



Department of Business and Industry

Nevada Division of Insurance

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Health Care Reform

Frequently Asked Questions for Consumers

When will the health care reform law take effect?

The health insurance reforms adopted as part of the Patient Protection and Affordable Care Act (PPACA), and the subsequent reconciliation bill, are phased-in over the next five years. Most provisions will not take effect until Jan. 1, 2014. However, some new protections must be implemented when plans renew after Sept. 23, 2010. In addition, a new federal high risk pool program will begin this summer and greater transparency will be required of health care plans in the coming months.

For more information on when certain provisions become effective, you can visit the [NAIC Health and Managed Care Committee Web page \(http://www.naic.org/committees_b.htm\)](http://www.naic.org/committees_b.htm) and look for the PPACA charts.

Will I be required to give up my current coverage?

No. Health plans in effect as of March 23, 2010, are grandfathered under the law and will be considered "qualified coverage" that meets the mandate to have health insurance that begins January 2014.

Why does the law require me to purchase health insurance coverage?

The key goal of the health care reform law is to ensure that nobody can be denied coverage or be priced out of coverage due to a health problem. If you allow people to wait until they have a health problem to purchase insurance, the health insurance market simply will not work. There would be a small number of very expensive choices for everyone. So, the law requires that everyone have minimum coverage, creating a larger pool of both sick and healthy individuals.

When can my 21 year old be added to my plan?

The health reform law requires that insurers and employers providing dependent coverage to children make that coverage available to adult children of enrollees up to their 26th birthday. This requirement becomes effective for "plan years" beginning Sept. 23, 2010, so you will be able to enroll your child in group coverage at the first open enrollment period following this date. Because the individual market coverage does not use plan years, the U.S. Department of Health and Human Services will have to clarify when this requirement will become effective for individual plans.

The health reform law does not indicate whether or not an insurer may charge an additional premium for coverage of adult children, which will have to be determined in the near future. If the child is 19 or older, the health plan may exclude coverage of pre-existing conditions for a period of time, as allowed by existing Nevada and federal law until the prohibition on pre-existing condition exclusions takes effect in 2014.

When can I enroll my 10-year-old who has a pre-existing condition?

The health reform law prohibits insurers from excluding coverage of children's pre-existing conditions for plan years beginning after Sept. 23, 2010. The Obama administration has indicated that it will interpret this provision to require that insurers provide coverage without pre-existing condition exclusions to children if they cover the parents, and the health insurance industry has signaled its intention to comply with this interpretation. More detailed guidance will be forthcoming from the Department of Health and Human Services.

What are “Exchanges”? Can I still purchase coverage through my agent?

Exchanges are the central mechanisms created by the health reform bill to help individuals and small businesses purchase health insurance coverage. Beginning in 2014, an Exchange will be established in Nevada to help consumers make valid comparisons between plans that are certified to have met benchmarks for quality and affordability. The Exchanges will also administer the new health insurance subsidies and facilitate enrollment in private health insurance, Medicaid and the Children's Health Insurance Program (CHIP). Nobody will be required to purchase health insurance through the Exchange, though subsidies will only be available for plans sold through the Exchange. If you would rather buy your insurance through an insurance agent or broker, you will be free to do so. If not, you will be able to purchase insurance in a matter of minutes on the Exchange's website.

I am single, have no children and earn less than \$10,000 per year. What coverage choices will be available to me?

Beginning in 2014, single adults earning between \$10,830 and \$14,400 will be able to choose whether to enroll in Medicaid or to purchase coverage through the Exchange with a generous federal subsidy. Those earning less than \$10,830 will be eligible for Nevada's Medicaid program, but not for subsidies in the Exchange.

My family income is about \$45,000, but my employer does not subsidize our health insurance and we cannot afford it on our own. What will the new law do to make coverage more affordable?

Low- and moderate-income Nevadans and families whose employers do not subsidize health insurance coverage will be eligible for subsidies that enable them to purchase coverage through the Exchange in Nevada (beginning in 2014). The amount of these subsidies, which will reduce premiums and out-of-pocket costs for deductibles, co-payments and coinsurance, will depend upon the size of your family and your household income.

What should I do if my insurance company rescinds my coverage?

If your insurance company “rescinds,” or retroactively cancels, your health insurance coverage, it will be required, in plan years beginning Sept. 23, 2010, to provide advance notice of its intention to do so, and may only do so if you committed fraud or made an intentional misrepresentation of an important fact on your application. If your insurer notifies you that it wants to rescind your policy, and you have not done either of these things, request more information from the company. If you are not satisfied with their explanation, immediately contact the Nevada Division of Insurance: <http://doi.nv.gov>.

How will the bill improve access to preventive care?

Beginning Sept. 23, 2010, plans that became effective after March 23, 2010, must, upon renewal, eliminate any cost-sharing for preventive services covered under the contract.

Can I still have a Health Savings Account (HSA)?

Yes, nothing in the legislation would infringe upon the ability of an individual to contribute to a Health Savings Account (HSA), or discourage an individual from doing so. The minimum level of coverage required to meet the individual mandate was specifically designed to allow for the purchase of a qualified high deductible plan that would complement the HSA.

Will my health insurance premiums continue to go up?

Unfortunately, the grim fact is that health care spending is likely to continue rising faster than general inflation well into the future, resulting in higher premiums. While some individuals and families with health problems may see their premiums decrease significantly under the new rating rules, for most Americans premiums will continue to increase from year to year. However, the

new regulations are designed to prevent unreasonable and unexpected spikes in premiums and, over time, to slow the growth in health care spending.