



Health Reform for Early Retirees

Lower Costs for Early Retirees

- ✓ **Insurance Industry Reforms that Save Americans Money**
 - Caps what insurance companies can require Americans to pay in out-of-pocket expenses, such as co-pays and deductibles, prohibits lifetime limits on how much insurance companies cover if beneficiaries get sick, and regulates the use of annual limits to ensure access to necessary care, until 2014 when annual limits are prohibited.
- ✓ **Premium Relief for Working Families**
 - Requires premium rate reviews to track any arbitrary premium increases, cracks down on excessive insurance overhead by applying standards on how much insurance companies can spend on non-medical costs, such as bureaucracy and advertising, and provides consumers a rebate if non-medical costs are too high. Provides sliding scale premium tax credits for Americans who cannot afford quality health insurance.
 - Limits age rating to 3:1 for premiums which means that someone who is 55 years old will pay a maximum of three times what someone who is 25 years old would pay.
- ✓ **Supports Early Retiree Health Coverage**
 - Provides \$5 billion in financial assistance to employer health plans that cover early retirees. This temporary program will make it easier for employers to provide early retirees coverage and will provide premium relief of up to \$1,200 for every family with insurance through those employers. This provision will work to improve the percentage of large firms providing workers with retiree coverage, which dropped from 66 percent in 1988 to 31 percent in 2008.

Greater Choices for Early Retirees

- ✓ **Eliminates Discrimination for Pre-Existing Conditions, Health Status, and Age**
 - Prohibits insurance companies from denying coverage or charging more based on a person's medical history and limits the amount an insurance company can increase an individual's premium simply based on their age. Early retirees are more likely to have chronic conditions such as heart disease and diabetes, which insurers in most states now use to deny coverage.
 - Provides people who have health problems, but who lack access to health insurance, access to a plan that protects them from medical bankruptcy, within 90 days of enactment. This high risk pool is a stop-gap measure that will serve as a bridge to a reformed health insurance marketplace.
- ✓ **More Affordable Choices and Competition**
 - Creates state-based health insurance Exchanges to provide a variety of choices, including private options, co-ops, and multi-state plans, to foster competition and increase choice. Employer-based retiree coverage rarely offers any choice of plans.
- ✓ **One-Stop Shopping – Putting Early Retirees in Charge**
 - Provides standardized, easy-to-understand information on different health insurance plans available through the Exchanges and offered in a geographic region so Americans can easily compare prices, benefits, and performance of health plans to decide which quality, affordable option that is right for them.
- ✓ **Insurance Security**
 - Ensures that early retirees will always have guaranteed choices of quality, affordable health insurance, even if they retire early or lose access to employer-sponsored insurance. Exchanges are of particular benefit to Americans aged 55 to 64, fewer than half of whom work full-time.

Quality, Affordable Health Care for Early Retirees

- ✓ **Preventive Care for Better Health**
 - Ensures that all Americans have access to free preventive services under their health insurance plans and invests in prevention and public health to encourage innovations in health care that prevent illness and disease before they require more costly treatment. More than 80 percent of U.S. health costs result from chronic diseases, many of which afflict early retirees, and most of which can be prevented or better managed.