

# KNOW YOUR EMPLOYEE BENEFITS



Benefit and insurance issues important to you—brought to you by the insurance specialists at Benefit & Compensation Specialists, PLLC.

## Health Care Reform: What Does it Mean for You?

How you will be affected by the recently passed health care reform legislation varies greatly depending on your age, who you work for and many other factors.

So what does it mean for you? Below are common categories that many Americans fall under, and how reform will affect their coverage.

**Elderly:** Effective this year, the elderly will receive free preventive services under Medicare – to be expanded to wellness visits and personalized prevention plan services in 2011. Also effective in 2010, those with Medicare prescription drug coverage will receive a \$250 rebate once the “doughnut hole” coverage gap is met. Medicare beneficiaries earning \$85,000 or more will pay higher Part B premiums until 2019. Those with Medicare Advantage plans may lose some benefits or experience an increase in copayments.

**Employees of a large company:** Employers with 50 or more employees will be required to provide coverage or pay a penalty starting in 2014. Existing coverage packages will be grandfathered in, but new plans will have to meet minimum requirements. Caps on out-of-pocket spending will take effect and are intended to keep costs

down. Despite this, premiums could continue to rise, and those who do not qualify for subsidies or exchanges may have no choice but to opt for employer-sponsored plan.

**Low-income employees:** Even without children or a disability, those among the lowest-income workers will be eligible for Medicaid as of 2014. Those who earn less than 400 percent of the federal poverty level (about \$88,000 for a family of four) will be eligible for subsidies to help buy coverage. The expansion of funding for community health centers, designed to offer free and reduced-cost care, will also provide relief. Despite these options, getting coverage could still strain a low-income budget unless qualified for an exemption.

**Children with a pre-existing condition:** Group health plans and health insurance issuers may not impose pre-existing condition exclusions on coverage for children effective this year. Provision applies to all employer plans and new plans in the individual market.

**Adults with a pre-existing condition:** Starting 2014, when buying individual coverage, obtain it through the insurance exchange and pay the same as others in same age group. Insurers cannot place annual or lifetime limits on coverage, nor can they deny coverage or charge higher premiums due to a pre-existing

condition.

**Unemployed and uninsured:** Most likely will qualify for Medicaid under coverage expansion starting 2010. The expansion of funding for community health centers, designed to offer free and reduced-cost care, will also provide relief. Certain uninsured individuals with pre-existing conditions can obtain coverage through the temporary high-risk pool effective this year as well.

**Small-business owners:** Effective 2010, those with 25 or fewer workers may be eligible for a tax credit to help provide coverage for employees. Those with 50 or more employees must provide benefits or incur a penalty starting in 2014. Small-business owners will be able to buy insurance for employees through insurance marketplaces by 2017.

**Young adults:** Those who are 26 or younger may stay on parents’ policy effective 2010. Those who buy coverage on their own or through the exchanges can obtain cheaper catastrophic coverage. Those who obtain traditional benefits packages will pay less than those who are older, but can be pricier than what is available now. Must obtain coverage unless qualified for an exemption starting 2014.

*This brochure is for informational purposes only and is not intended to replace the advice of an insurance professional. Know.*