

Affordable Care Act Fact Sheet: Changes to Job-based Insurance Coverage

Background. Like most working age people, over half of all people in the US living with MS have health insurance that is “job-based.” Job-based coverage includes any type of health insurance coverage (or “plan”) offered by an employer or union to workers, retirees, their spouses and dependent children. (Coverage that you maintain and pay for on your own by electing your continuation of coverage, or COBRA rights, is also job-based coverage.) If you already have coverage that is job-based, it is unlikely that you will need to make any changes yourself. Additionally, you may already have new rights and protections from the Affordable Care Act.

What has changed? As of 2014, no health plan (including job-based ones) can deny coverage, limit coverage, or charge an enrollee or dependent a higher premium due to a pre-existing condition. Any current limits or exclusions in a job-based plan due to a pre-existing condition will be eliminated. Employers can still require their employees to pay part of the premium, decide whether to offer coverage to workers, spouses and dependents and make many other choices about the plan(s) they offer.

- ***Minimal Essential Coverage Required.*** With exceptions for certain people, the requirement that everyone have “minimum essential coverage” or face a possible penalty also begins in 2014. (See [‘The Requirement to Buy Coverage Under the Affordable Care Act Beginning in 2014’](#)) Most job-based coverage that exists today is “minimum essential coverage”, meaning it covers at least 60% of medical expenses, and the employee share of premiums for self-only coverage is not more than 9.5 percent of household income. Therefore, the easiest way for most people to comply with the requirement is to enroll (or stay enrolled) in the job-based coverage offered to them. If there is any question whether the job-based coverage you or your dependents have been offered meets the criteria of for “minimum essential coverage,” ask your employer or plan sponsor. (Although large employers will not be penalized for failure to verify minimum essential coverage until 2015, it is hoped they will do so voluntarily.)
- ***No Employer Coverage Offered.*** If your employer does not offer minimum essential coverage, you can enroll in an Individual plan through the new Health Insurance Marketplace and (also called Exchanges). The cost of an Individual plan will be based on your income, making coverage affordable through premium tax credits.
- ***Small Employer Options.*** Small employers (of 50 or fewer workers) may also use the Marketplace to select plans to offer their employees, and new employer tax credits will make it more likely that small employers will choose to offer coverage.
- ***Declining Insurance.*** Finally, it is important to understand the consequences of a decision NOT to accept an offer of minimum essential coverage. Employers are

not obligated to help pay for their workers' Individual health coverage, and you will not be eligible for premium tax credits if you decline an offer of it. In addition to your employer, professional counselors known as Navigators and other types of consumer assistance will be available to help sort through these changes and their effects for you and your family.

Other New Protections

In addition to these major reforms due to take effect in 2014, many new rights and protections for enrollees in job-based coverage began in 2010. Below is a list of these additional protections:

- **Children Covered.** Most job-based plans must offer dependent coverage to children up to age 26. This includes adult children even if they are married, no longer living with you, are students, or have an offer of coverage from their own employer.
- **Rescissions banned.** Rescissions (cancellations) of coverage are no longer allowed except for non-payment or gross fraud.
- **No More Lifetime Caps.** Lifetime caps on benefits are now prohibited in all job-based health plans.
- **No More Annual Dollar Caps.** Annual dollar caps on specific benefits must be phased out by 2014.* Non-monetary caps, (such as limits on the number of covered physical therapy visits per year) are still allowed.
- **No Charge for Preventive Care.** Cost-sharing (deductibles, copays and/or co-insurance) for recommended preventive services, (such as cancer screenings, vaccines, annual check-up) is prohibited, although restrictions apply.*
- **New Appeal Rights.** All enrollees now have access to two levels of appeal if they disagree with a determination of coverage made by their health plan. These are an initial internal appeal, and an external review by persons with no affiliation to your health insurer.
- **"Plain Language" required.** All written materials used to describe plan features to enrollees must be written in plain language, including details of enrollees' costs and coverage, a standardized glossary and examples of common coverage scenarios, such as 'having a baby', or 'diabetes treatment'.
- **Transparency.** Any rate increase of 10% or more must be justified in public documents.
- **Premium Dollars toward Care.** All job-based health plans must spend at least 85% of collected premiums on enrollees' healthcare expenses and quality improvement activities, or provide a rebate to the policyholder.
- **Limited Waiting Period.** The waiting period for initiation of coverage by a new health plan may not exceed 90 days.

*Grandfathered Plans – these protections allowed exemptions for plans in place when the ACA was signed in March 2010