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HEALTH CARE REFORM & YOU

What If You Have Employer-Sponsored Health Coverage?

STATEWIDE – For Massachusetts residents with employer-sponsored health coverage, the new health care reform law provides some new protections and options. But, bottom line: You can keep the health plan you now have. And, you will not be forced into a “government plan” – in fact, no such plan is offered under the law.

“A majority of adults in Massachusetts get health insurance through their employer, and most want to stick with that coverage,” says Deborah Banda, state director of AARP Massachusetts, which represents more than 800,000 members age 50 and older in the Bay State. “The new health reform law keeps employer-sponsored coverage intact, while making improvements to insurance practices that will benefit consumers.”

Starting this September, all new health plans must provide preventative services and screenings for free, and insurance companies can no longer place lifetime limits on what they will pay for your care; annual limits will be eliminated in 2014. Insurance companies will also have to spend a large portion of the money you pay for coverage on medical care, as opposed to profits or overhead; this change goes into effect in January 2011.

For those employees who are interested in wellness initiatives, the new law will allow employers to offer you discounts of up to 30 percent of your insurance cost if you participate in a wellness program or meet health goals such as quitting smoking. These new incentives start in 2013.

“The new health reform law brings a number of benefits to all Americans,” says Banda. “It’s important to know what’s in the law and when the various changes go into effect so that you can make the best decisions for yourself and your family.”

Other benefits and changes for people with employer-sponsored health coverage include:

- If you have children: Adult children can be covered until they turn 26, if your insurance offers a family plan (this benefit is already available in Massachusetts). Further, as of this fall, no child under age 19 can be denied coverage because of preexisting medical conditions.

- If you want to insure for long-term care: New long-term care insurance will be available to help you remain in your home if you become disabled or sick. For those with employers that take part in the long-term care insurance program, starting as soon as next year, employees can choose to pay monthly premiums through payroll deductions. Once you have paid the premiums for five years and have worked at least three of those years, you will be eligible for program benefits, including cash towards the cost of long-term care services, from home aides to wheelchair ramps,

should you need them.

* If you take early retirement: Starting this June and running through 2013, the government will provide money to help employer health plans cover early retirees ages 55 to 64 and to reduce retirees' costs.

* If you have a flexible spending account: From 2013, the maximum you can contribute to these tax-free accounts, including health savings accounts, will be reduced to \$2,500 a year, and you will no longer be able to use them to buy over-the-counter medicines not prescribed by your doctor.

To learn more – or ask your own questions – please visit AARP's web page that is devoted to providing information about the health care reform law: www.aarp.org/getthefacts. To receive a free informational brochure, "How the New Health Care Law Benefits You (D19272)," call AARP Massachusetts toll free at 1-866-448-3621.