

# What the New Health Care Law Means For YOU

By Phil Galewitz, Kaiser Health News

The new health law signed by President Obama this spring contains the most sweeping changes to the American health system in a generation. The law will extend health insurance to 32 million currently uninsured Americans by 2019, and will have an impact on how nearly every American buys insurance and what insurance must cover. Here's how you might be affected:

**Q: I don't have health insurance. Will I have to get it, and what happens if I don't?**

**A:** Under the legislation, most Americans will have to have insurance by 2014 or pay a penalty. The penalty would start at \$95, or up to 1% of income, whichever is greater, and rise to \$695, or 2.5% of income, by 2016. This is an individual penalty; families have a maximum penalty of \$2,085. Some people are exempted from the insurance requirement because of financial hardship or religious beliefs or if they are American Indians.

**Q: I want health insurance, but I can't afford it. What do I do?**

**A:** Depending on your income, you might be eligible for Medicaid, which will be expanded sharply beginning in 2014. For the first time nationwide, low-income adults without children will be eligible, as long as their incomes don't exceed 133% of the federal poverty level, or \$14,404, according to current poverty guidelines.

**Q: What if I make too much for Medicaid but still can't afford coverage?**

**A:** You might be eligible for government subsidies to help you pay for private insurance that would be sold in the new state-based insurance market places, called exchanges. These will start operating in 2014.

**Q: Will the law make it easier for me to get coverage, even if I have health problems?**

**A:** If you have a medical condition, the law will make it easier for you to get coverage. Health insurers will be barred from rejecting applicants based on health status in 2014.

Until the new exchanges are up and running in 2014, the law created temporary high-risk insurance pools for people with medical problems who have been uninsured at least six months. The new risk pools – which will be run by the states and the federal government – are scheduled to start accepting members in September.

In addition, starting Sept. 23, 2010 insurers can no longer deny coverage to children with pre-existing conditions and insurers will be banned from setting lifetime coverage

limits for adults and kids.

In 2014, annual limits on coverage will be banned and new health insurance policies sold on the exchanges will be required to cover a minimum range of benefits. These will include hospitalizations, doctor visits, prescription drugs, maternity care and certain preventive tests.

**Q: I own a small business. Will I have to buy insurance for my workers? What help can I get?**

**A:** It depends on the size of your firm. Companies with fewer than 50 workers won't face any penalties if they don't offer insurance.

Companies can get tax credits to help buy insurance if they have 25 or fewer employees and a workforce with an average wage of up to \$50,000. These tax credits of up to 35% of the cost of premiums have already been made available.

Firms with more than 50 employees that do not offer coverage will have to pay a fee of up to \$2,000 per full-time employee if any of their workers get government-subsidized insurance coverage in the exchanges. The first 30 workers will be excluded from the assessment.

**Q: I'm over 65. How will the legislation affect seniors?**

**A:** The Medicare prescription-drug benefit will be improved substantially. This year, seniors who reach a certain threshold of out of pocket drug expenses known as the *donut hole* will get \$250 to help pay for their medications.

Beyond that, drug company discounts on brand-name drugs and federal subsidies and discounts for all drugs will gradually reduce the gap, eliminating it by 2020.

Meanwhile, government payments to Medicare Advantage, the private-plan part of Medicare, will be frozen starting in 2011, and cut in the following years.

Beginning this year, the law will make all Medicare preventive services, such as screenings for colon, prostate and breast cancer, free to beneficiaries.

