



## **The Patient Protection and Affordable Care Act**

### **The Health Insurance Exchange**

The *Patient Protection and Affordable Care Act* will create state-based health insurance Exchanges to make health insurance affordable and accessible for small businesses and individuals.

#### **State-Based Exchanges**

- ✓ The *Patient Protection and Affordable Care Act* will create state-based Exchanges where individuals and small businesses can compare and purchase health insurance online at competitive prices.
- ✓ Small businesses with up to 50 employees, or up to 100 employees depending on the State, will have access to state-based Small Business Health Options Program (SHOP) Exchanges. These exchanges, like the individual market Exchanges, will include web portals to make comparing and purchasing health insurance easier for small businesses.
- ✓ The *Patient Protection and Affordable Care Act* will provide strong oversight. State insurance commissioners will continue to provide oversight regarding consumer protections, rate review, and solvency.
- ✓ The *Patient Protection and Affordable Care Act* will also monitor the financial integrity of the Exchanges through annual audits and financial reporting overseen by the Secretary of Health and Human Services, and establish procedures and protections to guard against fraud and abuse.

#### **One-Stop Shopping that Promotes Choice and Competition**

- ✓ Health coverage options available in a zip code will be listed on state-based web portals.
- ✓ Using the Internet to present consumers with available plans will make purchasing health insurance easier and more understandable.
- ✓ Individuals will be able to choose coverage among several standard benefit packages that provide comprehensive health care services with different levels of cost sharing.
- ✓ State-based co-ops, which are non-profit, member-run health insurance companies that serve individuals in one or more states, and multi-State plans, offered by private insurance carriers under the supervision of the Office of Personnel Management and available nationwide, will be available through the Exchanges.

#### **Provide Information and Promote Transparency**

- ✓ The *Patient Protection and Affordable Care Act* will require standardized format, definitions, enrollment applications, consumer satisfaction, and marketing requirements to allow easy comparison of the prices, benefits, and performance of health plans.
- ✓ The *Patient Protection and Affordable Care Act* will require a toll-free telephone hotline to respond to consumer requests for assistance.

- ✓ Users will be able to determine online if they are eligible for health care premium tax credits or public programs, and consumers without access to the Internet will be able to enroll through the mail or in person in a variety of locations.
- ✓ Health coverage Navigators in States will conduct public education activities, distribute information about enrollment and premium credits, and provide enrollment assistance.
- ✓ The *Patient Protection and Affordable Care Act* will award grants to states to establish, expand, or support health insurance consumer assistance.

### **Ensure Affordable Coverage**

- ✓ The *Patient Protection and Affordable Care Act* will provide premium tax credits to limit the amount an individual spends on health insurance premiums to two percent of income at 100 percent of the Federal Poverty Level (FPL) to 9.8 percent of income at 300 to 400 percent of the FPL.
- ✓ Cost-sharing credits for lower-income individuals will be provided so that they are responsible for no more than 10 percent of total costs for those between 100-150 percent of the FPL and no more than 20 percent for those between 150-200 percent of the FPL.
- ✓ Sliding scale tax credits will be provided to eligible small employers with fewer than 25 employees and average annual wages of less than \$50,000 that purchase health insurance for employees.

### **Includes Important Market Reforms**

- ✓ The *Patient Protection and Affordable Care Act* will eliminate discrimination by insurers for pre-existing conditions, prohibiting them from refusing insurance coverage or charging higher premiums because they have been sick in the past.
- ✓ Lifetime limits on the dollar value of benefits will be eliminated and use of annual limits will be restricted until 2014, when annual limits will be prohibited.
- ✓ Insurance companies will be prohibited from dropping or watering down coverage for those who become seriously ill.
- ✓ The *Patient Protection and Affordable Care Act* will prohibit insurance companies from charging more because of gender.
- ✓ Insurance companies will be required to renew any policy except in cases of fraud or misrepresentation.
- ✓ Yearly caps on how much insurance companies can charge for out-of-pocket expenses will be required under the *Patient Protection and Affordable Care Act*.