



Health Reform for Young Adults

The Affordable Care Act Gives Young Adults Greater Control Over Their Own Health Care.

Lower Costs for Young Adults

✓ Financial Relief for Young Adults and Ensuring Affordable Coverage

- Provides premium tax credits for young adults making up to roughly \$43,000 a year to ensure that they can afford quality coverage in the new state-based Health Insurance Exchanges which start in 2014. Millions of young adults will be eligible for these tax credits to help them afford coverage. Those who still cannot afford coverage will qualify for a hardship waiver.
- Supports States starting in plan year 2011 in requiring health insurance companies to submit justification for requested premium increases, and insurance companies with excessive or unjustified premium exchanges may not be able to participate in the new Exchanges.
- Cracks down on excessive insurance overhead starting in 2011 by applying standards to how much insurance companies can spend on non-medical costs, such as bureaucracy, executive salaries, and marketing, and provides consumers a rebate if non-medical costs are too high.

✓ Insurance Industry Reforms that Save Young Adults Money

- This year, eliminates all lifetime limits on how much insurance companies cover if beneficiaries get sick and bans insurance companies from dropping people from coverage when they get sick. The Act also restricts the use of annual limits in all new plans and existing employer plans this year, until 2014 when all annual limits for these plans are prohibited.
- Going forward, plans in the new Exchanges and all new plans will have a cap on what insurance companies can require beneficiaries to pay in out-of-pocket expenses, such as co-pays and deductibles. Reform also bans “gender rating” that allows women to be charged more for the same coverage.

✓ Preventive Care for Better Health

- This year, requires new plans to cover prevention and wellness benefits at no charge by exempting these benefits from deductibles and other cost-sharing requirements.
- Invests in prevention and public health to encourage innovations in health care that prevent illness and disease before they require more costly treatment. Simple prevention can stop a small health problem from getting worse.

Greater Choices to Meet the Needs of Young Adults

✓ Extends Health Coverage Through Parents

- This year, allows young adults to stay on their parents’ health care plan until age 26. (This applies to all plans in the individual market, all new employer plans, and existing employer plans if the young adult is not eligible for employer coverage on his or her own. Beginning in 2014, children up to age 26 can stay on their parent’s employer plan even if they have an

offer of coverage through their employer.) This will help cover the one in three young adults who are uninsured.

✓ **More Affordable Choices and Competition**

- Creates state-based health insurance Exchanges so young adults have a variety of options to decide how much health care coverage they want, including a lower-cost “young invincible” coverage option for individuals under 30 years old. The Exchanges will include those options that the President and Members of Congress also have, such as multi-state plans to foster competition and increase consumer choice.

✓ **One-Stop Shopping**

- Provides standardized, easy-to-understand information on health insurance plans offered in a geographic region so young adults easily compare prices, benefits, and performance of health plans to decide which quality, affordable option is right for them.

✓ **Insurance Security**

- Ensures young adults always have quality, affordable health insurance choices, regardless of how their lives change, particularly as young adults frequently change jobs, move, or hold part-time or temporary jobs.

✓ **Ends Insurance Company Discrimination**

- This year, prohibits insurance companies from denying individuals under 19 years old coverage based on pre-existing conditions. Going forward, the Act will prohibit insurance companies from denying coverage to all individuals. The Act will also end discrimination that charges beneficiaries more if they are sick and limit the amount an insurance company can increase an individual’s premium simply due to their age.
- This year, provides access to affordable insurance for uninsured young adults with pre-existing conditions through a temporary subsidized high-risk pool, which will help protect them from medical bankruptcy. This high risk pool is a stop-gap measure that will serve as a bridge to a reformed health insurance marketplace.

✓ **Independent Appeals Process**

- This year, ensures young adults in new plans have access to a straightforward and independent appeals process to appeal decisions by their health insurance plan.