

## Protecting Current Plans

The Affordable Care Act ensures a smooth transition as changes go into effect. The law:

- Exempts employer-based coverage that was in effect on March 23, 2010, and does not significantly change, from certain provisions in the Affordable Care Act, so you can continue your current plan if it works for you and your employees.
- Creates the Early Retiree Reinsurance Program, which provides you financial assistance to continue employer-based health insurance for early retirees ages 55 to 64 who are not yet eligible for Medicare. This program is a bridge to 2014, when early retirees will be able to purchase affordable coverage in the new health insurance Exchanges, and is designed to lower the cost of premiums for all employees and reduce your health costs.

## Helping Provide Coverage for Employees

The Affordable Care Act helps more workers access affordable coverage, creating a healthier, more dependable workforce. The law:

- Provides tax credits to individuals, families, and small businesses that need help paying for coverage and creates private health insurance Exchanges where individuals and small employers can buy coverage.
- Guarantees a level playing field by requiring employers that have 50 or more full time workers and do not provide affordable health coverage to pay an assessment based on the number of full time workers they employ, instead of free-riding off tax credits in the Exchanges or by not offering coverage.
- Creates an option for employees who spend between 8% and 9.8% of their income on premiums to use your contribution to their coverage as a voucher in the new Exchanges, at no additional cost to you.

## www.HealthCare.gov

To learn more about the new benefits and cost savings available to you, please visit [www.HealthCare.gov](http://www.HealthCare.gov). A first-of-its-kind website, [www.HealthCare.gov](http://www.HealthCare.gov) helps you make informed decisions about health care coverage by offering easy-to-understand information about what health plans are available in your state; how much they cost; what they cover, and lots more information tailored to your specific needs.

To learn more about the facts and upcoming benefits of the Affordable Care Act, log on to [www.HealthCare.gov](http://www.HealthCare.gov). Or follow us on Twitter at @HealthCareGov.



"A product of the Department of Health and Human Services."

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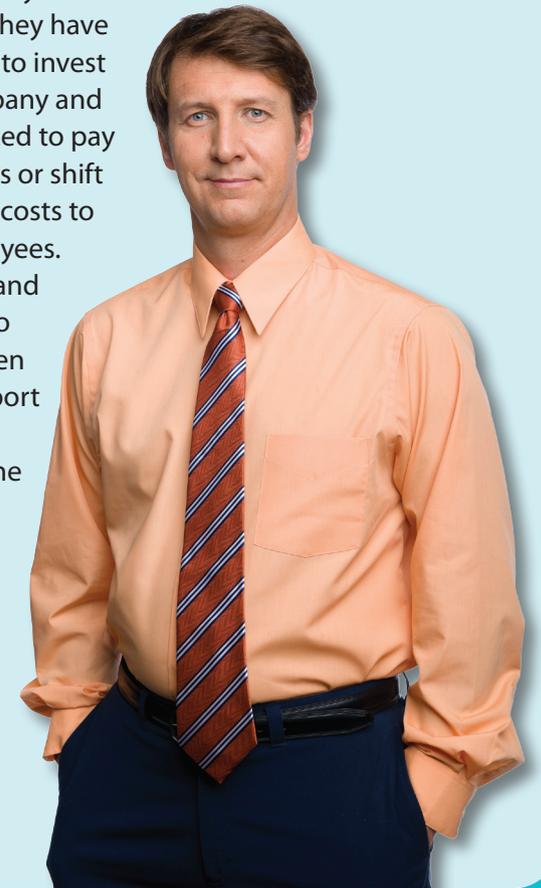


## The Affordable Care Act — What it Means for Employers

**Y**ou know the importance of providing health insurance to your employees. It's one of the benefits your employees value and depend on the most, and it helps you attract the most capable and talented employees.

The Affordable Care Act will help ensure you can continue to provide your employees with quality health care that is affordable – for them and for you.

Over 95% of employers with more than 50 employees offer health insurance. But since 2000, employer premiums have more than doubled. When employers pay more for insurance, they have less money to invest in the company and may be forced to pay lower wages or shift health care costs to their employees. Employers and workers also pay a "hidden tax" to support the cost of caring for the uninsured.



