

KEY HIGHLIGHTS OF THE 2010 HEALTH CARE REFORM ACT

Overview. The Patient Protection and Affordable Care Act (PPACA) signed into law by President Obama in March 2010 represent an unprecedented overhaul of the nation's health care system. This comprehensive reform legislation will bring immediate benefits to many people on Guam, including those who currently have health care coverage. Although many of the provisions won't go into effect until 2014, some will take effect in 2010. They include:

High-risk pool program. People who were denied coverage for a pre-existing condition can now receive coverage in a temporary high-risk pool program.

Help for people who are uninsured. People who cannot currently get coverage because of an existing medical condition may be able to enroll in a new federally subsidized insurance program. The legislation appropriates \$5 billion for this program. It's not clear whether this amount will be enough to cover all who apply and how much consumers would pay as their share of the cost.

New Medicare provisions. The approximately 4 million Medicare beneficiaries who hit the "doughnut hole" in the program's drug plan will get a \$250 rebate this year. Their drug costs in the coverage gap will be reduced by 50 percent next year. Preventive care, such as certain cancer screenings, will be available at no charge starting this year.

Coverage for children. Parents will be allowed to keep their children on their health plans until age 26, unless the child is eligible for coverage through a job. In addition, health plans cannot exclude children under age 19 for coverage due to pre-existing medical conditions.

Tax credits for businesses. Businesses with fewer than 25 employees and average wages of less than \$50,000 could qualify for a tax credit of up to 35 percent of the cost of their dues.

Changes to coverage. All existing health plans will be prevented from imposing lifetime caps on coverage and limiting annual coverage. Health plans can no longer cancel coverage retroactively unless fraud is involved.

Government oversight. Health plans must report how much they spend on medical care versus administrative costs. There will also be tighter government review of "unreasonable" dues increases.

Eliminating lifetime limits. Prohibits lifetime limits on benefits in group and individual health plans and restricts annual limits.

Covering preventive health services. Group and individual health plans must provide first dollar coverage for preventive services.

Please refer to the Health Care Reform Banners on the NetCare website below for more specific information or visit our website periodically for more details on the health care reform law. We will update this site as more information becomes available.