# The Patient Protection and Affordable Care Act: Overview of major provisions relating to coverage

**Health insurance market reforms**

- Immediate reforms to be implemented within six months, include:
  - o Creating temporary high-risk pool with subsidized premiums for certain people with pre-existing conditions
  - o Ending health insurance rescission abuse
  - o Banning coverage exclusions of pre-existing health conditions for children
  - o Requiring public disclosure of overhead/benefit spending by health insurance issuers
  - o Providing coverage of certain preventive health services without cost-sharing
  - o Eliminating lifetime limits on benefits and restrictions on annual limits on benefits
  - o Requiring insurers that offer dependent coverage to allow children to be covered on their parents' insurance policy up to age 26
  - o Developing uniform explanation of coverage documents for enrollees
- Bans coverage exclusions of pre-existing health conditions or rating or coverage restrictions based on health status for adults
- Provides standards for medical loss ratios to ensure premiums pay for benefits
- Requires guaranteed issue and guaranteed renewability of coverage
- Allows states to form compacts for the interstate sale of insurance
- Increases transparency by requiring health insurers to provide a summary of coverage to applicants and enrollees
- Allows enrollees to select their primary care provider (pediatrician for a child); no prior authorization or increased cost-sharing for emergency services; direct access to obstetrical and gynecological care

**Insurance exchanges**

- Creates by 2014 state-based and state-administered health insurance exchanges (marketplaces) for the individual and small group market; states may be granted a waiver to opt out of this requirement if they provide coverage at least as comprehensive as that required under the Patient Protection and Affordable Care Act; only qualified health benefit plans meeting specific criteria can be sold in the exchange; insurers may sell policies outside the exchange; large employers would be phased into the exchanges in 2017
- Prohibits health plans from discriminating against any health care provider acting within their state scope of practice law that wants to participate in the plan, but plans are not required to contract with any willing provider

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- Requires health plans to implement a process for appealing coverage determinations and claims
- Allows qualified health plans to provide coverage through a qualified direct primary care medical home that meets requirements established by the secretary of the U.S. Department of Health and Human Services
- Requires health plans to publicly disclose information on claims payment policies, enrollment, denials, rating practices, out-of-network cost-sharing and enrollee rights
- Requires health plans to implement activities to reduce health disparities, including the use of language services, community outreach and cultural competency trainings

**CO-OP and multi-state health plans**

- Creates the Consumer Operated and Oriented Plan (CO-OP) program to foster the creation of non-profit, member-run health insurance companies in all states
- Specifies that a CO-OP organization may not be an existing organization; substantially all of its activities must consist of the issuance of qualified health benefit plans in each state in which it is licensed; governance of the organization must be subject to a majority vote of its members; any profits must be used to lower premiums, improve benefits or improve the quality of care delivered to its members
- Provides initial grants to enable CO-OP organizations to meet state solvency requirements; precludes insurer or insurance industry involvement; organizations cannot operate until state has implemented the individual and small group insurance market reforms required under the Patient Protection and Affordable Care Act
- Authorizes the Office of Personnel Management to contract with private health insurers to offer at least two multi-state qualified health plans (at least one non-profit) to provide individual or small group coverage through state-based exchanges

**Long-term care**

- Creates a national, voluntary long-term care insurance program to help purchase services and supports for people who have functional limitations, in order to help them maintain personal and financial independence (CLASS program); financed through voluntary payroll deductions

**Medicaid and CHIP**

- Expands Medicaid to all individuals under age 65 with incomes up to 133 percent of the federal poverty level
- Provides 100 percent federal funding to states for costs of newly eligible individuals for 2014-2016
- Increases payments for primary care services provided by primary care physicians (family medicine, general internal medicine or pediatric medicine) to 100 percent of the Medicare payment rates for 2013 and 2014; states will receive 100 percent federal funding for increased payment rates

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- Maintains current structure of the Children's Health Insurance Program (CHIP), with a 23 percent increase in the match rate in 2015 through 2019

**Individual mandate**

- Requires most individuals to have minimum acceptable coverage or pay a tax penalty beginning in 2014; exemptions allowed for those who cannot afford coverage, religious objectors or if the individual has income below the tax filing threshold

**Employer requirements**

- Requires employers with more than 50 full-time employees to provide health care coverage or pay a penalty
- Requires employers that offer coverage and make a contribution to provide free choice vouchers to qualified employees for the purchase of qualified health plans through exchanges

**Premium subsidies to individuals**

- Provides refundable, advanceable, and sliding-scale premium credits for individuals and families with modified gross incomes up to 400 percent of the federal poverty level

**Small employer tax credits**

- Provides tax credits to small employers with 25 or fewer full-time employees and average annual wages of no more than $50,000 that purchase health insurance for their employees
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