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# The Affordable Care Act —

## What it Means for Employers

### New Insurance Industry Reforms

Starting on September 23, 2010, the new law requires improvements to the quality of benefits your employees receive, which will help keep them healthy and boost productivity. The new law:

- Prohibits insurance companies from refusing coverage or limiting benefits for children (up to age 19) because of a pre-existing medical condition. This prohibition applies to all plans offered by employers and when an individual purchases a new policy. In 2014, discriminating against all individuals who have a pre-existing condition will be prohibited.
- Prohibits all insurance plans from putting lifetime caps on the dollar amount that they will spend on benefits. In the past, patients with cancer or other chronic diseases ran the risk of hitting a lifetime cap and losing access to care. The law also restricts most insurance companies' use of low annual dollar limits on benefits. In 2014, annual limits will be eliminated.
- Prohibits all insurance plans from canceling your coverage because of an unintentional mistake on an application.
- Prohibits new insurance plans from denying coverage for needed care without a chance to appeal to an outside party.
- Delivers all of the new consumer protections with minimal impact on premiums – only 1% to 2%. Any impact on premiums will be offset by a number of provisions in the new law that save money for consumers and employers.

### New Consumer Protections

In addition, for new plans purchased on or after September 23, 2010, the law:

- Requires plans to cover recommended preventive services, including mammograms, colonoscopies, immunizations, and well-baby and well-child screenings without charging deductibles, co-payments or co-insurance.
- Guarantees you the choice of available primary care and pediatric doctors in your plan's network of providers. It also assures women the right to see an OB-GYN without having to obtain a referral first.
- Ensures coverage of services provided by an emergency room that is not in your network without prior approval or additional cost to you.

### Improving the Quality of Health Care

Keeping the American workforce healthy and productive is a key priority of the Affordable Care Act. To enhance the quality of health care available to you and your employees, the law:

- Expands the availability of Medicare claims data, giving your business the ability to easily compare leading quality measures – like hospital acquired infections and unnecessary hospital readmissions – so you can evaluate the best hospitals, doctors, and other providers in your market when making decisions about health care coverage.
- Creates opportunities for employers to partner with Medicare in developing innovative health care models. If your business wants to test out ideas to promote healthy habits in the workplace – such as healthy eating, smoking cessation, and employee exercise programs – you may be eligible to participate in pilot projects supported by the Center for Innovation established by the Affordable Care Act.

### Controlling Health Care Costs

The new law includes aggressive cost saving provisions to keep premiums low and improve quality. A report by the Business Roundtable found that if the key cost-containment measures in the law are adopted by the private sector, large employers will save \$3,000 on health care costs per employee by 2019. And independent analysts suggest that national health spending could fall by \$3.6 trillion, or 10%, by reducing waste and fraud, increasing care coordination, and promoting transparency. The Affordable Care Act:

- Establishes new private health insurance marketplaces, called Exchanges, where small businesses will be able to purchase affordable coverage, negotiate with the same purchasing power as large employers, and choose among the same insurance options that members of Congress will have. If you have a small business with fewer than 50 employees, you will have access to Exchanges when they are established in 2014, and if your business employs between 50 and 100 employees, you will have access to Exchanges in 2017.
- Delivers health insurance premium relief to small businesses through tax credits. Starting in 2010, if you run a small business that has fewer than 25 employees, pays average annual wages below \$50,000, and pays for most of your employees' health coverage, you may qualify for a small business tax credit of up to 35% to help offset the costs of covering your employees. In 2014, the credit will increase from 35 to 50 percent of health expenses.
- Establishes standards for providers and insurers that simplify paperwork and enable electronic transactions in health care. This means you and your employees will spend less time navigating complicated, inefficient billing processes, and see significant savings as a result.
- Requires large group plans to spend at least 85% of insurance premium dollars on health care and quality improvements – instead of overhead, salaries, or administrative expenses – or provide rebates to consumers. If you are a self-insured employer, you are exempt from this requirement, as are certain kinds of plans where employee coverage would be disrupted as a result of the new rule.
- Requires insurance companies to publicly disclose and justify unreasonable premium increases.
- Provides affordable coverage options to all Americans, which will significantly reduce the cost of your insurance that results from uncompensated care – a “hidden tax” that totaled \$43 billion in 2008.

