

UNDERSTANDING THE AFFORDABLE CARE ACT

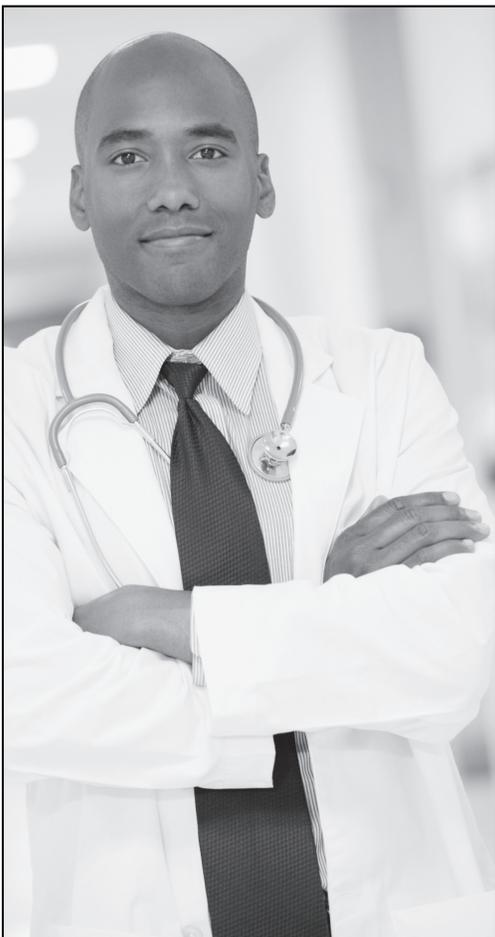
Health insurance helps with the cost of general health care needs and helps individuals protect themselves and their families against illness, injury or accidents. Whether you receive health insurance coverage from an employer, or purchase insurance for yourself and your family, new laws related to health care reform make now a great time to reeducate yourself about health insurance.

The Affordable Care Act is a federal statute that was signed into law by President Barack Obama in 2010. The Act implements a number of changes to health care and health insurance. Some of the legislation's provisions have already been implemented, while others are scheduled to be phased in over the next few years.

One of the components of the law that you may have heard about is the Health Insurance Marketplace which opened in 2014. This online portal serves as a way for individuals to shop for health insurance – but this is not the only way for you to buy health insurance.

The Louisiana Department of Insurance provides protection to Louisiana consumers of health care and assures continued viability of health benefit plans. Our Consumer Services staff can assist you with questions and provide additional guidance.

What are the Consumer Protections under the Affordable Care Act?



- **No lifetime limits on essential benefits.** The Affordable Care Act provides that essential benefits include items and services within 10 benefit categories (ambulatory, emergency, hospitalization, maternity/newborn care, mental health/substance abuse, prescription drugs, rehabilitative, lab, preventive/wellness, and pediatric services).
- **Coverage of preventive health services,** such as a wide range of immunizations for children as well as adults, specific preventative services for women, obesity for children and adults and depression. A comprehensive list of all preventive services can be found at www.healthcare.gov.
- **Extension of adult dependent coverage to age 26.** As of September 23, 2010, Louisiana has included this provision in state law.
- **Plans that cover children can no longer exclude, limit, or deny coverage to a child under the age of 19 solely based on a health problem or disability that a child developed before application was made for coverage.**
- **Health Insurers seeking to increase their rates by 10 percent or more must submit their requests to the Louisiana Department of Insurance to determine whether they are reasonable or not.** The Louisiana Department of Insurance does not have health insurance rate approval authority. Health insurance rates in Louisiana are set by private companies.
- **Fully-insured group health plans, which are plans in which your employer pays premiums to an insurance company on your behalf, may not discriminate in favor of more highly compensated employees.**
- **If your health insurer refuses to pay a claim or ends your coverage, you have the right to appeal the decision and have it reviewed by a third party.**
- **Rescissions allowed only for fraud or intentional misrepresentation of material fact.** As of September 23, 2010, Acts 2010, No. 484 included this provision in state law.

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When can I sign up for Health Coverage?

- Enrollment periods occur in the fall, but can vary from year to year. Visit healthcare.gov for exact Open Enrollment dates.
- The Open Enrollment Period is the only time you can buy both private health insurance as well as insurance on the Health Insurance Marketplace. Any other plans sold outside of this timeframe are not major medical plans.
- You may qualify for a Special Enrollment Period if you experience a life change event such as marriage, the birth of a child or loss of other health coverage.

WHAT IS THE HEALTH INSURANCE MARKETPLACE?

The online Health Insurance Marketplace, sometimes referred to as the “exchange,” is a one-stop shop where individuals can view health insurance plans offered by companies and buy health insurance having minimum essential coverage as required in the ACA. Louisiana has a federally facilitated Marketplace which means it is being operated by the U.S. Department of Health and Human Services. Consumers are able to purchase insurance through the Marketplace and some individuals are eligible for subsidies if their income is between 100 percent and 400 percent of the federal poverty level.

A health insurance agent can assist you in purchasing coverage during the open enrollment period. You can find a list of agents on the Louisiana Department of Insurance website www.lidi.la.gov.

Any questions about health insurance can be directed to the Office of Consumer Services or the Office of Consumer Advocacy at the Louisiana Department of Insurance at 1-800-259-5300.

For more information, or to access the Health Insurance Marketplace, please visit www.healthcare.gov or call 1-800-318-2596.



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FREQUENTLY ASKED QUESTIONS

What are the penalties if I don't have health insurance?

You can contact an agent, a company or visit www.healthcare.gov for information about purchasing health insurance coverage either on or off of the Health Insurance Marketplace. You can also purchase health insurance through the Bayou Health Plan if you qualify for Medicaid. Under the federal law, individuals who do not have health coverage in 2016 must pay a fine of 2.5 percent of their yearly household income or \$695 per adult, whichever is higher. The fine for children under 18 is \$347.50. In future years, the fine will be adjusted for inflation.

What kinds of health insurance don't qualify as coverage?

Health plans that don't meet minimum essential coverage will not qualify. If you have only these types of coverage, you will have to pay the fine. Examples include coverage only for vision care or dental care, workers' compensation and coverage only for a specific disease or condition. The fine is paid on the federal income tax filing due in April of the subsequent year.

Can my health condition affect my coverage?

No, health insurance companies can no longer limit coverage based on preexisting conditions, nor can they charge a higher premium based on a person's health. Rating factors are based only on location, age and tobacco use. These protections apply both on and off the marketplace.

Can I remove benefits from a plan if I do not need them all?

No, benefits cannot be removed from a plan although a consumer may be able to add extra coverage.

What types of plans are available through the Marketplace?

Health plans sold through the Marketplace are required to meet comprehensive standards for services that must be covered. In order to help consumers compare costs, plans available through the Marketplace are organized in four tiers - bronze, silver, gold and platinum. While plans in a tier may differ in the details of their coverage, they must cover essential health benefits. Platinum plans are the most inclusive and the most expensive.

What are the Employer Shared Responsibility Provisions?

As of 2015, employers qualifying for “transitional relief” with 100 or more full-time employees (or equivalents) working 30 or more hours per week must offer affordable and sufficient health insurance coverage to at least 70 percent of their full-time employees or make an Employer Shared Responsibility payment, when at least one full-time employee obtains a tax credit under ACA. Without transitional relief, the employee number is 50 or more. The [IRS website](http://www.irs.gov) contains details.