

Taking Advantage of the Provisions of Health Care Reform

Politics aside, how could coverage improve for you & your loved ones?

Provided by IWM Partners

Health care reform has many fans and many detractors. Amid all the sound and fury, the plain facts risk being blurred. So here is a look at where the reforms stand, and what they potentially offer you.

Here is how the health care exchanges will operate. According to healthcare.gov, open enrollment in the new health insurance exchanges is set to start on October 1; the open enrollment window for 2014 closes next March 31. Coverage you purchase via these exchanges becomes effective as soon as January 1, 2014. The federal government refers collectively to the 51 exchanges (one for each state and one for the District of Columbia) as the Health Insurance Marketplace. The federal government is running 34 of the 51 exchanges; others will be run by the respective state governments.^{1,2}

When you visit the Health Insurance Marketplace online, you will be asked to fill out a form (with household size and income as key details) and then be presented with a roster of health insurance plans available in your area. You are also supposed to be notified if you qualify for lower out-of-pocket costs, or the federal Children's Health Insurance Program or Medicaid.¹

All plans offered through the exchanges will be from private insurers, and all of these plans will offer the same primary set of benefits. To make comparisons of price, benefits, and features easier, plans are slated to be presented in four categories – bronze, silver, gold, and platinum.¹

Not all applicants will enroll online. Paper applications will also be provided starting October 1 (and for the record, may be downloaded). Applying by mail is possible; applying in person is possible with the assistance of a Navigator – a customer service representative for the HIM. The Navigators aren't supposed to recommend this or that plan or plan option; they are to offer impartial guidance. Some states are requiring them to be insurance-licensed.^{1,2}

The ACA is also inspiring private-sector imitators. Aon Hewitt has started its own private online health insurance marketplace for 2014, with more than 330,000 employees projected to enroll and 17 large U.S. companies already aboard.³

Here is how you benefit as a result of the reforms. Starting in 2014, insurers can't cancel your policy due to an illness, and can't put lifetime or annual dollar limits on payments for someone's medical expenses. Young adults may stay on a parent's health

plan until age 26, whether they live at home or not. Also on track for change: No health plan will be able to turn down an adult or child applicant due to a preexisting medical condition or illness. Health plans will no longer be able to charge you for annual checkups and preventive care measures (such as cancer screenings and immunizations) in 2014. Health insurance premiums can no longer vary by gender.^{4,5}

Medicare recipients will no longer have to pay out-of-pocket costs for common forms of preventative care such as vaccines, diabetes, cancer and cholesterol screenings and annual wellness checks. The infamous prescription drug “doughnut hole” may close altogether by 2020: while Medicare recipients got a 50% discount on brand name drugs and a 14% discount on generic drugs in 2012, those percentages will approach 75% by 2020.^{3,4,5}

The federal government will effectively subsidize health insurance coverage for millions of lower-income Americans (about \$5,000 per individual) in 2014 as they enroll in health plans through the HIM or buy coverage from health insurance companies selling individual and small group policies. The reforms could make as many as 17 million Americans Medicaid-eligible next year. In addition, more than \$1.1 billion in rebates have been sent from insurance companies to consumers as a byproduct of the reforms.^{3,4}

Here are the known problems & issues. As the Affordable Care Act represents an unprecedented revision to health insurance in America, there could be delays getting the HIM up and running by October 1. In addition, a tiny percentage of Americans will still be without health insurance. The requirement for larger employers to offer health insurance plans to their employees has been delayed until 2015.⁶

Here are things you should look out for in the future. Medicare Advantage plans will receive less and less money from the federal government due to the reforms: payments to Part C plans are going to shrink roughly \$150 billion by 2022, so if you have Part C coverage, you will want to keep an eye on the plan premiums as they might gradually rise. It could be that the online health insurance exchanges produce a healthy competition that leads insurers to lower prices for coverage in the next few years; that remains to be seen. Not all states want to expand Medicaid; they can opt in or out.^{4,5}

Try to avoid getting caught up in the sound and fury with health care reform; stay focused on what you can or cannot do with it.

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Citations.

1 - healthcare.gov/what-is-the-health-insurance-marketplace/ [9/17/13]

2 - usatoday.com/story/news/nation/2013/09/09/obamacare-health-insurance-navigators-draw-scrutiny/2787239/ [9/9/13]

3 - forbes.com/sites/brucejapsen/2013/09/17/walgreen-joins-rush-to-employer-exchanges-an-alternative-to-obamacare-marketplace/ [9/17/13]

4 - consumerreports.org/health/resources/pdf/ncqa/The_Affordable_Care_Act-You_and_Your_Family.pdf [9/17/13]

5 - marketwatch.com/story/obamacare-explained-in-plain-english-2013-09-11 [9/11/13]

6 - finance.yahoo.com/news/q-impact-health-law-delay-businesses-211823119.html [7/3/13]