

Newsroom

Protecting Patients with Private Insurance

Posted June 29, 2010

By Kathleen Sebelius, Secretary of Health and Human Services

During the health reform debate, we heard story after story of Americans let down by the private health insurance system. Parents in Texas unable to buy coverage for their infant born with a heart defect. A Los Angeles woman forced to stop chemotherapy for months while fighting her insurer's claim that her cancer was a pre-existing condition. Patients whose life-saving treatments and therapies are cut short due to annual or lifetime coverage limits.

A major goal of the Affordable Care Act is to put American consumers back in charge of their coverage and care. Today, President Obama announced new regulations that will crack down on some of the most egregious practices of the insurance industry to help people with pre-existing conditions gain coverage and keep it when they need it, and protect Americans' choice of doctors.

The new regulations include a set of protections that apply to health coverage starting on or after September 23, 2010, six months after the enactment of the Affordable Care Act.

- **No Pre-Existing Condition Exclusions for Children Under Age 19.** Each year, thousands of children who were either born with or develop a costly medical condition are denied coverage by insurers. The new regulations will prohibit insurance plans from limiting benefits for children and from refusing to sell children coverage at all based on the fact that a child has a pre-existing condition. This policy applies to all types of insurance except for individual market plans that are "grandfathered." This critical policy will be broadened to Americans of all ages in 2014.
- **No Unjustified Rescissions of Insurance Coverage.** Right now, insurance companies are able to retroactively cancel someone's policy when they become sick, or if they or their employers made an unintentional mistake on their paperwork. Under the regulations, insurers will be prohibited from rescinding coverage – for individuals or groups of people – except in cases involving fraud or an intentional misrepresentation of material facts. There are no exceptions to this policy.
- **No Lifetime Limits on Coverage.** Millions of Americans living with costly medical conditions are at risk of having their health insurance coverage disappear when their costs reach a lifetime limit set by their insurance company. No plan issued or renewed after September 23, 2010 can use such a limit.
- **Restricted Annual Limits on Coverage.** Even more binding than lifetime limits are annual dollar limits on what an insurance company will pay for health care. The rules will phase out the use of annual limits over the next three years for most health plans before banning such limits entirely in 2014.
- **Protecting Your Choice of Doctors.** Being able to choose your own doctor is a central principle in the

Affordable Care Act that is highly valued by Americans. The new rules make clear that health plan members are free to designate any available participating primary care provider as their primary care provider.

- **Removing Insurance Company Barriers to Emergency Department Services.** Some insurers will pay only for health care provided by a limited number or network of providers – including emergency health care. Others require prior approval before receiving emergency care at hospitals outside of their networks. The new rules make emergency services more accessible for consumers. Health insurers will not be able to charge higher cost-sharing (copayments or coinsurance) for emergency services obtained outside the plan's network.

Together, these new protections create an important foundation of patients' rights in the private health insurance market that puts Americans in charge of their own health. And Americans will have peace of mind, knowing that their health insurance will be there when they need it.

For more information about this rule, [read the fact sheet](#).

HHS will not enforce these rules against issuers of stand-alone retiree-only plans in the private health insurance market.

[Permalink](#)

Categories:

- [Health Conditions](#),
- [Insurance Coverage](#)

Tags:

- [Pre-Existing Conditions](#),
- [Families](#),
- [Patients Bill of Rights](#),
- [Lifetime and Annual Limits](#)