

## **IMPACTS OF HEALTH CARE REFORM**

*Updated March 25, 2010*

**Consumer Protections for All Americans** found in the health care legislation strengthens consumer protections and provides the tools they need to make the best health care insurance decision for them.

*Beginning 90 days after enactment:*

- Provides access to insurance for Americans who are uninsured because of a pre-existing condition, through a temporary high-risk pool.

*Six months after date of enactment:*

- Insurance companies will be prohibited from canceling health coverage when a beneficiary becomes sick as way of avoiding paying that person's health care bills. (This practice is also known as rescissions.)
- All insurance plans will be prohibited from excluding children due to pre-existing conditions.
- Insurance companies will be required to allow adult dependent children to stay on family policies until age 26, should the parents wish to do so.
- Insurance companies would be prohibited from requiring prior authorization before a woman sees an ob-gyn.
- Ensures access to emergency care without a referral for all individuals.
- Insurance companies will no longer be able to place lifetime caps on benefits.

*Beginning in 2014:*

- Insurance companies will no longer be able to discriminate on the basis of pre-existing conditions.
- Insurance companies will no longer be able to charge higher premiums due to gender, health status, family history or job occupation.
- Insurance companies will no longer be able to place annual caps on benefits.

**Women** will receive expanded access to health care services.

- Starting immediately, there will be an interim high-risk pool providing access to coverage to those currently uninsured because of a pre-existing condition.
- Health care insurance reform will end discrimination against women by prohibiting insurance companies from charging women more than men for the same health care services.
- In 2014, health insurance reform will make it against the law for insurance companies to deny coverage or charge higher premiums on the basis of a "pre-existing condition," such as C-sections and pregnancies.
- Health insurance reform includes coverage of maternity services in the essential benefits package in the new health insurance exchanges starting in 2014.

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**Veterans** and military retirees are exempt from the bill, although Veterans will have the option of participating in the exchange if they choose to do so. No other government agency will be able to infringe on the Secretary of Veterans Affairs' authority over the TRICARE program.

**Seniors/Medicare Beneficiaries** will continue to have access to high quality, affordable health care and keep their current coverage.

- Effective immediately, it provides a \$250 rebate to Medicare beneficiaries who hit the donut hole in 2010. Beginning in 2011, the legislation institutes a 50 percent discount on brand-name drugs for individuals who fall into the donut hole. The donut hole is completely closed by 2020.
- Beginning in 2011, the legislation eliminates co-payments for preventative services such as mammography, colon and prostate screenings, diabetes screening and bone mass measurements and it exempts preventative services from deductibles under Medicare.
- Requires Medicare Advantage plans to spend at least 85 percent of revenue on medical care and improving quality of care, rather than on profit and overhead. Plans will have three years to transition to the reformed payment system, with up to seven years for counties facing more significant changes.

**Small Business** owners and their employees will have greater access to health care coverage and tax credits to make it more affordable

- Beginning immediately, small businesses that choose to offer health care insurance will receive tax credits of up to 35 percent of premiums, making employee coverage more affordable. Beginning in 2014, the small business tax credits will cover 50 percent of premiums.
- Exempts employers with 50 or fewer employees from the employer responsibility payments.
- Reforms small business rating rules so that small employers will no longer pay higher premiums if they have employees with higher health costs due to age or illness.
- In 2014 and later it provides eligible small employers who purchase coverage through the Exchange with a tax credit for two years of up to 50 percent of their contribution.