Health Reform

Private Health Insurance

Whether you have coverage through your employer, purchase health insurance on the private market, or plan to purchase health insurance through the new state Exchange, the health reform law makes sure health insurers provide coverage in the best interest of consumers.

Pre-existing conditions

Insurance companies will not be allowed to deny coverage or limit benefits for people with pre-existing conditions. For children, this is already in effect (as of September 23, 2010). For adults, this will go into effect in 2014. In New York, it is already the case that no one can be rejected from purchasing insurance for a pre-existing condition.

Preventive care

For plan years beginning after September 23, 2010, health plans must cover preventive services without copays. Preventive care includes things like immunizations and preventive health screenings.

No more Rescissions

Since September 23, 2010, health plans have not been allowed to take away anyone's coverage, except in the case of fraud.

No more annual and lifetime limits

As of September 2010, insurance companies may no longer put lifetime limits on health insurance plans. There are also restrictions on the minimum amount of annual limits insurers can put on their health plans. In 2010, the minimum annual limit is $750,000. The minimum annual limit will rise each year until 2014 when insurers may no longer put any annual limit on plans.

Buying insurance through the Exchange

In 2014, individuals and employers will be able to purchase private health insurance through the Exchange, a marketplace for health insurance. All coverage offered through the Exchange will have to offer comprehensive coverage—that is, provide a certain minimum of essential benefits.

Coverage for young adults

Starting September 23, 2010, young adults up to 26 years of age can stay on or join their parents' health insurance plans. In New York State, young adults between the ages of 26 and 29 may be able to join their parents' plan but they will have to pay a higher monthly premium (similar to COBRA coverage).

Cost of premiums

In New York State, all health insurance premium increases must be approved by the State. This helps to regulate rising premiums. There will also be a cap on out-of-pocket expenses.

New York Bridge Plan

People with pre-existing medical conditions* can now apply to be covered by the Bridge Plan until other affordable coverage is available in 2014. However, you must have been uninsured for at least six months to be eligible for the Bridge Plan.

---

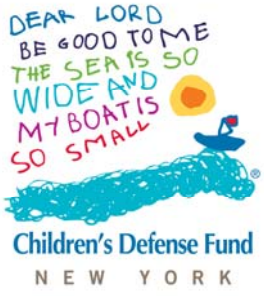
* Pre-existing medical conditions include, but are not limited to: **Brain/nervous system** conditions (Alzheimer's, dementia, epilepsy); **Cancer/tumors**; **heart and circulatory** system conditions (hemophilia, sickle cell, heart murmur); **metabolic and endocrine** conditions (diabetes, cystic fibrosis, HIV/AIDS); **nervous/mental/behavioral** conditions. For a full list of pre-existing conditions that qualify for enrollment in the Bridge Plan, visit the website: www.nybridgeplan.com.

15 Maiden Lane, Suite 1200, New York, NY 10038 p (212) 697-2323 f (212) 697-0566 www.cdfny.org

Health Reform

Private Health Insurance

Questions and Answers



Q: I currently purchase insurance on the private market. In 2014, can I drop my current coverage and immediately purchase more affordable coverage through the Exchange?

Yes. You do not have to be uninsured for any period of time. Depending on your income, you may also be eligible for tax credits through the Exchange.

Q: My daughter has asthma, and we were told by the insurance company that they would not cover treatment relating to her asthma for the first 12 months of coverage. Does the insurance company now have to cover her asthma?

No. While insurers cannot deny coverage and cannot limit benefits for a person with a pre-existing condition, they may still enforce waiting periods. In New York, 12 months is the maximum period of time an insurance company can make a person wait before the company will cover a pre-existing condition. In 2014, health plans cannot have waiting periods longer than 90 days.

Q: I have heard of health insurers taking away someone's coverage when they get sick. Are they allowed to do that?

No. The "ban on rescissions" means that a health insurance company allowed to take away someone's coverage. (The only exception is in case of fraud.) Health insurers cannot rescind someone's coverage because he or she made an honest mistake on an application for health insurance.

Q: I have health insurance through my employer and I like the plan I have. How will the changes to private health insurance affect my coverage?

Most of the changes apply to all health plans, such as the ban on annual and lifetime limits. Some parts of the new law do not apply to "grandfathered" plans, or they go into effect at different times for different plans. Grandfathered plans are those that were in effect on March 23, 2010. For example, grandfathered plans may still charge copays for certain preventive services. It is best to check with your health plan provider to see which specific changes will affect your coverage.

Q: Do all these changes mean my premium will go up?

While you may see a rise in your premiums over coming years, it is predicted that this rise will be less than it would be if health reform had not become law. Also, premium increases will have to be approved by the state. The federal government will be monitoring to make sure most of the money paid in premiums is going towards patient care.

Q: I have been on the same health plan for many years and I visit the same doctors. What does the new law mean for my choice of provider?

If you remain on the plan you have now, the law will not change your choice of provider. (That's assuming your insurance company maintains the same network of providers.) Women no longer need to get a referral from a primary care provider to visit an OB-GYN. Also, in an emergency, you can go to any hospital emergency room without prior approval from your insurer; however, you may be responsible for the difference between what the out-of-network provider charges and what your plan will pay.

15 Maiden Lane, Suite 1200, New York, NY 10038 p (212) 697-2323 f (212) 697-0566 www.cdfny.org