

## The New Healthcare Law and You

### How will the new healthcare law affect you if you have **PRIVATE INSURANCE AND A SUBSTANCE USE DISORDER?**

The **Affordable Care Act (ACA)** became law in March 2010. Today, parts of the law are already in place and other parts will be phased in between now and 2014. Some changes are just for people with *substance use disorders* (words in italics defined below), but many benefit the mental and physical health of all Americans.

The ACA does not make you change insurance or doctors. It also does not cut your current benefits. It just sets minimum levels of coverage and maximum levels of costs for all insurance plans.

#### BEGINNING NOW

- Children younger than 19 cannot be denied health insurance because of a substance use disorder (SUD).
- Young adults can be on their parents' *private insurance* until they turn 26, even if they have a SUD.
- All *new insurance plans* cover 100% of the cost of *preventive services* such as alcohol misuse screening and counseling, and certain programs to help people quit smoking. *Grandfathered plans* must do this by Jan. 1, 2014.
- Insurers cannot limit how much they will spend on *essential health benefits* during your life. These

benefits include substance misuse treatment services. But each state will decide what type of services are covered. Check with your state's department of insurance or your employer's human resources department.

- Yearly limits on essential health benefits cannot be less than:

	For plan years that start after:
\$1.25 million	Sept. 22, 2011
\$2 million	Sept. 22, 2012
Unlimited	Jan. 1, 2014

- Your insurance cannot be canceled because you get sick – this includes SUDs.
- If you have been uninsured for six months because of a SUD – or any other health problem – you can buy insurance through the Pre-existing Condition Insurance Plan (PCIP). PCIP will end in 2014 when insurers cannot deny anyone insurance because of a substance use, mental or physical health problem.

#### For information:

- Ohio residents can go to: [www.ohiohighriskpool.com](http://www.ohiohighriskpool.com)
- Kentucky and Indiana residents can go to: [www.pcip.gov](http://www.pcip.gov) and select their state.

### DEFINITION OF TERMS

**Private Insurance:** Insurance that is bought through an employer, directly from an insurance company, or through another group such as a union.

**Substance Use Disorder (SUD):** A condition in which a person misuses or is addicted to alcohol or other drugs. A person suffering from a substance use disorder may have problems with physical health, working, relating to others and daily functioning.

**Essential Health Benefits:** A set of basic healthcare services including substance use and mental health disorder services, emergency care, hospitalization, pregnancy and newborn care, prescription drugs, and lab work, among other things. All plans must cover at least 60% of the cost by 2014. (See [reform.healthfoundation.org](http://reform.healthfoundation.org) for self-insured plan exceptions.)

**Preventive Services:** Healthcare services aimed at preventing or finding early mental and physical health problems. All health

plans must cover 100% of the cost of these services by 2014. Many already do.

**New Health Insurance Plan:** A plan that started after March 23, 2010. Or, an older plan that has been changed in a big way since then. A big change could be making you pay more for services or covering fewer services.

**Grandfathered Health Insurance Plan:** A plan that existed on March 23, 2010, and has not been changed in a big way.

**BEGINNING IN 2014**

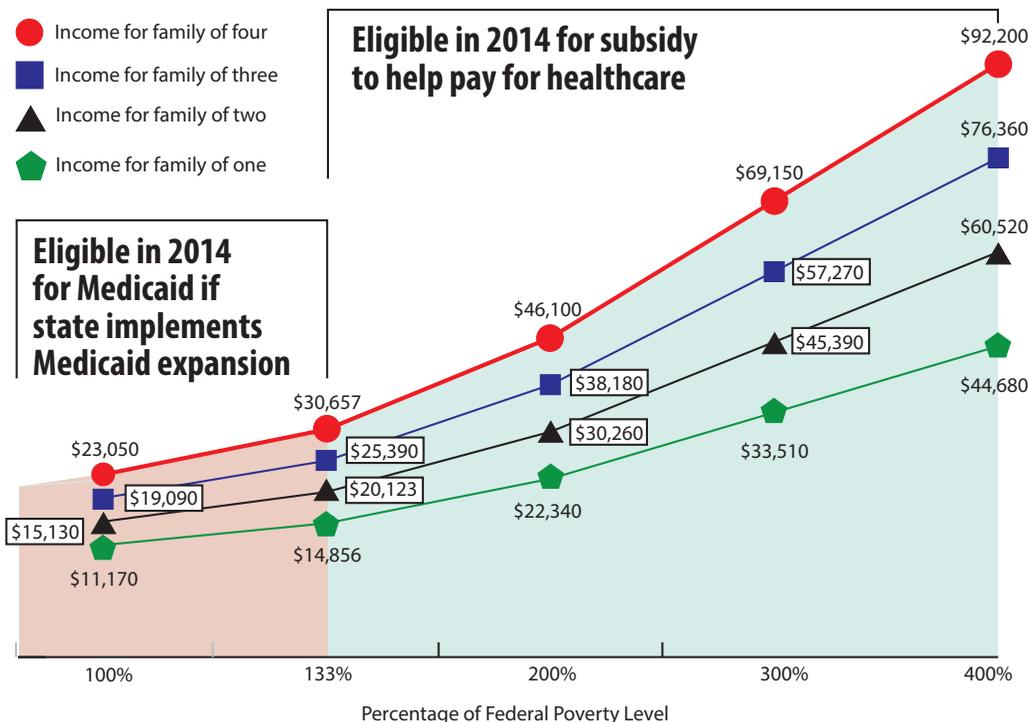
- No one can be denied insurance because of a SUD or any other mental or physical health problem.
- Insurers cannot have yearly limits on essential health benefits, including SUD services. All plans must cover essential health benefits and pay for them at the same rate that they pay for medical and surgical services.
- Your out-of-pocket expenses (deductibles, co-pays and co-insurance) for essential health benefits cannot be more than:

If you make:	Your spending on essential health benefits is limited to:	
	Individual	Family
>400% of the FPL	\$5,590	\$11,900
300%-400% FPL	\$3,967	\$7,933
200%-300% FPL	\$2,975	\$5,960
100%-200% FPL	\$1,983	\$3,967

Note: your insurance may have even lower out-of-pocket costs.

- If you make between 134% and 400% of the Federal Poverty Level (in 2012, \$14,856-\$44,680 for a single person) you will get help, called a subsidy, to pay for insurance you buy through an exchange. The graph below shows the 2012 Federal Poverty Level (FPL) for different-sized families. These yearly income levels change each year.

- The subsidy will go directly to your insurer to pay for part of your monthly premium. It will be based on your age, income, family size and where you live. It will make sure that you do not spend more than 9.5% of your income on insurance premiums. Most times, you will spend even less.
- An exchange will be an online marketplace where you can easily compare insurance options and buy the best plan for you. There will be a telephone number as well.
- You must be insured unless you:
  - Have a financial hardship
  - Have no insurance for less than three months
  - Have a known religious objection
  - Are a member of an Indian tribe
- If you and your family remain uninsured, you could be taxed the greater of:
  - **In 2014:** \$95 per person or 1% of household income
  - **In 2015:** \$325 per person or 2% of household income
  - **In 2016 and later:** \$695 per person or 2.5% of household income
- Insurers can charge you a higher premium based only on:
  - Whether you are buying individual or family insurance
  - Your age
  - Whether you use tobacco
  - Where you live



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.

