



PLATINUM PERSPECTIVE

SEPTEMBER 2010

How Will Healthcare Reform Affect You?

The provisions of “The Patient Protection and Affordable Care Act,” which was signed in March 2010, will take effect over the next decade. Here are a few of the changes that will occur during the next 12 to 16 months:

Health insurance reforms

During fall 2010, insurance companies will be required to allow children to remain on their parents’ health insurance plans until age 26.¹ In addition, it will be illegal for insurance companies to¹:

- Deny coverage for children under the age of 19 with pre-existing conditions (by 2014, pre-existing conditions will no longer be a basis for denying coverage to anyone)
- Place caps on lifetime coverage and new plans will not be allowed to limit annual coverage
- Discontinue coverage when an individual gets sick

Tax credits for small businesses

From 2010 through 2014, when state-based insurance exchanges are expected to become available, companies may be eligible to receive tax credits of up to 35 percent of their health insurance costs.²

Rebates for Medicare Part D participants

During 2010, seniors who spend enough on prescription drugs will receive a \$250 rebate that is intended to help close some of the gap in Medicare Part D coverage. In 2011, participants in the program will receive a 50 percent discount on name brand drugs.³

Free preventive care for Medicare patients

Starting in January 2011, there will be no co-payments or deductibles for preventive care services provided through Medicare.⁴



What is an Insurance Exchange?

Health insurance exchanges will be virtual marketplaces where individuals and small businesses can shop for insurance. Exchanges are expected to make purchasing easier by publicly disclosing information about insurance companies, including:

- Prices
- Quality
- Physician networks
- Hospital networks

Individuals and families whose income is below the poverty level (\$43,000 for an individual and \$88,000 for a family of four) and who do not have access to other affordable coverage will be eligible for tax credits if they purchase health insurance through an exchange.⁶

⁶www.healthcare.gov/news/factsheets/esthealthinsurexch.html

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Reinsurance for early retirees

From 2010 through 2014, the Early Retiree Reinsurance Program will provide reimbursement to employers for a portion of the costs of health benefits for early retirees and their spouses, surviving spouses and dependants.⁵

There are many ways to learn more about the provisions in the new law and I would be happy to discuss them with you. ■

¹ www.healthcare.gov/law/timeline/index.html

² www.irs.gov/newsroom/article/0,,id=223666,00.html

³ www.healthcare.gov/law/provisions/donuthole/donuthole.html

⁴ www.healthcare.gov/law/timeline/index.html

⁵ www.errp.gov/about_errp.shtml

Are You Paying Too Much?

During the past few years, Americans have begun to save more and spend less. It's a regimen that should lead to better financial health for many people. If you're searching for more ways to save, here are some ideas that can really pay off.

- **Review your cell phone plan.** We've all heard cautionary tales about the expense of exceeding our allotted minutes for talking and texting, so we tend to buy cell phone plans defensively. Once we have a plan, we rarely monitor our usage. Web sites, like BillShrink.com, make it easy to find the best plan based on your location and phone usage. Some people have discovered they were paying hundreds of dollars more than necessary each year.
- **Change your shopping habits.** New clothes cost a



bundle. However, there are ways to lower clothing costs significantly. First, if you like buying in retail stores, wait for end-of-season clearance sales when prices drop dramatically. Also, consider thrift and consignment shops. Jeans that cost \$50 to \$80 at retail cost about \$6 at Goodwill — and sometimes they still have the tags attached!

- **Explore low-cost travel options.** If you want to take a vacation but think it will be too expensive, visit a Web site like Priceline.com. By naming your own price, you may find quality hotel rooms for \$50 a night, rental cars for \$12 a day and inexpensive airfares. It all depends on your destination.

Saving money doesn't have to be painful, but it usually requires some additional time and thought. In most cases, it means changing habits that have become ingrained over the years. If you would like more suggestions for cutting costs, I would be happy to help you. ■

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