

KNOW YOUR BENEFITS.

From

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Health Care Reform FAQ: Rights & Protections

Whether you need health coverage or have it already, the Affordable Care Act (ACA) offers new rights and protections that make coverage fairer and easier to understand.

Some rights and protections apply to plans in the health insurance marketplace or other individual insurance, some apply to job-based plans and some apply to all health coverage.

These rights and protections provide even more choice and control over your health coverage when key parts of the law take effect in 2014.

Use this guide to learn about your rights and protections today and in 2014.

How does the health care law protect me?

The ACA changes the way health insurance companies operate, extends insurance to people who were not previously covered and expands the benefits of many policyholders while lowering the cost of care. Some of the specific ways it accomplishes this include:

- Creating the health insurance marketplace (Marketplace) as a new way for individuals, families and small businesses to get health coverage
- Requiring insurance companies to cover people with pre-existing health conditions
- Helping you understand the coverage you're getting
- Holding insurance companies accountable for rate increases
- Making it illegal for health insurance companies to arbitrarily cancel your health insurance just because you get sick
- Protecting your choice of doctors
- Covering young adults under age 26
- Providing free preventive care
- Ending lifetime and yearly dollar limits on coverage of essential health benefits
- Guaranteeing your right to appeal your insurance company's decisions

Whether you need health coverage or have it already, the ACA offers new rights and protections that make coverage fairer and easier to understand.

What if someone doesn't have health coverage in 2014?

If someone can afford it but doesn't have health insurance coverage in 2014, he or she may have to pay a penalty—and must also pay for all of his or her care.

The penalty in 2014 is 1 percent of your yearly income or \$95 per person for the year, whichever is higher. The penalty increases every year. In 2016 it is 2.5 percent of income or \$695 per person, whichever is higher.

In 2014 the penalty for uninsured children is \$47.50 per child. The most a family would have to pay in 2014 is \$285.



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It's important to remember that someone who pays the penalty won't get any health insurance coverage. He or she will be responsible for 100 percent of the cost of his or her medical care.

After open enrollment ends on March 31, 2014, the individual won't be able to get health coverage through the Marketplace until the next annual enrollment period, unless he or she has a qualifying life event.

To avoid the penalty in 2014, you need insurance that qualifies as [minimum essential coverage](#). If you're covered by any of the following in 2014, you're considered covered and don't have to pay a penalty:

- Any Marketplace plan, or any individual insurance plan you already have
- Any employer plan (including COBRA), with or without grandfathered status (this includes retiree plans)
- Medicare
- Medicaid
- The Children's Health Insurance Program (CHIP)
- TRICARE (for veterans and their families)
- Veterans' health care programs
- Peace Corps Volunteer plans

Other plans may also qualify. Ask your health coverage provider.

If you don't qualify for these situations, you can apply for an exemption asking not to pay a penalty. You do this in the Marketplace.

Who doesn't have to pay the penalty?

Uninsured people won't have to pay a penalty if they:

- Are uninsured for fewer than three months of the year
- Have very low income and coverage is considered unaffordable
- Are not required to file a tax return because their income is too low
- Would qualify under the new income limits for Medicaid, but their state has chosen not to expand Medicaid eligibility
- Are a member of a federally recognized Indian tribe
- Participate in a health care-sharing ministry
- Are a member of a recognized religious sect with religious objections to health insurance

If you don't qualify for these situations, you can apply for an exemption asking not to pay a penalty. You do this in the Marketplace.

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 penalty:

- Coverage only for vision care or dental care
- Workers' compensation
- Coverage only for a specific disease or condition
- Plans that only offer discounts on medical services

What if I'm pregnant or plan to get pregnant?

All Marketplace plans cover pregnancy and childbirth. If you get a health plan through the Marketplace, coverage for your pregnancy and baby can start as soon as Jan. 1, 2014. You can apply as soon as Oct. 1, 2013.

Until then, Medicaid and CHIP may help. These state-based programs cover pregnant women and their children below a certain income level. Eligibility and benefits are different in each state. Medicaid and CHIP income levels are different.

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HCR

Check your state's health insurance website to see whether you're eligible right now for coverage for you and your baby through Medicaid or CHIP.

If your health insurer refuses to pay a claim or ends your coverage, you have the right to appeal the decision and have it reviewed by a third party. Insurers have to tell you why they've denied your claim or ended your coverage, and they have to let you know how you can dispute their decisions.

What if I have a grandfathered health insurance plan?

If you are covered by a grandfathered plan, you may not get some rights and protections that other plans offer.

"Grandfathered" plans are those that were in existence on March 23, 2010 and have stayed basically the same, but they can enroll people after that date and still maintain their grandfathered status. In other words, even if you joined a grandfathered plan after March 23, 2010, the plan may still be grandfathered. The status depends on when the plan was created, not when you joined it.

All grandfathered plans must still end lifetime limits on coverage, end arbitrary cancelations of health coverage, cover adult children up to age 26, provide a summary of benefits and coverage and spend at least 80 percent of premiums on health care.

But unlike plans created after March 23, 2010, grandfathered plans do not need to cover preventive care for free, guarantee your right to appeal insurance companies' decisions, protect your choice of doctors and access to emergency care or publicly justify premium increases of 10 percent or more.

Additionally, individual grandfathered plans do not have to end yearly limits on coverage or provide coverage to people with pre-existing health conditions.

How do I appeal a health plan decision?

There are two ways to appeal a health plan decision:

- **Internal appeal.** If your claim is denied or your health insurance coverage cancelled, you may ask your insurance company to conduct a full and fair review of its decision. If the case is urgent, your insurance company must speed up this process.
- **External review.** You can take your appeal to an independent third party for review. Doing an external review means that the insurance company no longer gets the final say over whether to pay a claim.

Where can I read the Affordable Care Act?

You can read the ACA by visiting the links below.

The ACA consists of two bills: the Patient Protection and Affordable Care Act (PPACA), signed into law on March 23, 2010, and the Health Care and Education Reconciliation Act (Reconciliation), signed into law on March 30, 2010.

Certified full-text version in HTML (Web page) format:

- [PPACA](#)
- [Reconciliation Act](#)

Official certified full text of the laws in PDF form:

- [PPACA](#)
- [Reconciliation Act](#)

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