



HEALTH CARE *and you*

The New Health Care Law: Temporary Coverage for Uninsured People with Pre-existing Conditions

An important provision in the new health care law provides five billion dollars in funding to offer temporary health insurance to many who cannot get health insurance through other means.

This federal high-risk pool, officially known as the Pre-existing Condition Insurance Plan (PCIP), is a first step to help people with pre-existing health conditions get the insurance coverage they need. This temporary program will operate until January 1, 2014, when individuals will be able to buy health insurance through state-based exchanges.

States can operate their own high-risk pool or have the federal government carry out the program. Twenty-one states have asked the federal government to run their high-risk pools. The remaining states have chosen to operate their own plans.

Who is eligible?

To be eligible for the federal Pre-existing Condition Insurance Plan or the high-risk pool in your state, you must have been uninsured for six months, have a pre-existing condition, and be a United States citizen or national, or be lawfully present in the United States. Individuals will be accepted on a first-come, first-served basis.

What benefits are covered?

The federal Pre-existing Condition Insurance Plan and state high-risk pools cover a range of benefits, including primary and specialty care, hospital care and prescription drugs. All of these health plans are required to cover pre-existing medical conditions.

What is the cost?

Premiums are determined by a number of factors, such as your age and the state where you live. Yearly out-of-pocket costs will be limited to \$5,950 for individuals, not including the premiums you have to pay.

When can you apply for this type of health insurance?

The federal Pre-existing Condition Insurance Plan began accepting applications on July 1, 2010. States operating their own high-risk pools also aim to begin coverage soon, but some may start later. The high-risk pool coverage will stop on January 1, 2014 when individuals will be able to buy insurance through state-based exchanges.

You can find more information on the federal Pre-existing Condition Insurance Plan or the high-risk pool in your state, and get an application for this temporary insurance coverage at **www.healthcare.gov**.

Check **www.aarp.org/getthefacts** frequently for the latest information.



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The New Health Care Law: Key Improvements to Health Insurance Practices

The health care law passed by Congress includes stronger consumer protections against a number of discriminatory insurance practices. No longer can your insurance company drop your health coverage when you become sick. Nor can it place lifetime dollar limits on coverage you may need.

Many of these protections will take effect this year. Others will be phased in over the next several years.

The new law:

- **Stops insurance companies from dropping coverage:** Prohibits health insurance companies from dropping your health coverage if you become sick. (Effective September 2010.)
- **Bans lifetime limits on coverage:** Prohibits health plans from placing limits on how much they will pay for medical benefits over your lifetime. (Effective September 2010.)
- **Bans annual limits on coverage:** Prohibits health plans from placing arbitrary limits on how much they will pay for your medical benefits during each calendar year. (Effective 2014.)
- **Adds free preventive care under new private health insurance plans:** Requires new private health insurance plans to cover more preventive services free of charge. (Effective September 2010.)
- **Extends coverage for young adults:** Allows parents to keep their young adult children covered under their health insurance until they reach age 26. (Effective September 2010.)
- **Ends denial of coverage based on pre-existing conditions:** Stops health plans from denying coverage to children with pre-existing conditions. (Effective September 2010.) In 2014, this protection will be extended to **everyone**.

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The New Health Care Law Timeline: When Changes Come About

Congress enacted a new health care law which brings a number of benefits for all Americans, including people over 50. Some of these changes you will see this year. Others phase in over the next several years.

2010

- Those who reach the Medicare Part D coverage gap or “doughnut hole” receive a \$250 rebate to help pay for prescription drugs.
- Employers providing retiree health insurance get funding to encourage continued coverage to early retirees.
- The Pre-existing Condition Insurance Plan (PCIP), also known as “high risk pools,” begins covering people who have a pre-existing condition and have been without insurance for the last 6 months.
- Young adults up to age 26 can remain on their family’s health insurance plan.
- Individuals with new employer-based or individual insurance plans do not have to pay a deductible and other out-of-pocket costs for certain preventive care services.
- Insurance companies can’t drop your coverage if you become sick.
- Insurance companies can’t place lifetime limits on health coverage. They are also restricted from using arbitrary annual limits on your health coverage.

2011

- Those who reach the Medicare doughnut hole receive a 50% discount on brand-name prescription drugs.
- Medicare benefits expand to include free coverage for wellness and preventive care.
- It becomes easier to file complaints about the quality of care in a nursing home. Better access to information on nursing home quality and resident rights is available.

2014

- Exchanges begin offering health insurance coverage with comprehensive benefits.
- Premium subsidies are available for those with limited incomes who purchase health insurance through an exchange.
- Children, parents, and childless adults who do not have Medicare and who have a limited income are able to apply for Medicaid.
- Insurance companies are banned from putting annual limits on health coverage.
- Insurance companies can't deny anyone health coverage because of a pre-existing condition.
- Spouses of people on Medicaid who receive care services at home get the same protections for income and other resources as spouses of those on Medicaid who live in nursing homes.

2020

- Medicare Part D coverage gap or “doughnut hole” is completely closed.

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At-a-Glance: How the New Health Care Law Benefits You

For People Who Are on Medicare or Are Retired:

- Provides a \$250 rebate to those who reach the Medicare Part D coverage gap or “doughnut hole.” **2010**
- Provides funding to encourage employers who provide retiree health insurance to continue to offer health benefits. **2010**
- Expands coverage for wellness and preventive care under Medicare. **2011**
- Provides a 50% discount on Part D brand-name drugs and a 7% discount on generic drugs while you are in the coverage gap. **2011**
- Closes the Medicare Part D coverage gap by **2020**.

For People Who Are Uninsured or Buy Their Own Coverage:

- Helps people with pre-existing conditions who have been uninsured for 6 months to obtain temporary insurance coverage. **2010**
- Allows some uninsured young adults to be covered by their parent’s insurance policy until they turn 26. **2010**
- Creates “exchanges” where individuals and small businesses can buy private health insurance. **2014**
- Creates a standard set of benefits for all plans offered by exchanges. **2014**
- Provides help for those with limited incomes to pay premiums for plans offered by exchanges. **2014**
- Expands Medicaid coverage to children, parents, and childless adults who have a limited income, but do not have Medicare. **2014**

For People with Insurance:

- Prohibits insurance companies from dropping health coverage due to illness, and from denying coverage because of a pre-existing condition. **2010**
- Restricts insurers from placing annual dollar caps on health coverage. **2010**
- Reduces out-of-pocket costs for certain preventive care services. **2010**
- Bans insurers from placing lifetime dollar limits on health coverage. **2010**
- Ends annual dollar caps on health coverage. **2014**

For People Planning Their Long-Term Care Needs:

- Funds some states to promote independent living by expanding home- and community-based services. **2010**
- Makes it easier to file complaints about the quality of care in nursing homes. **2011**
- Expands protections for spouses of people on Medicaid who are receiving care at home. **2014**

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