

**KNOW  
YOUR  
BENEFITS.**

What Does  
Health Care  
Reform Mean  
for You?



# What is Health Care Reform?

- The Affordable Care Act (ACA) was enacted in March 2010.
  - Biggest overhaul of the United States' health care system since Medicare and Medicaid in 1965
  - Requires most individuals to obtain health care coverage
  - Requires insurance companies and employers to provide consumer protections related to health coverage, like covering pre-existing conditions and not charging more for coverage based on gender

# Goals of the Affordable Care Act

- Goals:
  - Increase the quality and affordability of health insurance
  - Lower the uninsured rate
  - Reduce costs of health care
  - Improve health care quality

# How the Affordable Care Act Affects You

- How the health care reform law affects you varies greatly depending on your age, who you work for and many other factors.

# How the Affordable Care Act Affects You

- Across-the-board changes to health insurance include:
  - Eliminating annual and lifetime limits on essential health benefits
  - Appealing insurance company decisions for non-grandfathered health plans
  - Prohibiting insurance companies from canceling coverage for non-grandfathered health plans
  - Providing free preventive care for non-grandfathered health plans
  - Requiring insurance companies to spend no more than 20 percent of premiums on administrative, overhead and marketing costs and requiring companies that exceed that number to issue refunds to their customers
  - The individual mandate

# The Individual Mandate

- Every person must either have health insurance that meets minimum standards of coverage or pay a penalty when filing tax returns
  - The penalty in 2017 and thereafter will be the greater of 2.5 percent of your yearly income or \$695 per adult. The per child penalty will be \$347.50, up to a \$2,085 per household.
- The following uninsured people will not have to pay a penalty:
  - Are uninsured for fewer than three months of the year
  - Have very low income and coverage is considered unaffordable
  - Are not required to file a tax return because their income is too low
  - Would qualify under the new income limits for Medicaid, but their state has chosen not to expand Medicaid eligibility
  - Are a member of a federally recognized Indian tribe
  - Participate in a health care sharing ministry
  - Are a member of a recognized religious sect with religious objections to health insurance

# Changes for the elderly

- The elderly will continue to receive:
  - Free preventive services under Medicare
  - Annual wellness visits
  - Personalized prevention plan services
- Once those with Medicare prescription drug coverage enter the “doughnut hole” coverage gap, they will be entitled to 50 percent off certain brand-name medications
- Medicare beneficiaries earning \$85,000 or more will pay higher Part B premiums until 2019
- Those with Medicare Advantage plans may lose some benefits or experience an increase in copayments

# Low-income employees

- Those who earn less than 400 percent of the federal poverty level can be eligible for subsidies to help buy coverage through a Health Insurance Marketplace
- People earning up to 250 percent of the federal poverty level may be eligible for reduced out-of-pocket expenses like deductibles, copayments or coinsurance
- The lowest-income workers may be eligible for Medicaid
- Additional funding may expand community health centers that offer free and reduced-cost care

*\*FPL fluctuates and is higher in Alaska and Hawaii.*



# Children with a pre-existing condition

- Group health plans and health insurance issuers may not impose exclusions on coverage for children with pre-existing conditions
- This provision applies to all employer plans and new plans offered through the Marketplace

# Adults with a pre-existing condition

- Health insurance companies cannot deny coverage or charge higher premiums due to a pre-existing condition
- Insurers cannot place annual or lifetime limits on coverage of essential health benefits

# Unemployed and uninsured

- Unemployed and uninsured likely qualify for Medicaid under the coverage expansion in most states
- The expansion of community health centers, designed to offer free and reduced-cost care, will also provide relief
- Employees who do not have job-based health insurance, but earn too much income to qualify for Medicaid, will be able to buy health insurance through new Health Insurance Marketplaces

# Small business owners

- Organizations with 25 or fewer workers may be eligible for a tax credit to help provide coverage for employees
- As of 2016, those with 50 or more employees must provide benefits or incur a penalty
- Small-business owners are able to buy insurance for employees through insurance marketplaces (this started in 2013)

# Young adults

- Children may stay on their parents' policies until age 26
- Those who buy coverage on their own or through the exchanges can obtain cheaper catastrophic coverage
- Young adults who obtain traditional benefits packages will pay less than those who are older than age 26
- Starting in 2014, individuals age 26 or younger must obtain coverage unless qualified for an exemption

# Women

- Women can no longer be charged more for health coverage than men
- Women can no longer be denied coverage if they are pregnant
- Pregnancy and newborn care will be covered as essential health benefits
- Twenty-two female health services are now covered as preventive benefits and are free of charge
  - Mammography every one to two years for women over 40

# Other resources

- [www.healthcare.gov/subscribe](http://www.healthcare.gov/subscribe)
    - With these updates, you'll know when there's important new information about the Marketplace and receive reminders about important dates.
  - [www.facebook.com/healthcare.gov](http://www.facebook.com/healthcare.gov)
  - [@healthcaregov](https://twitter.com/healthcaregov) on Twitter
  - [www.youtube.com/HealthCareGov](http://www.youtube.com/HealthCareGov)
    - Watch and share videos about the Marketplace.
- [www.healthcare.gov/blog](http://www.healthcare.gov/blog)
- The Health Insurance Blog has tips for consumers and small businesses, top things to know about the Marketplace, frequently asked questions and more.