

## The Affordable Care Act's Consumer Protections

Many Americans may not have noticed, but on September 23, 2010, their rights as patients and health-care consumers gained new protections — a result of the Affordable Care Act (ACA). A brief description of these protections follows.

### **Coverage for Children**

Under prior law, insurers could deny coverage for treatments related to pre-existing conditions. The ACA prohibits denials of coverage to anyone under 19 regardless of pre-existing conditions. This could impact an estimated 51,300 Iowa children.<sup>1</sup>

### **New Coverage Options for Young Adults**

Only 1 in 10 Iowans is between the ages of 18 and 25, but these young adults comprise nearly 21 percent of Iowa's uninsured population.<sup>2</sup> The health reform law opens up new health options for these young adults, by allowing them to remain on their parents' health plans, up to age 26. The ACA extension could provide up to 15,740 young uninsured Iowans with health coverage.<sup>3</sup>

### **No More Lifetime Benefits and Caps on Annual Benefits**

Patients undergoing costly treatments will no longer need to worry about bumping against a lifetime spending ceiling. The ACA eliminates lifetime benefit caps, and annual benefit limits will gradually be phased out. Prior to the new health law, about 102 million Americans nationwide were enrolled in plans with lifetime limits; an estimated 18,650 to 20,400 exceeded those limits each year and subsequently lost coverage.<sup>4</sup>

### **Protecting Patients**

The health reform law enshrines the rights of health consumers to choose their provider. Insurers may not limit their customers' choices of providers or pediatrician, and allows women to see an OB/GYN without a referral from a primary care physician. Similarly, insurers are prohibited from requiring prior authorization to emergency services, even if the services are out-of-network.

Reform also protects consumers from insurance company abuses. Consumers are granted an internal, and failing that, external appeals process. Insurers are prohibited from revoking coverage, a practice known as rescission, unless the enrollee has committed fraud or lied on an application form. Between 2004 and 2008, 328 Iowans had their policies rescinded.<sup>5</sup>

In addition to these protections, patients need no longer worry about co-pays or deductibles when receiving approved and recommended preventive treatments. Recommended preventive treatments, including vaccines, must be fully covered by insurers.

<sup>1</sup> Christine Sebastian, Kim Bailey, and Kathleen Stoll, "Help for Iowans with Pre-Existing Conditions," Families USA. May 2010. <<http://www.familiesusa.org/assets/pdfs/health-reform/pre-existing-conditions/iowa.pdf>>.

<sup>2</sup> IFP analysis of U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2008-2010.

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- <sup>3</sup> Andrew Cannon, “A Milestone Day: Thousands of Iowans to Benefit from Health Reform on September 23,” Iowa Fiscal Partnership. September 22, 2010. <<http://www.iowafiscal.org/2010docs/100922-HCR-923.pdf>>.
- <sup>4</sup> Department of the Treasury, Department of Labor, and Department of Health and Human Services, “Patient Protection and Affordable Care Act: Pre-Existing Condition Exclusions, Lifetime and Annual Limits, Recissions, and Patient Protections, Interim Final Rules, June 21, 2010. <<http://www.hhs.gov/ociio/regulations/index.html#patients>>.
- <sup>5</sup> National Association of Insurance Commissioners, “Rescission Data Call,” December 17, 2009. <[http://www.naic.org/documents/committees\\_b\\_regulatory\\_framework\\_rescission\\_data\\_call\\_report.pdf](http://www.naic.org/documents/committees_b_regulatory_framework_rescission_data_call_report.pdf)>.