

# Fact Sheet on Insurance Coverage under the Affordable Care Act

## *Stronger Consumer Protections – “Patients’ Bill of Rights”*

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- Too often, people pay insurance premiums for years only to be let down when they finally need significant health care services:
  - Serious illness can rapidly push patients’ claims above annual or lifetime limits and land them in bankruptcy, or cost-sharing becomes unaffordable.
  - Patients’ conditions turn out not to be covered by their policies, or coverage is dropped altogether because of an error made in an application.
  - Individuals are charged more because of a disability or illness, or cannot get coverage at all.
- The Affordable Care Act makes sure that, as more people gain access to coverage, the insurance they purchase will actually provide the protection they need when they get sick.
- In January 1, 2014, all small employer and individual plans will be subject to the following requirements:
  - Out-of-pocket costs for consumers will be capped at about \$6,350 for an individual and \$12,700 for a family, with lower caps for people below 400% FPG. Preventive services will be provided at no cost.
  - Plans will be required to cover a minimum set of essential health benefits, including maternity and newborn care, prescription drugs, behavioral health, and preventive/wellness services.
  - Plans may not impose annual or lifetime limits on claims, or revoke insurance when someone gets sick.
  - No one will be denied insurance because of a pre-existing condition, or charged more based on gender or health status.

## *Affordability Mechanisms*

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- The Affordable Care Act provides individuals, families, and small employers federal subsidies and cost-sharing assistance to help them afford coverage through Maryland Health Connection.
    - Individuals and families between 133-400% of federal poverty guidelines (FPG) will receive tax credits so that, on a sliding scale, they will pay no more than 2.0% - 9.5% of their income for their insurance.
    - Individuals and families between 133-250% FPG will receive assistance with their out-of-pocket costs for co-payments and other cost-sharing.
    - Small employers will receive tax credit up to 50% of their contribution to their employees’ premiums.
  - Seniors will receive discounts on prescription drugs which will increase over time to close the “donut hole” by 2020.
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