

# Changes Coming to Health Care in 2014



## New Improvements in the Health Insurance Market

**The Patient Protection and Affordable Care Act (Affordable Care Act) is the federal law passed in 2010 that provides affordable health insurance to more Americans.**

The historic law will change the way health insurance companies provide coverage, as well as the way consumers get coverage. This fact sheet describes a few of the changes happening in health insurance.



## Important Changes for Consumers

### More Health Insurance Options.

The Affordable Care Act establishes state marketplaces, where individuals and small businesses can shop for health insurance on the Internet, in person or by phone. These marketplaces will help make health insurance much more reasonably priced and easier to get. California's marketplace, named Covered California™, will offer millions of Californians a variety of health insurance plans available for purchase.

### Affordable Coverage and Financial Assistance.

Covered California will help individuals and families determine whether they may get federal financial assistance that will cut the cost of health insurance or whether they qualify for free health insurance through Medi-Cal. Many small businesses also will be able to provide employee health insurance, using federal tax credits to reduce premium costs.

**Protections for Consumers.** All health insurance plans (not counting most plans sold before March 10, 2010) must provide health insurance for individuals and their families even if someone has a health condition such as diabetes or asthma. That health insurance cannot be dropped if someone gets sick. Consumers also cannot be denied a health insurance plan if they make an honest mistake when filling out the application.

**Increased Coverage.** The Affordable Care Act strengthens Medicare, Medicaid (Medi-Cal in California) and other very important programs for millions. In addition, those who have not yet turned 26 and whose parents have health insurance can now be included in their parents' health insurance plan.

**Fines for No Coverage.** Starting in January 2014, most adults will be required to have public — such as Medi-Cal or Medicare — or private health insurance or pay a fine. The fine becomes more costly over a three-year period. In 2014, the fine will be 1 percent of yearly income or \$95 per person, whichever is greater. For adults with children, the fine for lack of coverage for the child is \$47.50. By 2016, the fine will be 2.5 percent of income or \$695 for an individual, \$2,085 for a family, whichever is greater.

### What Businesses Will Need to Do.

Employers with 50 or more full-time employees that do not offer health insurance that employees can afford, or that offer a health insurance plan that does not meet certain requirements, may receive a fine starting in 2015.



## Some Changes for Health Insurance Plans

The Affordable Care Act requires that health insurance companies change some of their practices. At the same time, it protects the consumers' rights to keep the coverage they already had before the law was passed.

Under the Affordable Care Act, all health insurance plans must follow certain rules.

**Rate Increases.** Health insurance companies must give a reason for any increase in premiums. Insurance companies must spend 80 percent of the money they receive from premiums on delivering quality health care, not on costs such as salaries and advertising.

**No Limits to Health Care an Individual Receives in His or Her Lifetime.** Health insurance companies cannot set a dollar amount limit for key health benefits during a person's lifetime.

**Preventive Care.** All new health insurance plans must cover preventive care and medical screenings, like mammograms and colonoscopies, as well as women's services such as breast-feeding support, contraception and domestic violence screening. Health insurance companies cannot charge copayments, coinsurance or deductibles for such services.

**Essential Health Benefits.** Newly sold health insurance plans must cover services that fall into these 10 categories of essential health benefits:

- ambulatory patient care
- emergency services
- hospitalization
- maternity and newborn care
- mental health and substance abuse disorder treatment
- prescription drugs
- rehabilitation and habilitation services and devices
- lab services
- preventive and wellness services and chronic disease support
- children's services, including dental and vision care

**New Tools to Choose.** Covered California insurance plans will be grouped by cost and value, using consistent information so that Californians can make apples-to-apples comparisons among plans, see expected costs more easily and get the coverage they need.

There will be four basic levels of coverage: Platinum, Gold, Silver and Bronze. As the coverage increases, so does the monthly premium payment, but the cost when a person receives medical care is usually lower. Californians can choose to pay a higher monthly cost so that when they need medical care, they pay less. Or they can choose to pay a lower monthly cost, which means that when they need medical care, they pay more. Each person has the choice. Families can also seek insurance through Medi-Cal.

For more information, visit [www.CoveredCA.com](http://www.CoveredCA.com) or call (800) 300-1506.



### CoveredCA.com

Covered California is the new online "marketplace" that will make it simple and affordable to purchase quality health insurance and get financial assistance to help pay for it. If your income is limited, you may be eligible for free coverage through Medi-Cal.