



## **How The Patient Protection and Affordable Care Act Will Help Early Retirees – Aged 55 to 64**

### **Lower Costs for Early Retirees**

- ✓ **Insurance Industry Reforms that Save Americans Money**
  - The Patient Protection and Affordable Care Act will limit what insurance companies can require Americans to pay in out-of-pocket expenses, such as co-pays and deductibles. It will eliminate lifetime coverage limits and restrict use of annual limits. It will require rate review to track arbitrary premium increases, and crack down on excessive insurance overhead by applying standards to how much insurance companies can spend on non-medical costs, such as bureaucracy and advertising.
  - The Patient Protection and Affordable Care Act will limit age rating to 3:1 for premiums which means that someone who is 55 years old will pay a maximum of three times what someone who is 25 years old would pay.
- ✓ **Support Early Retiree Health Coverage**
  - The percentage of large firms providing workers with retiree coverage dropped from 66 percent in 1988 to 31 percent in 2008. The Patient Protection and Affordable Care Act will provide \$5 billion in financial assistance to employer health plans that cover early retirees. This temporary program will make it easier for employers to provide early retirees coverage and will provide premium relief of up to \$1,200 for every family with insurance through those employers.

### **Greater Choices for Early Retirees**

- ✓ **Insurance Security – The Exchange**
  - Fewer than half of people aged 55 to 64 work full-time. The Patient Protection and Affordable Care Act will create a health insurance Exchange to guarantee that early retirees will always have a choice of quality, affordable health insurance, even if they retire early or lose access to employer-sponsored insurance.
- ✓ **More Affordable Choices and Competition**
  - Employer-based retiree coverage rarely offers any choice of plans. Early retirees seeking coverage in the Exchange will have a variety of choices – including private options and a public option to foster competition and increase choice.
- ✓ **One-Stop Shopping – Putting Early Retirees in Charge**
  - The Exchange will provide standardized, easy-to-understand information on different health insurance plans offered in a geographic region so Americans can easily compare prices and health plans and choose the quality, affordable option that is right for them.

### **Quality, Affordable Health Care for Early Retirees**

- ✓ **Eliminate Discrimination for Pre-Existing Conditions, Health Status, and Age**
  - Early retirees are more likely to have chronic conditions such as heart disease and diabetes, which insurers in most states now use to deny coverage. The Patient Protection and Affordable Care Act will prevent any insurance company from denying coverage or charging more based on a person's medical history and will limit the amount an insurance company can increase an individual's premium simply based on their age. Within a year of enactment, people who have health problems and who lack access to health insurance will be able to purchase a plan that protects them from medical bankruptcy.
- ✓ **Preventive Care for Better Health**
  - Over 80 percent of U.S. health costs result from chronic diseases, many of which afflict early retirees, and most of which can be prevented or better managed. The Patient Protection and Affordable Care Act will ensure that all Americans have access to free preventive services under their health insurance plans and invest in prevention and public health to encourage innovations in health care that prevent illness and disease before they require more costly treatment.