



Top 10 Need-to-Know Facts on Health Care Reform

Helping Individuals Navigate the Turbulent Waters of a Changing System

Wondering what the Affordable Care Act, commonly known as the ACA or health care reform, means for you? The new law and regulations can seem overwhelming, but many of the changes expand access

to health care coverage and will likely affect you and your health care benefits. To help you prepare we've compiled a simple list of the top 10 facts you need to know about health care reform.

FACT

1

Required Coverage: Starting in 2014, most people will be required to have health insurance or pay a penalty.

Coverage may include employer-provided insurance, coverage you buy on your own or coverage under Medicare or Medicaid for those who qualify. You may have to provide information regarding your health insurance coverage when you file your tax return for 2014, as required by the IRS.

For 2015 and later years, health insurance plans will provide documents to the people they insure that prove they have the minimum coverage required by law. For more information on the individual penalties, see www.irs.gov.

FACT

2

Exchanges: Starting in 2014, you can buy insurance directly in a health care exchange.

An exchange is a web portal where individuals and businesses can shop for and buy health insurance. The law requires a public exchange be set up in each state by January 1, 2014.¹ Along with state and

federal exchanges, private exchanges also provide a marketplace for buying health insurance. Still, if you are eligible for tax credits or subsidies, these will only be available through state or federal public exchanges.

FACT

3

Summary of Benefits and Coverage:

Health insurance issuers and group health plans are now required to provide you with an easy-to-understand summary about a health plan's benefits and coverage. The Summary of Benefits and Coverage (SBC) is meant to help you better understand and

evaluate your health insurance options. For an even deeper understanding of your health plan, be sure to take advantage of opportunities to meet with a benefits advisor or broker if offered by your employer.

FACT

4 **Dependent Coverage:** Private insurers must continue dependent coverage of children until age 26.

If you have children under age 26, you can insure them if your policy allows for dependent coverage – even if they are married, are no longer living with you, are not dependents on your tax return or are no longer

students. The only exception applies prior to 2014 for employees covered under certain grandfathered plans if your children can get their own job-based coverage.

FACT

5 **Pre-Existing Conditions:** Starting in 2014, employer-sponsored and new individual plans cannot exclude you from coverage or charge a higher premium for a pre-existing condition, including a disability.

Until then, if you have been uninsured for at least six months and have a health condition, you may be able to get health insurance through the Pre-Existing Condition Insurance Plan (www.pcip.gov). The law already provides new protections for children with

pre-existing conditions. As of September 23, 2010, insurers cannot deny coverage to any child under age 19 based on health conditions, including babies born with health problems.

FACT

6 **Preventive Care:** Under the new requirements, except for certain grandfathered plans, you will not have to pay a copayment, co-insurance, or deductible to receive certain recommended preventive health care.

These services may include screenings, vaccinations, and counseling such as:²

- » Blood pressure, diabetes, and cholesterol tests
- » Many cancer screenings, including mammograms and colonoscopies
- » Counseling on such topics as quitting smoking, losing weight, eating healthfully, treating depression and reducing alcohol use
- » Regular well-baby and well-child visits, from birth to age 21
- » Routine vaccinations against diseases such as measles, polio or meningitis
- » Counseling, screenings and vaccines to ensure healthy pregnancies
- » Women’s wellness visits and contraception
- » Flu and pneumonia shots

FACT

7 Doctor Choice: Under the new law, you are guaranteed to be able to choose any primary care doctor or pediatrician you want from your health plan’s provider network.

For example, you can see an OB-GYN doctor without needing a referral from another doctor. For emergency care, you can go to a hospital outside your

plan’s network without prior approval from your health plan.

FACT

8 Tax credits and premium rates:

Starting in 2014, individuals with household incomes between 100% and 400% of the federal poverty level may be eligible for tax subsidies to help offset the costs of health care coverage through a public exchange.³ To be eligible, individuals must not qualify for public coverage – including Medicaid, the Children’s Health Insurance Program, Medicare,

or military coverage – and must not have access to affordable, minimum value health insurance through an employer.* Also, under the ACA your insurance company cannot raise rates on new plans by 10 percent or more without first explaining its reasons to your state or federal Rate Review program.

**For purposes of eligibility for tax subsidies, employer-provided coverage is considered affordable if the employee’s required contribution for single coverage does not exceed 9.5 percent of the employee’s household income. Employer-provided coverage provides minimum value if the plan pays for at least 60 percent of covered benefits.⁴*

FACT

9 Flexible Spending Accounts: The law includes provisions that will hinder employees’ ability to fund their out-of-pocket health expenses through their FSA, HRA or HSA accounts.

The ACA limits FSA contributions to \$2,500 per year and prohibits the purchases of over-the-counter medications through a FSA/HRA/HSA, without a prescription. These limitations and caps will likely

create more out-of-pocket expenditures that are not eligible for individual reimbursement under such arrangements.

FACT

10 Supplemental Coverage: As health care costs continue to rise, supplemental insurance works with major medical to help provide a safety net.

Whether purchased at work or through a private exchange, supplemental insurance policies, like the ones offered by Aflac, help provide protection to policyholders. *Unlike* major medical insurance,

supplemental policies pay cash benefits directly to policyholders, unless otherwise assigned, *if they get* sick or injured.



For More Information ...

Visit Aflac Insights at: aflac.com/insights. To learn more about health care reform and coverage available in your state, visit healthcare.gov, cciio.cms.gov and irs.gov.

FOR MORE INFORMATION, VISIT AFLAC.COM/INSIGHTS OR FOLLOW US [@AFLAC](https://twitter.com/AFLAC)  

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Coverage is underwritten by American Family Life Assurance Company of Columbus. In New York, coverage is underwritten by American Family Life Assurance Company of New York.

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SOURCE

¹ For more information on the health insurance exchanges available through the states or federal government, see www.healthcare.gov.

² Healthcare.gov, (2012). Preventive Care, accessed December 12, 2012, from healthcare.gov/law/features/rights/preventive-care/index.html.

³ Congressional Research Service (2012). Health Insurance Exchanges Under the Patient Protection and Affordability Care Act (ACA), accessed on November 9, 2012, from fas.org/sgp/crs/misc/R42663.pdf.

⁴ For more information on the tax subsidies, visit www.irs.gov.