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8 Ways Health Reform Will Affect You

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With Congress's historic passage of health reform last night, a lot of folks are wondering: What does it mean for me? By 2019, 95 percent of eligible Americans will have health insurance coverage compared with 83 percent today. But the legislation could "have an effect on almost every citizen," according to Kaiser Health News. Unemployed 20-somethings will finally have access to medical care without going bankrupt, while professionals with expensive "Cadillac" coverage might see their benefits shrink. So what should you expect?

1. You will see some immediate changes. The following will occur within six months after the bill is signed into law: Health insurers will no longer be allowed to impose lifetime caps on coverage, a boon for those with expensive chronic health problems like cancer or heart failure who find themselves going bankrupt after their insurance runs out. Parents who have group policies through their employers will be allowed to continue coverage for their unmarried dependents up to age 26—a pressing need at the moment owing to high unemployment rates among recent college

graduates. Health insurers will have to start covering certain preventive services like osteoporosis screening for women over 65, smoking cessation counseling and interventions, colonoscopies, high blood pressure screening, and screenings for diabetes and sexually transmitted diseases. People with serious health conditions that have prevented them from obtaining coverage will be eligible to purchase a policy from a high-risk pool in a government-subsidized exchange that will open later this year, at a cost similar to what healthy folks pay for their premiums, says Karen Pollitz, a research professor at the Georgetown University Health Policy Institute. Private insurers can still deny applicants based on pre-existing conditions up until 2014, when the exchanges open.

2. You must purchase health insurance if you do not have any—or face a penalty. If you are currently uninsured, you will have to purchase a policy by 2014 or pay a fine. Individuals who don't qualify for government subsidies should expect to pay about \$5,000 a year for a policy on the exchange, while families should expect to pay about \$15,000, says John Goodman,

president of the National Center for Policy Analysis, a nonprofit public policy research organization based in Dallas. (Subsidies to reduce these premiums will be available for individuals making between about \$15,000 and \$43,000 and for families making up to nearly \$90,000 on a sliding scale based on income. Subsidized plans for a family of four, for example, range from \$1,300 per year up to \$8,400 per year.) The penalty starts in 2014 at \$95 or up to 1 percent of income for individuals, whichever is greater, and rises to \$695 by 2016 or 2.5 percent of income, whichever is greater. Families pay heftier fines—\$2,085 or 2.5 percent of income by 2016. "Many are arguing that these fines aren't high enough," Goodman says, "and that middle-class families may simply choose to go without insurance and pay the fine."

3. You won't lose coverage if you suddenly get sick, or be denied a new policy because of a pre-existing condition. The bill will make it easier for those who have health problems to get coverage, since insurers, starting in 2014, won't be able to deny applicants based on, say, an earlier diagnosis of breast cancer. And, within the next six months, they won't be able to drop existing policyholders unless they can spot a clear case of fraud—like someone who failed to disclose that earlier case of cancer. "The concern was based on insurance companies going back and rescrubbing policies after

individuals were diagnosed with expensive health conditions," says Pollitz. "One example was a woman who'd been diagnosed with breast cancer who was dropped from her policy for failing to disclose a long-ago visit to a dermatologist. That's obviously not fraud."

4. You can expect longer waits to see a new doctor. That's the downside of providing millions of Americans with more access to care without concurrently increasing the number of healthcare workers. In Massachusetts, where health insurance is universal, Boston residents have to wait about twice as long to see a doctor as people in any other U.S. city, says Goodman. Over time, though, increased demand and employment opportunities could bring more doctors and nurses flooding into the workforce, helping to alleviate this problem.

5. You could face coverage changes at work. Companies offering expensive plans with gold-plated benefits—with premiums higher than \$8,000 for individuals or \$21,000 for families—might be forced to scale coverage back or face fines from the government in 2019. That means you might see your vision or dental coverage or perks like seeing a specialist without preapproval from your primary-care physician disappear.

6. Women will finally get maternity coverage and nursing support. Insurers will be required to cover maternity care as they do other medical

procedures, says Debra Ness, president of the National Partnership for Women and Families, a nonprofit reproductive-rights organization based in Washington, D.C. This benefit, though, will not kick in until 2014. Another upcoming plus for postpartum moms: Employers will be required to allow an unpaid "reasonable break time for nursing mothers" in the first year after giving birth. (The bill does not define whether it's 15 minutes or 45 minutes, but this could be addressed in a future rule issued by the Department of Labor.) Employers would need to provide women a private place, other than a bathroom, to use a breast pump. The provision does, however, exempt companies with fewer than 50 workers if the requirement would impose an "undue hardship."

7. You will not be stuck without insurance if you leave your job. If you lose or quit your job, you could be facing outrageously high COBRA payments to keep your insurance or be left with no insurance.

The exchanges, once in operation in 2014, will offer a third option—cheaper insurance, though not identical to your employer plan. If you're living on just unemployment, you might also qualify for free healthcare coverage through Medicaid (if you don't have a spouse who's earning wages), a government program that's being expanded under health reform to include all low-income adults. "If you lose your job, you'll be able to go into the exchange and get coverage if you have a pre-existing condition," says Pollitz. "That's a huge improvement."

8. You might be hit with higher taxes. Starting in 2013, you'll pay a higher Medicare payroll tax of 2.35 percent on earnings of more than \$200,000 a year if you're filing as an individual or on earnings of more than \$250,000 if you're filing as a couple—an increase from the current 1.45 percent. (That comes out to an extra \$500 per year for couples earning \$300,000.) High-income earners will face an additional 3.8 percent tax on unearned income such as dividends and interest.