

New Health Care Law and 9/23/2010



Need help understanding the new health care reforms? You're not alone. E-mail Health Care Reform Explained at HCRquestions@aarpp.org. (We regret that due to the volume of e-mails received we are unable to respond to all inquiries.)

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Q. What health care reforms start Sept. 23 and what's so magical about that date?

A. The law requires some key measures to kick in six months after President Obama signed the reform legislation, which is Sept. 23. The new rules apply to most health insurance plans that begin or renew after that date.

"The reforms that start to take effect on Sept. 23rd will help protect consumers and make some of the worst insurance industry practices a thing of the past," said Kathleen Sebelius, who heads the U.S. Department of Health and Human Services.

Here are the changes, and what—if anything—you need to do, when your new plan or plan year starts, usually Jan. 1. These are just the basics, however. More details are available in articles post on [AARP's Health Care Reform](#) page or by topic through the main page of [AARP's Health Care Reform Explained](#) series.

First, there are new measures that apply to all plans:

- Young adults can remain on or return to their family health coverage until their 26th birthday. Watch for a written notice from your insurance plan or employer that describes at least a 30-day enrollment period when you can add your children to your policy. You should get the notice no later than the first day of the new plan.
- Plans can no longer cancel your coverage if you become sick and had made an unintentional mistake on your application for insurance.
- Plans cannot set lifetime dollar limits on coverage. If your coverage was canceled because you reached your plan's limit, you will be able to rejoin the plan. Insurers must give you time to enroll again within at least 30 days of the new plan year.

Then, too, there are changes that apply to all plans except those [policies that are exempted as "grandfathered" plans](#). Grandfathered plans were already in existence on March 23, 2010, when health care reform became law, and are protected so that people who have them and are satisfied with their current coverage can keep it. These plans lose their exemption, however, if they significantly reduce benefits or raise members' costs. You will receive a notice from your insurer if your plan is grandfathered.

Here are the changes for all new or renewed health insurance policies that begin after Sept. 23—both individual and employer-sponsored—except grandfathered plans:

- Children up to age 19 cannot be denied coverage due to preexisting health conditions. (There is an exception: Individually purchased grandfathered plans can deny coverage to children.)

- Limits on annual medical expenses will be phased out over three years. So when your insurance plan begins or is renewed after Sept. 23, it now must cover medical expenses up to at least \$750,000. (However, individually purchased grandfathered plans can continue to set annual dollar limits on coverage.)
- Free preventive health care services from in-network providers, including screenings to detect diabetes, colorectal cancer, high blood pressure, high cholesterol and other problems.
- Free immunizations and other services for infants and children.

To ensure that plans provide the benefits and protections that health care reform promises, people in health insurance plans that are not grandfathered will have new rights to challenge decisions rejecting a claim or even canceling coverage:

- Plans have to explain the denial and what you can do to appeal.
- Some plans only had an internal appeal process, but now all plans must allow appeals to an outside independent review board.
- Plans must provide an expedited appeals process in urgent cases.
- Members with individual health policies will be able to appeal a denial regardless of whether their state's laws allow appeals.

And once you get a decision, your plan is required to follow it. That hasn't always been the case in some states. For more details, the National Association of Insurance Commissioners has created a [chart online that describes what plans must offer and when](#), including the differences between grandfathered and new plans.

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