



Learn About...

New Consumer Protections Under the Affordable Care Act

Curbing Insurance Cancellations

The Affordable Care Act stops health plans from retroactively cancelling your insurance coverage solely because you or your employer made an honest mistake on your insurance application.

Read more below and at www.HealthCare.gov.

How does this new law affect insurance cancellations?

Before the Affordable Care Act, if your insurance company found that you'd made a mistake on your insurance application, the insurance company might "rescind" your benefits. That means, they would declare your policy invalid from the day it began. Your insurance company might also ask you to pay back any money already spent for your medical care.

Under the new law, an insurer cannot rescind your coverage simply because you made an honest mistake.

The Affordable Care Act is the name given to the comprehensive health care reform law enacted on March 23, 2010.

How could this help me?

Here's an example of how this new protection works:

When Katy's insurance application asked for "anything else relevant to your health that we should know about," Katy forgot to mention two visits to a psychologist she had 6 years earlier. Katy was later diagnosed with breast cancer and submitted claims to

her insurance company for breast cancer treatment. After receiving Katy's claim, her plan discovered the two psychologist visits. Before the new law, Katy's mistake might have prompted her health insurer to rescind or retroactively cancel her coverage.

Under the new law, Katy's insurance plan cannot rescind her coverage because Katy did not intentionally misrepresent significant information.

Does this protection apply to my plan?

This provision applies to **all** health plans—including employment-based group health plans and individual health insurance policies you purchase for yourself and your family.

Please note:

- Your insurance company can still rescind your coverage if you intentionally put false or incomplete information on your insurance application.
- Your insurance company can still cancel your coverage if you fail to pay your premiums on time.

When does this new protection take effect?

This provision applies to “plan years” or “policy years” that begin on or after September 23, 2010.

A plan is a 12-month period of benefits coverage. This 12-month period may not be the same as the calendar year. This period is called a **policy year** for individual health insurance.

To find out when your plan year or policy year begins, ask your insurer or plan administrator. For example: if your plan has a calendar plan year, the new rules would apply to your coverage beginning January 1, 2011.

How will I know if my health plan is going to rescind my coverage?

If your insurance company determines that you intentionally put false or incomplete information on your insurance application, they must give you at least 30-days notice before it can rescind your coverage, so that during that time you may be able to appeal the decision or find new coverage.

What other protections does the Affordable Care Act offer consumers?

The Affordable Care Act includes many other consumer protections that apply to most health coverage starting on or after

September 23, 2010. These include rules that:

- Stop insurance companies from denying coverage to children younger than 19 because of a pre-existing condition.
- Protect your choice of health care providers and access to emergency care.
- Allow consumers to add or keep children on their health policies until age 26.
- Stop insurers from putting annual and lifetime dollar limits on your coverage.
- Require plans to provide recommended preventive services without cost-sharing requirements for those services.
- Help you receive maximum value for your premium dollars.
- Ensure your right to appeal to an independent entity when your plan denies payment for a service or treatment.

Visit www.HealthCare.gov to learn more about the Affordable Care Act and how you can make the most of your expanding health care choices.