

The George Gund Foundation

# The New Healthcare Law and You



## How will the new healthcare law affect you if you have a **MENTAL ILLNESS AND PRIVATE INSURANCE?**

The **Affordable Care Act (ACA)** became law in March 2010. Today, parts of the law are already in place and other parts will be phased in between now and 2014. Some changes are just for people with *mental illnesses* (words in italics defined below), but many are broad changes that benefit the mental and physical health of all Americans.

The ACA does not require you to change insurance or providers. The law also does not reduce your current benefits. It simply sets minimum levels of coverage and maximum levels of costs for all insurance plans.

### BEGINNING NOW

- Children younger than 19 cannot be denied health insurance because of a mental or physical health problem.
- Young adults can be on their parents' *private insurance* until they turn 26. *Grandfathered plans* must cover young adults only if they do not have insurance from their employer.
- All *new insurance plans* cover 100% of the cost of

*preventive services* such as depression screening.

- Insurers cannot impose lifetime limits on how much they will spend on *essential health benefits*.
- Annual limits on essential health benefits cannot be less than:

|             | For plan years that start after: |
|-------------|----------------------------------|
| \$2 million | Sept. 22, 2012                   |
| Unlimited   | Jan. 1, 2014                     |

- Your insurance cannot be canceled because you get sick – this includes mental illness.
- If you have been uninsured for six months and have a mental illness, or any other health problem, you can buy insurance through the Pre-existing Condition Insurance Plan (PCIP). PCIP will end in 2014 when insurers cannot deny anyone insurance because of a mental or physical health problem.

### For information:

- Ohio residents can go to: [www.ohiohighriskpool.com](http://www.ohiohighriskpool.com)
- Kentucky and Indiana residents can go to: [www.pcip.gov](http://www.pcip.gov) and select their state.

## DEFINITION OF TERMS

**Private Insurance:** Insurance that is bought through an employer, directly from an insurance company, or through another group such as a union.

**Mental Illness:** A medical condition that disrupts a person's thinking, feeling, mood, ability to relate to others and daily functioning. Severe mental illnesses include disorders such as major depression, schizophrenia, bipolar disorder and severe anxiety disorders.

**Essential Health Benefits:** A set of basic healthcare services where at least 60% of costs must be covered by health insurance plans beginning in 2014. This includes emergency care, hospitalization, pregnancy and newborn care, mental health and substance use disorder services, prescription drugs, and lab work, among other things.

**Preventive Services:** Healthcare services aimed at preventing or finding early mental and physical health problems. All new health plans must cover 100% of

the cost of these services by 2014. Many already do.

**New Health Insurance Plan:** A plan that started after March 23, 2010. Or, an older plan that has been changed in a big way since then. A big change could be making you pay more for services or covering fewer services.

**Grandfathered Health Insurance Plan:** A plan that existed on March 23, 2010, and has not been changed in a big way.

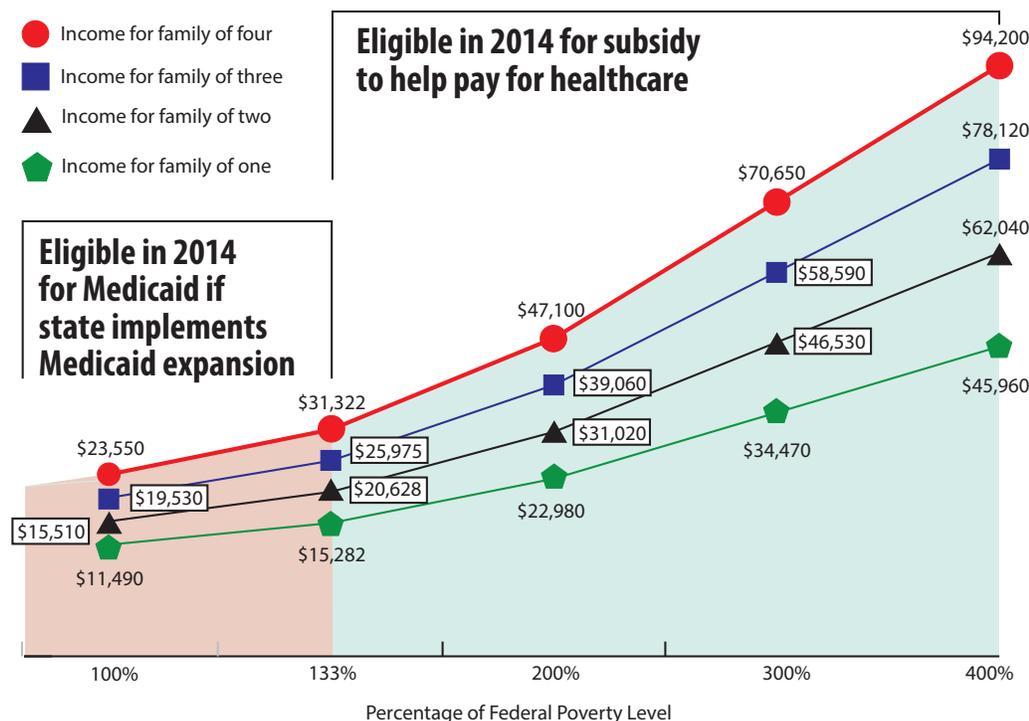
**BEGINNING IN 2014**

- No one can be denied insurance because of a mental or physical health problem.
- Your insurance cannot have annual limits on essential health benefits, including mental health treatment.
- Mental health services will be an essential health benefit. This means that all insurance plans must:
  - Cover these services, and
  - Pay for them at the same rate that they pay for medical and surgical services.
- If you make between 100% and 400% of the Federal Poverty Level (in 2013, \$11,490-\$45,960 for a single person) you will get help, called a subsidy, to pay for insurance you buy through a marketplace. The graph below shows the 2013 Federal Poverty Level (FPL) for different-sized families. These yearly income levels change each year.
  - The subsidy will go directly to your insurer and will be based on your age, income, family size and where you live. It will ensure that you do not spend more than 9.5% of your income on insurance premiums. Most times, you will spend even less.
  - A marketplace will be an online place where you can easily compare insurance options and buy the best plan for you.
- Your out-of-pocket expenses (deductibles, co-pays and

co-insurance) for essential health benefits will be limited. The limits will be even lower if you make less than 400% of the FPL.

| If you make:     | Your spending on essential health benefits is limited to: |          |
|------------------|---|----------|
|                  | Individual  | Family   |
| >400% of the FPL | \$5,590   | \$11,900 |
| 300%-400% FPL    | \$3,967   | \$7,933  |
| 200%-300% FPL    | \$2,975   | \$5,960  |
| 100%-200% FPL    | \$1,983   | \$3,967  |

- Almost everyone will be required to have insurance. There are exceptions for:
  - Financial hardship
  - Gaps in insurance of three months or less
  - People with a documented religious objection
  - Members of Indian tribes
- If you and members of your family do not have insurance and do not qualify for an exception, you will each be taxed:
  - **In 2014:** \$95 per person or 1% of income
  - **In 2015:** \$325 per person or 2% of income
  - **In 2016 and later:** \$695 per person or 2.5% of income



This is part of a series about the new health care law — the Affordable Care Act. For more information, visit [reform.healthfoundation.org](http://reform.healthfoundation.org)

The Health Foundation of Greater Cincinnati is an independent non-profit dedicated to improving community health through grants, evaluation and education. The Foundation works in Cincinnati and 20 surrounding counties in Indiana, Kentucky and Ohio.

