



How health system reform affects patients

March 29, 2010

The Patient Protection and Affordable Care Act, health system reform legislation signed into law by President Obama on March 23, has many significant benefits for patients—those who already have health insurance and those who don't. While some benefits take effect in 2010, many others will be phased in over several years to allow the health care system to absorb the changes ahead. Here's a snapshot of those benefits.

Patient benefits that take effect in 2010

For patients with private health insurance:

- Your insurer can no longer drop you from your plan if you get sick.
- Children ages 18 and younger can no longer be denied private insurance coverage if they have a pre-existing medical condition. (While some ambiguities have been raised about application of this provision, implementing regulations will clarify that the prohibition on pre-existing condition exclusions for children will begin as planned in September. America's Health Insurance Plans (AHIP) has stated it will fully comply with the regulations.)
- For adults with pre-existing medical conditions who cannot obtain private insurance coverage, a temporary national "high-risk pool" will be established to provide coverage, with financial subsidies to make premiums more affordable, until all insurers are required to cover people with pre-existing conditions in 2014.
- Young adults up to age 26 can remain as a dependent on their parents' private health insurance plan.
- Your health insurance benefits can no longer run out because of a long or expensive illness because insurers can no longer impose lifetime financial limits on benefits.
- Preventive services for women, such as mammograms, and immunizations for children must be covered by insurers, with no co-payments or deductibles required.

In addition, Medicare patients who will hit the coverage gap known as the "doughnut hole" this year under the prescription drug benefit will receive a \$250 rebate from Medicare.

Patient benefits that take effect during the next four years

In the private health insurance market:

- U.S. citizens and legal residents cannot be denied private health insurance coverage for any reason, beginning in 2014. All U.S. citizens and legal residents must obtain health insurance coverage or pay a minor tax penalty (although there are some exemptions). This is to ensure that everyone is in the insurance pool so no one can get a "free ride" by not having affordable coverage and then going to an emergency room for care.
- State-based health insurance exchanges will begin operating in 2014, where people who do not have access to employer-based insurance can shop and compare the benefits and costs of private health insurance plans. These exchanges will create insurance pools that will allow people to choose among affordable coverage options. All insurance companies in the exchange must provide at least a minimum benefit package, as well as additional coverage options beyond a basic plan.
- Federal subsidies through tax credits or vouchers will be provided in 2014 to people who cannot afford the full cost to help them purchase coverage through the exchanges.
- Beginning in 2011, states can require insurance companies to submit justification for premium increases and can impose penalties for excessive increases.

For patients enrolled in Medicare or Medicaid:

- You no longer will pay any cost sharing for a number of preventive services, effective Jan. 1, 2011.
- If you are subject to the "doughnut hole" for your Medicare drug coverage, you will receive a 50 percent discount on those prescription drugs beginning Jan. 1, 2011.
- A series of pilot programs will be implemented during the next four years to help find new ways to improve quality and lower the cost of the care you receive from your doctors, hospitals and nursing homes in the Medicare and Medicaid programs.
- Medicaid coverage will be expanded in 2014 to all eligible children, pregnant women, parents and childless adults under age 65 who have incomes at or below 133 percent of the federal poverty level.