



What's Next for You and the Affordable Care Act?

Since being signed into law on March 23, 2010, the federal health care reform bill known as the Affordable Care Act (ACA) has already greatly changed the health insurance landscape.

Provisions that took effect in 2010:

- Allow many young adults without insurance to remain on their parents' plans until the children are 26 years old.
- Require insurers to cover certain preventive services such as colonoscopies and mammograms.
- Forbid insurance companies to set lifetime dollar limits on benefits.
- Block insurance companies from denying coverage to children under age 19 who have medical conditions.
- Require insurance companies to spend 80 percent to 85 percent of premiums (depending on the type of plan) on care or quality improvements. If a company doesn't reach that percentage, it must refund money to policyholders. Companies also may request adjustments to percentages.

This is just the start. More big changes lie ahead:

March 23, 2012

- Insurers must offer standardized comparisons of health plans – much like nutrition labels on food – called the Summary of Benefits and Coverage developed by the U.S. Health and Human Services and National Association of Insurance Commissioners.

Jan. 1, 2013

- States tell the secretary of Health and Human Services whether they will create health insurance exchanges. The government will step in where states decline to act.

Oct. 1, 2013

- Health insurance exchanges begin open enrollment of individuals.

Jan. 1, 2014

- Health insurance exchanges begin offering a range of qualified health plans to individuals without employer coverage and small businesses. (In states that decline to set up exchanges, the federal government will run them.)
- Most individuals must purchase health insurance or pay a penalty (a provision known as the individual mandate). The penalty will begin at \$95 per adult

in an uninsured household, increasing to \$325 in 2015, then to \$695 in 2016, after which it will increase annually in line with consumer inflation.

- Tax credits to help purchase health insurance become available for Americans making 100 percent to 400 percent of the poverty level.
- Insurers (in exchanges and in small group and individual markets) must cover essential health benefits, as defined by the Department of Health and Human Services.
- Insurance plans cannot place annual limits on insurance coverage.
- Insurance plans cannot deny coverage to individuals because of their gender or medical conditions. Individual and small group plans cannot charge higher rates for gender or medical conditions.
- Small businesses get higher tax credits for the amounts they pay toward employee health insurance.

Jan. 1, 2018

- The last element of the ACA goes into effect – imposing an excise tax on high-cost insurance offered by employers.

