



Learn about...

New Consumer Protections Under the Affordable Care Act

Eliminating Dollar Limits on Your Benefits

The Affordable Care Act prohibits health plans from imposing “lifetime limits” and phases out “annual limits” on your benefits.

Read more below and at www.HealthCare.gov.

How does the Affordable Care Act change health plan limits on my benefits?

Before the Affordable Care Act, many health plans set an annual dollar limit on their spending for your covered benefits. Many plans also set a lifetime dollar limit on what they would spend for your covered benefits during the entire time you were enrolled in that plan. You were required to pay the cost of all care that exceeded those limits.

The Affordable Care Act prohibits health plans from putting a lifetime dollar limit on most benefits you receive. The Act also restricts and phases out the annual dollar limits a health plan can place on most of your benefits—and does away with these limits entirely in 2014.

The Affordable Care Act is the name given to the comprehensive health care reform law enacted on March 23, 2010.

Do these protections apply to my plan?

The ban on lifetime limits applies to all employment-based group health plans and all individual insurance policies you bought directly from an insurer for yourself or your family.

The phase-out of annual limits applies to all employment-based group health plans and individual health insurance policies, **except** an individual health insurance policy you purchased for yourself or your family on or before March 23, 2010. This is known as a “grandfathered” individual health insurance policy. Some plans have also received a temporary waiver of the rules related to annual limits only.

When do these protections take effect?

If the protections from dollar limits apply to your plan or policy, they will affect you as soon as you begin a new “plan year” or “policy year” on or after September 23, 2010.

A **plan year** refers to a 12-month period of benefits coverage—which may not be the same as the calendar year. This period is called a **policy year** for individual health insurance policies.

To find out when your plan or policy year begins, you can check your plan or policy documents or contact your employer or insurer. For example: if your plan has a calendar plan year, the new rules would apply to your coverage beginning January 1, 2011.

How does the new law phase-out annual dollar limits?

The new law phases out annual dollar limits for all plans—except “grandfathered” individual health insurance policies (see above) in order to ensure that people who like the coverage they have can keep it—by specifying that none of them can set an annual dollar limit on most benefits lower than:

- **\$750,000**—for a plan year or policy year starting on or after September 23, 2010, but before September 23, 2011.
- **\$1.25 million**—for a plan year or policy year starting on or after September 23, 2011, but before September 23, 2012.
- **\$2 million**—for plan years or policy years starting on or after September 23, 2012, but before January 1, 2014.

No annual dollar limits are allowed on most covered benefits in a plan year or policy year that begins on or after January 1, 2014.

Some Important Details:

- Be aware that your plan or policy can put an annual dollar limit and a lifetime dollar limit on spending for health benefits that are not “essential health benefits” as defined in the law. (Essential health benefits include, but aren’t limited to, doctor office visits, hospitalizations, and prescriptions.)
- Some plans or policies may be eligible for a waiver from the rules concerning restricted annual dollar limits, if complying with the limit would mean a significant decrease in your benefits coverage or a significant increase in your premiums. Plans granted such waivers are listed at:

<http://www.hhs.gov/ociio/regulations/patient/appapps.html>.

If your plan or policy still imposes lifetime limits or you want to get more information, contact:

The United States Department of Labor (for employment-based group health plans)
Phone (toll free): 1- 866-444-3272
Web site:
<http://www.dol.gov/ebsa/healthreform>

or

Your State insurance regulator (for individual health insurance policies)
Contact the National Association of Insurance Commissioners (NAIC) at:
1-816-783-8300 or go to their Web site for the list of State regulators:
http://www.naic.org/state_web_map.htm

What other protections does the Affordable Care Act offer consumers?

The Affordable Care Act includes many other consumer protections that apply to most health coverage starting on or after September 23, 2010. These include rules that:

- Stop insurance companies from denying coverage to children younger than 19 because of a pre-existing condition.
- Prohibit insurers from taking away your coverage based on an unintentional mistake on an application.
- Protect your choice of health care providers and your access to emergency care.
- Allow consumers to add or keep children on their health plan or policies until age 26.
- Require plans to provide recommended preventive services without cost-sharing requirements for those services.
- Help you receive maximum value for your premium dollars.
- Ensure your right to appeal to an independent entity when your plan denies payment for a service or treatment.

Visit www.HealthCare.gov to learn more about the Affordable Care Act and how you can make the most of your expanding health care choices.