- Buy it yourself

**You do not have private health insurance if you have:**

- Medicare
- Medicare Advantage (even though it is through a private insurance company)
- Medicaid
- CHIP (Children’s Health Insurance Program)
- TRICARE (military, military retirees, and their families)

All of the changes under the ACA apply to *new* health insurance plans. Some changes do not apply to older plans called **grandfathered** plans. Did you have your current private plan when the ACA became law on March 23, 2010?

- If yes, then you have a grandfathered plan
- If no, then you have a new plan

A plan stays grandfathered as long no major changes are made to its terms or conditions. Major changes include cutting benefits or increasing out-of-pocket costs. If you are in a grandfathered plan, some of your benefits may be different from the ACA rules for *new* insurance plans. Plans must tell you if they are grandfathered and give you contact information for your questions.

Contact your employer, union or insurer if you are not sure.

**With ALL private plans-new, grandfathered, and those provided by employers**

**Insurers...**

- May NOT deny coverage to children 19 and younger, including those with health problems
- May NOT put lifetime limits on essential health benefits. These include emergency services, maternal care, prescription drugs, and preventive services. The full list can be found at [www.healthcare.gov/glossary/e/essential.html](http://www.healthcare.gov/glossary/e/essential.html)
- Annual limits on essential health benefits may not be:

Less than:	For plan years that start after:
\$ 750,000	Sept. 22, 2010
\$1,250,000	Sept. 22, 2011
\$2,000,000	Sept. 22, 2012
Unlimited	Jan. 1, 2014

- MUST cover adult children up to age 26
  - Until 2014, grandfathered plans only have to cover adult children who cannot get insurance through their own employer
  - Beginning in 2014, all plans MUST offer coverage for all children up to age 26
- May NOT deny coverage to parents of children with health problems
- May NOT cancel your insurance if you get sick unless you lied or committed other fraud when you applied for insurance
- MUST use a standard explanation of plan costs and benefits to make it easy to compare plans
- Beginning in 2014:
  - May NOT deny coverage to anyone with a health problem
  - May NOT have a waiting period longer than 90 days for coverage to begin

**You...**

- Beginning in 2013, cannot contribute more than \$2,500 per year to a Flexible Spending Account (FSA), if you have one.

## How will your Private health insurance benefits change? (continued)

### With NEW private plans (but NOT grandfathered plans)

#### Insurers...

- MUST cover 100% of the cost of preventive services. This means they cannot charge you a co-pay, co-insurance, or make you reach your deductible before they cover services such as:
  - Annual physicals
  - Breast and prostate cancer screenings
  - Immunizations
- MUST tell you how much you pay, and how much they pay for each service
- Beginning in 2014:
  - Must cover essential health benefits
  - Can only charge you a higher premium based on:
    - Whether you are buying individual or family insurance

- Your age
- Whether you use tobacco
- Where you live
- Must provide insurance to everyone who applies for it
- Must guarantee that you can renew your insurance regardless of:
  - Changes in your health
  - The amount of health services you used

#### You....

- Have the right to appeal your insurer's decisions:
  - First, to an internal review board
  - Second, to an outside independent decision maker
- CANNOT pay for over-the-counter medicines with your Health Reimbursement/Savings Accounts (HRA, HSA) or FSAs. You can only buy prescribed medications with these funds.

The ACA also includes changes that vary depending on whether you get insurance from an employer or buy it on your own:

#### With Insurance from an Employer:

##### Employers:

- MUST offer insurance if there are more than 50 employees
- WILL report the value of your health care coverage on your W-2 as non-taxable income
- May NOT have rules that discriminate against lower-wage employees in favor of higher-wage employees
- Can get a government subsidy for part of the cost of providing health insurance to retirees who are not yet eligible for Medicare. This is the Early Retiree Reinsurance Program and lasts until 2014.
- Must automatically enroll new employees if they have more than 200 employees. Employees can opt out of coverage.

##### Insurers:

- MUST spend at least 85% of your premiums on medical services. If they spend less than this, they must give a rebate. This does not apply to self-insured employer plans (where the employer pays the insurance company for all claims instead of paying a premium).

#### With Insurance You Buy Yourself:

##### Insurers:

- MUST spend at least 80% of your premiums on medical services. If they spend less than this, they must give you a rebate.
- May NOT cancel your coverage if you get sick, unless you have committed fraud

*This is part of a series about the new health care law – the Affordable Care Act.*

**For more information, visit**  
[reform.healthfoundation.org](http://reform.healthfoundation.org)

*The Health Foundation of Greater Cincinnati is an independent non-profit dedicated to improving community health through grants, evaluation and education. The Foundation works in Cincinnati and 20 surrounding counties in Indiana, Kentucky and Ohio.*

