

Understanding Healthcare Reform

PART NINE



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The Supreme Court's decision to uphold all but one provision in the Affordable Care Act means that for now, at least, one of the most far-reaching overhauls of the nation's health-care system will be the law of the land. New rules for insurers that have taken effect will remain in place, while new opportunities to gain health care coverage will begin in 2014. I thought in this article I would share the most common questions we have received and our answers to those questions:

If I don't have health insurance what will happen? Beginning in 2014, virtually all Americans will be required to obtain coverage or pay a penalty (defined as a tax by the Supreme Court). According to the most recently released regulations, the penalty will start as low as \$95 per year or up to 1 percent of income, whichever is greater. The penalty becomes progressively larger from 2014 through 2016, when it will reach full strength. Some individuals will be exempt due to financial hardship or religious reasons.

My employer doesn't offer insurance and I can't afford to buy it on my own. What are my options? Starting in 2014, you will be able to buy private plans through a broker, direct from an insurance carrier or through state-based marketplaces known as exchanges. If your income is low enough, you may qualify for federal subsidies to offset the cost of a health plan. You also may qualify for Medicaid, as the law will expand the program to cover all individuals and families with incomes at or below 133 percent of the federal poverty level.

I have been refused insurance because I have a pre-existing medical condition. How can I obtain coverage? Starting in 2014, insurers will no longer be able to deny you coverage or charge you higher rates for having a pre-existing condition.

I have health insurance now. Will my rate go up? Some of the rules that the law imposes on insurers could contribute to an increase in your premium, although theoretically, the law has mechanisms in place to curb large increases. Your rate may go up for reasons unrelated to the health-care law for example, if medical costs in your area have increased.

Will the new law lower health care costs? The law doesn't directly address health care cost. The Congressional Budget Office has predicted that the law will lower cost, however independent analysts have offered varied opinions on the issue.

Can my insurance company cancel my plan if I get sick? No. Your insurer carrier cannot cancel your plan now or in the future if you become ill.

I lost my job and have insurance through COBRA. What will happen? Not much will change now. But once the exchanges and subsidies are set up in 2014, they will effectively replace the Consolidated Omnibus Budget Reconciliation Act. So if you leave or lose your job in 2014 or later, you will no longer have the option of staying on your former employer's plan for up to 18 months (36 months in California). Instead, you will be able to buy coverage through your broker or state exchange.

Can young adult children stay on their parents' health insurance plans? If you have adult children, you can keep them on your health plan until their 26th birthday.

What other rules are already in place? Insurers can't discriminate against your children if they have a pre-existing condition. They also cannot set a lifetime limit on benefit payouts. Any annual limits will be phased out by 2014. Many preventive benefits and screenings are now covered at 100%.

Between now and January 2014 many changes are certain to occur with this landmark legislation. The best advice I could give any business owner or individual purchaser of health insurance is to "Stay Informed". Learn as much as you can about the ACA and its impact on your health care. At Pacific Coast Benefits, we are here to help navigate you through Health Care Reform. Please feel free to contact us with any questions.