



HEALTH CARE *and you*

The New Health Care Law: What it Means for People Ages 50-64

If you are 50-64, the new health care law may benefit you in several ways. It makes it easier to get coverage, helps make coverage more affordable and helps you pay for long term-care. The law also aids small business owners and supports early retirees. By knowing what's in the law you can take advantage of these changes. Some of these changes start this year. Others will phase in over the next several years.

Makes it easier to obtain health insurance:

- The new law creates health insurance exchanges for those who can't get coverage through their job. Exchanges will be set up in every state to provide "one stop shopping" so it will be easier to compare plans and prices. If you are eligible for insurance through an exchange and do not purchase it, you will be subject to a penalty. Exchanges start offering insurance in 2014.
- All health plans in the exchanges must cover a range of benefits. These include medical, mental health, prescription drugs, and rehabilitative services. You will be able to pick among four levels of coverage to fit your needs.

- If you have been uninsured for six months and have a pre-existing condition, you may be able to get coverage. This coverage – also known as "high risk pools" – should be available in your state in the next few months. It will continue until the exchanges start in 2014.

Helps make coverage more affordable:

- Starting in 2010 for new plans, you will not have to pay some of the costs for preventive care. This includes services such as mammograms, immunizations, and screenings for cancer and diabetes.
- The Medicaid program will cover more people. In 2014 Medicaid will expand to children, parents, and childless adults who do not have Medicare and who have a limited income. (The income limit as of 2010 is about \$14,400 for a single person and \$20,000 for a couple.).
- Starting 2014, you may be able to get tax credits to help pay your premiums for insurance purchased through an exchange. You will qualify if you earn less than \$58,280 for a couple or \$43,320 for an individual.

- Starting in 2010, some small businesses can get tax credits to help buy health insurance. This applies to businesses with fewer than 25 employees whose average wage is below \$50,000.

Expands insurance coverage for children and young adults:

- Beginning this year, your adult son or daughter may be able to be included on your insurance policy until he or she turns 26.
- By July 2010, insurers must cover children under age 19 who have pre-existing conditions.

Helps protect health benefits for early retirees:

- If you are between 55 and 64 and have retiree health coverage through your work, you have added protection. Starting in 2010, new federal funds will encourage your employer to continue offering health benefits until you become eligible for Medicare.

Makes key improvements in insurance practices:

- As of 2010, insurance companies can't drop your health coverage if you become sick. Your health insurance is guaranteed, as long as you pay your premiums.
- Insurance companies can no longer place lifetime or restrictive annual limits on your health coverage. This change will ensure that your benefits won't run out when you need them the most. The ban on lifetime limits begins in 2010, while the ban on annual limits begins in 2014.

- Starting in 2014, you cannot be denied health insurance because of a pre-existing condition.

Helps pay for long-term care:

- A new voluntary long-term care insurance program – called CLASS -- will be available to you if you are working. This program will help you pay for some of your future long-term care services. You will receive a cash benefit if you have a qualifying disability, have paid into the program for at least five years, worked at least three of those initial five years, and meet other eligibility requirements. If your employer participates in the program, you will be enrolled automatically unless you choose to opt out. You will also be able to buy this insurance if your employer doesn't participate, if you are self-employed, or have more than one employer. This program is likely to start in 2012 or 2013.

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