

MOST FREQUENTLY ASKED QUESTIONS ON HEALTH CARE REFORM – WHAT IT MEANS TO YOU

March 22, 2010

President Obama is set to sign into law a health-care bill that would extend insurance to the 32 million Americans who are currently without it. But the more than 2,000-page health insurance bill has left more than a few consumers confused about what health-care reform will actually mean to them. Here are the answers to some of the most frequently asked questions:

I don't have health insurance, what does this mean for me?

By 2014, every American will be required to have some form of health insurance or will be forced to pay a fine. The first year's fine would be \$95 or 1 percent of their income, whichever is higher. By the second year, however, fines could rise to as much as \$695 a year. Families and people meeting certain income requirements (\$14,404 for individuals and \$29,326 for a family of four) would be exempt from paying the fine. These people may also be eligible for the federally and state-funded Medicaid insurance program that covers poor and disabled Americans under the age of 65. One of the immediate changes that will take place is that young adults up to the age of 26 will be eligible to remain on their families' health insurance plans. Currently, the cut-off is 22 years old.

Can I buy insurance through the government?

The bill does not include a public option, meaning the government will not offer health care beyond Medicare and Medicaid. People under the age of 65 who make too much to qualify for Medicaid may be eligible to receive government subsidies to help them buy private health care from new state-based insurance "exchanges," which are scheduled to begin in 2014.

My employer does not currently offer insurance, will that change?

All employers will be required to offer their employees insurance by 2014. Companies with 25 or fewer employees would receive tax credits to help them pay for the insurance. The tax credits would cover about 35 percent of the insurance cost this year and would gradually increase to about 50 percent by 2014. Employers with 50 or more workers will be required to offer employees insurance or pay a fine of up to \$2,000 a piece for full-time employees that are receiving government subsidies to buy insurance through state-based exchanges. The first 30 employees would be exempt from this fine.

How will this legislation affect senior citizens receiving Medicare?

Starting this year, all Medicare preventative services, such as cancer screenings, will be offered free of charge to senior citizens currently receiving Medicare. Also, people receiving Medicare Part D would receive an additional \$250 this year to help them pay for medications that are not currently covered under the plan.

I have insurance, how will this affect me?

Under the plan, people who are currently ill may begin seeing their premiums shrink, as the bill does not allow insurers to charge higher premiums to people who are sick. Also, people with pre-existing conditions who change insurance companies, due to a change in job status or in employer coverage, cannot be denied coverage under the bill, nor can they be charged higher premiums.

How much will this cost and how is it being paid for?

The plan will cost an estimated \$940 billion. Congress and the president have said that most of it will be paid for through various tax increases on individuals that earn more than \$250,000 a year, as well through decreases in Medicare reimbursements to doctors and hospitals. Critics, however, say tax increases to the wealthy and Medicare cuts will not be enough to fund health reform and that the middle class will eventually be forced to help pay for it through tax and fee increases.