# FAQ: Health Care Reform

On March 23, 2010, the Patient Protection and Affordable Care Act was signed into law. Along with provisions in the Health Care and Education Reconciliation Act, also signed March 30, 2010, this new legislation impacts how US citizens receive care, both today and in the coming years.

For patients with Inflammatory Bowel Diseases (IBD) and other chronic diseases, the legislation provides a number of safety measures to better ensure access to health care. We have provided answers to key questions about the new health care reform and how it may affect you.

### 1. When do the changes mandated by the legislation go into effect? What happens between now and then?

Here is the implementation timeline for the reform legislation:

**By June 23, 2010:**

- Establishes the government sponsored Pre-Existing Condition Insurance Plan (PCIP), or "high-risk pool." To be eligible, you must:
  - Be a citizen or national of the United States
  - Have a pre-existing condition
  - Have been uninsured for at least six months prior to applying

**By September 23, 2010:**

- Prohibits insurers from rescinding policies once a member becomes sick.*
- Prohibits insurers from denying coverage to children (up to age 19) who have a pre-existing condition.
- Prohibits insurers from setting dollar limits on individual lifetime health care coverage.
- Requires insurers to allow young adults to stay on their parents' policy until age 26.*
- Establishes a way for members to appeal denials of coverage to their insurance companies, and establishes an external review process.
  NOTE: These requirements take effect at the beginning of the next plan year following Sept. 23, 2010.

** Some insurers have already adopted these reforms ahead of the implementation deadline*

**By 2011:**

- Requires individual and small group market insurance plans to spend 80% of premium dollars – an individual policyholder's plan membership fee – on health related claims. Large group plans have to spend a minimum of 85%. If carriers do not meet these goals, they have to rebate the difference to policyholders.

**By October 1, 2013:**

- Provides two years of continued funding to states for the Children's Health Insurance Plan (CHIP), which provides health insurance for children who are ineligible for Medicaid.

**By 2014:**

- Requires each state establish an "American Health Benefit Exchange." These are competitive insurance marketplaces, where individuals and small businesses may purchase affordable, pre-screened policies.
- Establishes tax credits for low-income families to purchase coverage through the exchanges.
- Eliminates coverage exclusions and the ability to charge higher rates for adults with pre-existing conditions.
- Prohibits new and existing group plan insurers from setting annual dollar limits on individual health care coverage.
- Provides guaranteed issue and renewability of coverage for small group and individual plans.

- Allows premium rating variation based only on age, rating area, family composition, and tobacco use.
- Prohibits waiting periods of greater than 90 days for coverage to begin.
- Requires all individuals hold insurance policies or otherwise pay a fee, unless exempt due to a lack of access to affordable coverage.

**2. Will I be protected from getting denied or dropped from coverage for having a pre-existing condition? If so, how will I be protected?**

Yes. This protection begins this fall for children, and will be extended to adults in 2014, when the state-based insurance exchanges are established. Between now and 2014, uninsured adults with pre-existing conditions can access coverage through the newly created high-risk pools (after being uninsured for 6 months). For further information on high risk pools you may go to: www.pcip.gov .

**3. Will coverage be extended to undocumented residents?**

No.

**4. Does the new legislation provide help for those who are underinsured or cannot afford the high costs of premiums, co-pays, tests and medication? If so, how?**

Yes. If you receive coverage through a new high risk pool plan, your annual out-of-pocket costs will be capped at $5,950 for individuals and $11,900 for families. For private policy holders your out-of-pocket expenses will be determined by your plan.

Starting in September 2010, new private insurance plans will have to offer preventive services without co-pay obligations.

Beginning in January 2011, Medicare beneficiaries will no longer be responsible for co-pays for preventive screenings.

**5. Does the new legislation provide help for Medicare recipients who are faced with a prescription drug coverage gap, also known as "the doughnut hole?"**

Yes. On June 10th, 2010, the government began mailing $250 rebate checks to Medicare beneficiaries who reach the Part D coverage gap this year. Approximately four million seniors are expected to receive this one-time rebate. In 2011, pharmaceutical companies will provide a 50% discount on brand name drugs to Medicare beneficiaries in the "donut hole." This rebate will increase to 75% over the next decade, which will eliminate the majority of the coverage gap by 2020.

**6. What if I don't have insurance and I can't afford to purchase even a basic form of it?**

There will be a significant expansion of Medicaid eligibility under the legislation. Approximately one-half of the 32 million uninsured Americans who will receive coverage under the bill over the next decade will be enrolled in Medicaid.

The reform law requires states to expand Medicaid coverage to non-elderly individuals with incomes less than 133 percent of the federal poverty level ($24,352 for a family of three in 2010) by January 1, 2014.

If you earn too much to qualify for Medicaid, but are still unable to afford insurance, you will be eligible for premium subsidies offered by the government beginning in 2014, when every state is required to have a health insurance exchange.

**7. Will insurance companies still be able to institute a lifetime benefit cap on medical expenses?**

No. The legislation prohibits lifetime dollar limits on all private insurance plans beginning on September 23, 2010. However, this may be interpreted by the insurance industry to mean that if your plan year begins prior to Sept. 23, 2010, you will still be subject to lifetime caps for the remainder of that plan year, which could last well into 2011. Please check your policy for details.

**8. Until what age can my adult children be covered on my health insurance plan?**

The reform legislation requires insurers to allow dependents to stay on their parent's policy until age 26 (starting in the next plan year after September 23, 2010). However, several major insurers have already adopted this reform, including United Healthcare, Blue Cross Blue Shield plans, Kaiser Permanente, and Humana.

**9. Will the new legislation help with funding to improve the health care system, i.e. increase primary doctors, community health centers, research and clinical trials participation?**

Yes, the legislation will:

- Significantly increase federal support for medical student loan repayment, scholarships, and the National Health Services Corps -- all aimed at increasing the number of primary care physicians. The bill also increases Medicare reimbursement rates for primary care physicians, which currently lag well behind payment rates for specialists.
- Provide an additional $12.5 billion for Community Health Centers over five years, which will enable CHC's to treat an additional 20 million patients.
- Establish a "Cures Acceleration Network" at the National Institutes of Health. This new program, authorized at $500 million, will speed the translation of basic biomedical discoveries into clinical therapies for patients.
- Expand federal support for Comparative Effectiveness Research (CER). However, findings derived from CER research cannot be used as guidelines for treatment, coverage, or reimbursement.
- Require insurance companies to cover routine patient care costs associated with clinical trials.

**10. How will the new legislation affect consumer rights and patient protections?**

It will:

- Eliminate pre-existing coverage exclusions.
- Ban policy recessions.
- Prohibit medical underwriting.
- Add new medical claims expenditure requirements for insurers.
- Give health plan enrollees a right to both internal and external appeals of claim and coverage denials.

**11. Will there be a place to contact for further assistance with the new legislation programs?**

Yes, the U.S. Department of Health and Human Services has a comprehensive health reform website: http://www.healthreform.gov/

**For further information, call CCFA at our Information Resource Center: 888.MY.GUT.PAIN (888.694.8872).**

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