

# UNDERSTANDING THE AFFORDABLE CARE ACT

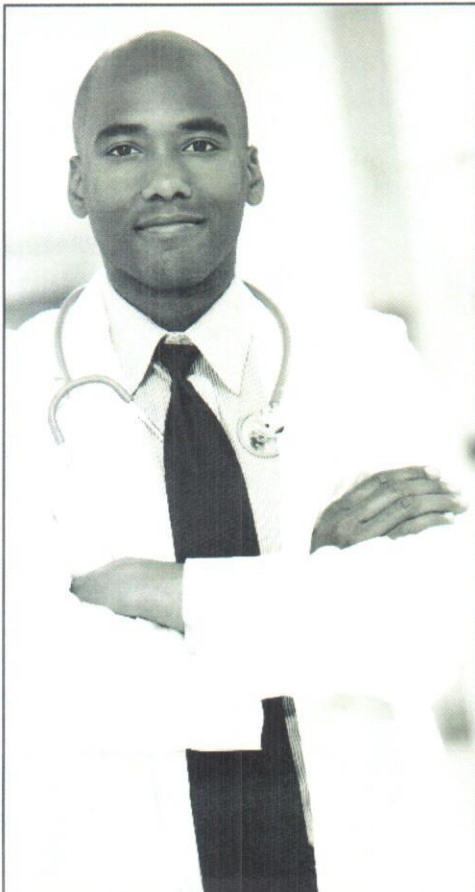
Health insurance helps with the cost of general health care needs and helps individuals protect themselves and their families against illness, injury or accidents. Whether you receive health insurance coverage from an employer, or purchase insurance for yourself and your family, new laws related to health care reform make now a great time to reeducate yourself about health insurance.

The Affordable Care Act is a federal statute that was signed into law by President Barack Obama in 2010. The Act implements a number of changes to health care and health insurance. Some of the legislation's provisions have already been implemented, while others are scheduled to be phased in over the next few years.

One of the components of the law that you may have heard about are health insurance exchanges. These online marketplaces will serve as a way for individuals to shop for health insurance – but they are not the only way for you to get health insurance.

The Louisiana Department of Insurance provides protection to Louisiana consumers of health care and assures continued viability of health benefit plans. Our consumer affairs staff can assist you with questions and provide additional guidance.

## What are the Consumer Protections under the Affordable Care Act?



- **No lifetime limits on essential benefits.** The Affordable Care Act provides that essential benefits include items and services within 10 benefit categories (ambulatory, emergency, hospitalization, maternity/newborn care, mental health/substance abuse, prescription drugs, rehabilitative, lab, preventive/wellness, and pediatric services).
- **Rescissions only for fraud or intentional misrepresentation of material fact.** As of September 23, 2010, Acts 2010, No. 484 included this provision in state law.
- **Coverage of preventive health services,** such as a wide range of immunizations for children as well as adults, specific preventative services for women, obesity for children and adults and depression. A comprehensive list of all preventive services can be found at [www.healthcare.gov](http://www.healthcare.gov).
- **Extension of adult dependent coverage to age 26.** As of September 23, 2010, Louisiana has included this provision in state law.
- **Fully-insured group health plans may not discriminate in favor of more highly compensated employees.**
- **Plans that cover children can no longer exclude, limit, or deny coverage to a child under the age of 19 solely based on a health problem or disability that a child developed before application was made for coverage.**
- **Health Insurers seeking to increase their rates by 10 percent or more must submit their requests to state or federal reviewers to determine whether they are reasonable or not.** Many families and small employers in Louisiana and throughout the country have been at the mercy of insurance rate increases that often put coverage out of their reach. The Louisiana Department of Insurance has supported legislation to provide Louisiana with an effective rate review program, but until laws are changed, Louisiana's rates will continue to be reviewed by the federal government.

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# What Will Change Under the Affordable Care Act?

Effective as of January 1, 2014

- Establishment of Qualified Health Plans through the Health Insurance Marketplace (More on this below)
- Prohibition of preexisting condition exclusions
- Guaranteed issue in all markets
- Guaranteed renewability in all markets
- No discrimination based upon health status; requirements of disease preventions, wellness programs
- Essential benefits package with no lifetime limits

## WHAT IS THE HEALTH INSURANCE MARKETPLACE?

The health insurance marketplace, sometimes referred to as the "exchange," is a one-stop shop where individuals can view health insurance plans offered by companies and buy health insurance. Louisiana will have a federally facilitated marketplace which means it will be operated by the U.S. Department of Health and Human Services. The marketplace must be up and running in 2014. Consumers will be able to purchase insurance through the marketplace and some individuals will be eligible for subsidies depending on their income level.

Health insurers may opt to offer plans on the marketplace in Louisiana, but in order to do so, the federal government must approve that plan.

Any questions about health insurance can be directed to the Office of Health or the Office of Consumer Advocacy at the Louisiana Department of Insurance at 1-800-259-5300.



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## FREQUENTLY ASKED QUESTIONS

### What if I don't have health insurance?

You can contact an agent about purchasing health insurance coverage either on or off of the health insurance marketplace. You can also purchase health insurance through the Bayou Health Plan if you qualify for Medicaid. Under the federal law, individuals will have to pay a fine of 1 percent of their income or \$95 (whichever is higher) for the first year they do not have coverage and that fee will increase in subsequent years.

### What kinds of health insurance don't qualify as coverage?

Health plans that don't meet minimum essential coverage don't qualify as coverage in 2014. If you have only these types of coverage, you may have to pay the fee. Examples include coverage only for vision care or dental care, workers' compensation and coverage only for a specific disease or condition.

### Can my health condition affect my coverage?

No. Health insurance companies can no longer place limits on coverage based on a person's health condition, often called "pre-existing condition exclusions" nor can they charge a higher premium because of a person's health condition. These protections apply whether a person buys coverage through the marketplace or outside of the marketplace.

### Can I remove benefits from a plan if I do not need them all?

No, benefits cannot be removed from a plan although a consumer may be able to add extra coverage.

### What types of plans will be available through the marketplace?

Health plans sold through the marketplace will be required to meet comprehensive standards for services that must be covered. In order to help consumers compare costs, plans available through the marketplace will be organized in four tiers - bronze, silver, gold and platinum. While plans in a tier may differ in the details of their coverage, they must cover essential health benefits.