



# What does the new health care law mean for us and our families?

**F**ollowing a year-long, often contentious and largely partisan legislative battle, on March 23 President Barack Obama signed into law the Patient Protection and Affordable Care Act—known to most of us as health insurance reform.

Setting aside the politics of the debate that led to the bill's passage, many of the provisions of the law will offer new or expanded benefits to all Americans, some of which have already gone into effect. For example, the minute Obama signed the measure into law, Medicare beneficiaries became eligible to receive a \$250 rebate in an attempt to help shrink Medicare Part D's so-called "donut hole"—the large gap in the prescription drug benefit between the initial coverage limit and full coverage where Part D enrollees must pay 100 percent of their drug costs. In addition, by 2011, the Act calls for a 50 percent discount on the cost of brand-name prescription drugs purchased once the "hole" is reached. Eventually, other discounts and subsidies under the law will become effective and reduce the cost of prescription drugs for those whose reach the "donut hole" limits, and this gaping hole in coverage will disappear.

Thanks to the reform law, private insurers will not be able to deny health insurance coverage to children with pre-existing conditions. Just days after the bill was signed into law, some health insurers had indicated that a loophole might exist that could provide a valid excuse for not covering children's prior medical conditions. However, Health and Human Services Secretary Kathleen Sebelius told the head of America's Health Insurance Plans (AHIP) that she was ready to issue regulations to shore up the law's protective language and the insurers appear to have backed down. In any event, once health insurance exchanges come on line over the next

few years, pre-existing condition discrimination will become a thing of the past.

Meanwhile, under the reform Act, adults who are uninsured because of pre-existing conditions will soon have access to affordable insurance through a temporary subsidized high-risk pool until the ban on exclusions kicks in.

## On the way

And that's just the beginning. Over the next few months, some of the new health care law's more far-reaching provisions will come online. For example, for plan years beginning after September 23, insurance companies will be banned from dropping people from coverage when they get sick, and they will be prevented from imposing lifetime dollar caps on coverage. An independent appeals process will come into play, ensuring that consumers in new private plans will have access to an effective means of appealing the decisions insurers make. And restrictive annual limits on coverage will be banned for certain plans.

Also on the way, new private plans will be required to provide free preventive care. That means no co-payments and no deductibles for preventive services. Medicare will offer the same benefit starting next year.

For early retirees, relief is coming through a temporary re-insurance program available to their health plans, which is designed to help lower the cost of coverage, including expensive premiums both for employers and for retirees age 55-64. This offering should become available by mid-summer.

Also, starting January 1, 2011, health care plans (including those covering letter carriers in the Federal Employees Health Benefits Program) will have to allow young people to remain covered under their parents' insurance plans up until their 26th birthday—bringing some peace of mind to many families.

While the Patient Protection and Affordable Care Act contains many benefits for letter carriers and their families, the plan was hammered out to make health insurance affordable to all Americans, and available to 32 million Americans who are now uninsured. For many carriers, this means changes are in store for our friends, extended families and customers to help them obtain—and keep—health insurance.

Some of these new rules include a prohibition against establishing eligibility rules for health care coverage that tilt toward higher-wage employees. Also, our small business patrons who choose to offer coverage will receive tax credits of up to 35 percent of premiums to help make employee coverage more affordable.

## On the horizon

Although the simple idea behind the law's inception—reducing the skyrocketing annual health care premiums that have burdened all Americans—often got lost in the raucous political debate, the law sets out some long-term solutions to try to combat this problem.

One reason for these hefty rate increases has been that, even without universal health insurance, anyone who enters a hospital's emergency room is legally guaranteed access to medical care, regardless of whether they have health insurance or the ability to pay. As a result, those of us with health insurance wind up paying higher premiums to cover the costs of caring for those who either don't have coverage or have inadequate protection.

But thanks to the new health insurance law, all Americans will be required to have some form of health insurance, either provided by their employers or purchased (and subsidized, if necessary) individually.



And to keep the insurance companies honest, the law sets a deadline of 2014 for the creation of health exchanges through the states, a program which will be set up in a similar way to our own Federal Employees Health Benefit Program (FEHBP). These exchanges will allow workers and small businesses to choose from among competing private insurance plans as well as a small number of non-profit health plans. The hope is that this and other provisions of the law will eventually bring down the rate of inflation in health care costs.

"We know the reform bill that passed wasn't perfect," said NALC President Fred Rolando. "No bill ever is. But it does represent a major step forward in affordably protecting the health of all working Americans."

To find out more about how the law stands to help you and all working families, go to the AFL-CIO website: [afl-cio.org/issues/healthcare](http://afl-cio.org/issues/healthcare). And the complete text of the health insurance reform law can be read online at [whitehouse.gov/healthreform](http://whitehouse.gov/healthreform). ✉



NALC members and headquarters staff joined an AFL-CIO-sponsored health care rally in Washington, DC, on March 9.