

How Will the Health-Care Bill Help You This Year?

The health-care bill that became law in March won't be fully implemented for several years. However, by the end of this year, six important measures (detailed below) will take effect.

Your health insurer can't drop you for making a mistake

In some cases, people have filed claims, only to be told that after reviewing their policy, the insurance company has rescinded their coverage because of inconsistencies in the original application. The new law will require insurers to demonstrate fraud or intentional misrepresentation of a material fact—for example, deliberately concealing an existing illness—in order to rescind coverage after a claim is filed.

A child can stay on your health plan longer

If there's a recent high school or college graduate in your family who's struggling to land that first job, you can choose to continue your child's dependent coverage under your plan until his or her 26th birthday. This applies to both individual and group policies (for existing workplace plans, it applies only if your child doesn't have his or her own employer's health plan).

If you or your child has a pre-existing condition, you'll be able to get health insurance

Under the health-care bill, children with pre-existing health conditions may not be denied health insurance coverage. Adults won't have that protection until 2014, but if you have a pre-existing condition, you may be able to obtain coverage beginning this summer through a temporary national high-risk insurance pool. However, only individuals with pre-existing conditions who have been uninsured for at least six months before applying for coverage through this insurance pool will be eligible.

Your total coverage will have no cap

In the past, some people were very happy with their health-care coverage—until they got really, expensively sick. Severe illness or an accident sometimes meant medical bills that exceeded the total amount of coverage their policy provided (so-called "lifetime limits" on coverage). The new law prohibits insurers from establishing lifetime limits on the total dollar value of health benefits that can be paid to any one insured individual.

You may get a rebate for some Medicare drug costs

The health-care bill gradually closes the Medicare prescription drug coverage gap known as the "donut hole." If you're covered by Medicare, you fall into this donut hole once your total prescription drug costs exceed \$2,830 a year. Until you've spent an additional \$3,610 out of pocket, Medicare won't cover any of your prescription costs (figures are for 2010). If you're affected by this coverage gap this year, you can look forward to a \$250 rebate check from the federal government to defray at least part of your drug expenses. Next year's benefit could be even bigger; once you fall into the donut hole, you will receive a 50 percent discount on certain brand-name prescription drugs.

If you're a small business owner, you may receive a tax credit

If you're a qualifying employer who pays at least 50 percent of the cost of your employees' health insurance premiums, you may receive a tax credit to offset up to 35 percent of your premium contribution when you file your 2010 federal taxes. The credit is generally available to employers with fewer than 25 full-time workers with an average annual wage of less than \$50,000.

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