

Insight: Six months after health care law, insurance changes are kicking in  
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Share Thursday marked the sixth-month anniversary of the signing of the nation's new health care law. With this anniversary, a number of the law's key provisions — many involving insurance reforms — have officially begun.

Now parents in Alabama and throughout the country can rest easier, knowing that their children can never again be denied health insurance due to a pre-existing condition, and that older children up to age 26 can remain on their parents' policies regardless of whether they are continuing their education.

Also under the landmark Patient Protection and Affordable Care Act, lifetime coverage limits have been abolished, annual coverage limits have been restricted, streamlined appeals of denied claims are required for new plans, and bad-faith rescissions have been outlawed.

The removal of lifetime coverage limits and prohibition of bad-faith rescissions particularly benefit those stricken with serious illnesses.

Prior to health care reform, people with chronic conditions or an illness such as cancer would often find that they quickly "maxed out" their policies' lifetime limits and would have their coverage cancelled in the midst of their battle with their disease.

Similarly, with bad-faith rescissions, insurance companies would notify policyholders who had fallen ill that their coverage was cancelled due generally to some minor omission on the policy application, such as the failure to mention a long-forgotten doctor's visit for acne.

Thanks to the new law, these practices are now forbidden. Insured Alabamians who get sick can focus their energy on getting well instead of fighting with their insurance companies.

A number of the new law's other provisions are already in place. For the entire 2010 tax year, more than 50,000 Alabama small businesses can claim tax credits of up to 35 percent to help offset their cost in providing health coverage to their employees.

Alabama's senior citizens on Medicare have begun receiving \$250 checks to help offset their prescription drug costs when they reach the coverage gap known as the "doughnut hole." Eventually under the new law, this gap where prescription benefits cease for a time will be closed completely.

As these benefits accrue, it is important to remember that many of the law's biggest changes will occur in the next few years. By 2014, Alabamians and Alabama small businesses will be able to

compare approved plans and purchase affordable health coverage through a new marketplace known as an "insurance exchange."

Thousands of average Alabama families and individuals will qualify for tax credits to aid in purchasing insurance, and Medicaid will be expanded to allow all those earning less than 133 percent of the federal poverty level to receive coverage.

In order to fully realize these benefits and to allow Alabama's ability to customize these plans in a way that best fits our state, our legislators and other state government leaders must take action.

Much discretion is afforded to states in setting up exchanges and in deciding how benefits under the law will be monitored.

The most important step in this regard is the first one: to decide that we as a state are going to embrace these benefits and do what it takes to make the law work for our citizens. Otherwise, others will make the decision for us.

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