



**The U.S. Congress has passed legislation that is the most sweeping health care legislation enacted since the 1960s. Please find below an explanation of the major provisions contained in the legislation. If you have any questions, please do not hesitate to contact the CSEA Legislative and Political Action Department at (518) 436-8622.**

*(Effective dates are in parentheses)*

### **Coverage**

Over 32 million Americans would gain health insurance under this law.

The uninsured and self-employed would be able to purchase insurance through state-based exchanges with subsidies available to individuals and families with income between the 133 percent and 400 percent of poverty level. *(Health exchanges go into affect in 2014)*

### **Individual Responsibility**

Almost everyone is required to be insured or else pay a fine. There is an exemption for low-income individuals. *(Begins in 2014)*

### **Employer Responsibility**

Technically, there is no employer mandate. Employers with more than 50 employees must provide health insurance or pay a fine of \$2,000 per worker each year if any worker receives federal subsidies to purchase health insurance. Fines applied to entire number of employees minus some allowances. *(Begins in 2014)*

### **Benefits Tax**

40% excise tax on health plans that cost in excess of \$10,200 (individual) or \$27,500 (family). This total does not include dental or vision coverage. *(Begins in 2018)*

### **How it is paid for**

Increase Medicare payroll tax rate by 0.9% for individuals earning more than \$200,000 and families earning more than \$250,000 plus a 2.9% assessment on unearned investment

income for individuals earning more than \$200,000 and families earning more than \$250,000. (*Begins in 2013*)

### **Part D Donut Hole**

Fills Donut Hole gradually and in 2020 the hole will be completely filled. Seniors who hit the donut hole by 2010 will receive a \$250 rebate.

### **Medicaid**

Expand coverage up to 133% of the FPL.

For states such as New York that already cover this population, the federal government will phase in payments to the state starting in 2014 and will pay 90% of the cost of insuring them in 2019 and after.

### **Affordability**

Exchange subsidies limit premium contribution from 2% to 9.8% of income based on FPL percentage

Employees offered coverage at work will be eligible for the insurance exchange if premium contribution exceeds 9.8% of income

### **Rate Review**

A new Federal Insurance Rate Authority is created to oversee and assist states in examining proposed insurance rate increases by insurance companies.

Insurance companies would be required charge to lower premiums or pay rebates to policy holders if rate increases are unreasonable and unjustified.

### **Insurance Market Reforms**

- Insurers are prohibited from denying coverage to people with pre-existing conditions (*6 months after enactment for newborns, 2014 for everyone else*)
- Higher premiums for women would be banned. (*6 months after enactment*)
- Insurers would be forbidden from placing lifetime dollar limits on policies. (*6 months after enactment*)
- Parents would be able to keep children on their policies up to age 26. (*6 months after enactment*)
- Require large insurers to spend 85% of premium payments on care. Failure to do this would require a rebate to policyholders. (*6 months from enactment*)