

The National Health Care Law What Does it Mean for Me?

Already in Effect

Are you afraid to use your health insurance on anything not major because you think the insurer will cancel your insurance? Health insurers cannot cancel your insurance just because you made a mistake on your application.

Do you have a preexisting health condition and have you been uninsured for six months because of it? The federal government now has a high risk pool through which you will be able to buy health insurance at standard rates. <http://www.healthcare.gov/law/provisions/preexisting/states/sc.html> has the premiums and links to apply.

Do you have children under age 26? Most insurers who offer dependent coverage now have to cover those children under age on your family policy.

Do you have a health condition which might cost more than your insurance will cover? Insurers cannot have lifetime caps on benefits. Annual caps will gradually phase out until 2014.

Are you caught in the Medicare, Part D “doughnut hole” where your insurance doesn’t cover prescriptions? In 2010, Part D prescription drug enrollees with any spending in the coverage gap received a \$250 rebate. In 2011, coinsurance began going down from 100 percent in 2010 to 25 percent by 2020 for generic drugs in the ‘doughnut hole’. For brand name drugs coinsurance has dropped to 50 percent.

Do you need preventive care and screening, but you can’t afford the co-pays and deductibles? On new policies insurers cannot require co-pays or deductibles for preventive care and immunizations

Do you owe a lot hospital debt to a nonprofit hospital? Nonprofit hospitals must: 1) have a financial assistance policy that indicates whether free or discounted care is available; 2) limit charges to patients who qualify for financial assistance to the amount generally billed to insured patients; and 3) make reasonable attempts to determine eligibility for financial assistance before undertaking extraordinary collection actions.

Do you own a small business with under 25 employees and an average annual salary of less than \$50,000? You are eligible for tax credits that could cover up to 35 % of the cost of health insurance premiums for your business.

Are you confused by health insurance? The state will be required to set up an Office of Health Insurance Consumer Assistance or an ombudsman program to serve as an advocate for people with private coverage. You can go to <http://finder.healthcare.gov/?state=&x=13&y=7> to get help on figuring out health coverage.

Do you see your insurance premiums going up and up but you are getting less coverage? Insurers will have to spend no less than 80–85 % of your premium dollar on paying for health care and quality, instead of advertising, profits and claims management. If they spend less, they will have to pay their customers back some of their premiums.

In 2014

Are you here in the U.S. legally? You will be required to have health insurance meeting certain standards ... unless you meet one of several exceptions. If you don't have insurance, you will have to pay a tax, eventually ranging from \$695 to \$2,085 for a family or 2.5 % of income.

Do you make less than 133 % of the Federal Poverty Level – \$24,407 for a family of three? You will be able to sign up for Medicaid until you reach age 65 and get Medicare.

Do you make more than 133 % of the federal poverty level (\$24,407 for a family of three) but less than 400 % of the federal poverty level (\$73,240 for a family of three)?

- You will be able to buy health insurance from a private insurance company through something called an Exchange. You will be eligible to buy insurance through the Exchange if you are: 1) a U.S. Citizen or legal; immigrant; 2) your employer does not offer a plan meeting minimum standards, or 3) your employer's plan costs more than 9.5 % of your income.
- If you buy insurance through the Exchange, you will receive tax credits paid up front that limit the amount of your income that your premiums cost and subsidies that will limit the amount of co-pays and deductibles you will have to pay out-of-pocket. Both are based on sliding scales.
- Employers with fewer than 100 employees will also be able to buy health insurance through the Exchange.
- The Exchanges will have minimum standards for how insurances is sold and they will help you find the right insurer for your family.

Are you afraid that insurers will turn you down? Health insurers will have to write you a policy if you apply and can pay for it. They will have to renew that policy.

Does insurance cost you too much, because you are old, sick or female?

Beginning in 2014, insurers will be able to set premiums based only on age (but the oldest can pay no more than three times the youngest), whether you smoke (1.5 times difference), whether you have an individual or a family plan and where you live. Gender and health condition can't affect your premium.

Will my taxes go up? Not for most people if, by 2014, you have qualifying coverage and you make less than \$200,000 (\$25,000 filing jointly). If you make over those amounts your Medicare taxes (part of FICA) will go up a small amount and you will pay a higher tax on unearned income (not wages and salaries).

If you have a Health Savings Account, a Flexible Spending Account with more than \$2,500 for health expenditures or you have had really high unreimbursed medical expenses that you deducted on your federal income taxes, there are things that will change and can cost you more money. If your employer was providing a very expensive health package, the insurer's taxes will go up.