

Health Care Reform: Insurance Protections for Children with Pre-Existing Conditions

The Affordable Care Act prohibits insurance companies from limiting or denying benefits or coverage to a child younger than 19 simply because the child has a “pre-existing condition” or a health problem that developed before the child applied to join the plan.

Until now, health plans could refuse to accept anyone because of a pre-existing health condition, or they could limit benefits for that condition. **Now health plans that cover children can no longer exclude, limit, or deny coverage to your child under age 19 solely based on a health problem or disability that your child developed before you applied for coverage.** This new provision of the health care law applies whether or not your child’s health problem or disability was discovered or treated before you applied for health coverage. That is, your insurance company cannot exclude treatment for pre-existing conditions.

Some important things to know:

This new rule applies to all job-related health plans as well as individual health insurance policies issued after March 23, 2010. The rule will affect your plan as soon as it begins a “plan year” or a policy year on or after September 23, 2010. This provision applies to all existing employer plans but only to “non-grandfathered” individual plans.

A plan year is a 12-month period of benefits coverage under a group health plan. This 12-month period may not be the same as the calendar year. To find out when your plan year begins, you can check your plan documents (e.g., statement of benefits), ask your employer, or human resource representative. For individual health insurance policies this 12-month period is called a “policy year.”

The following example helps explain how this new provision works:

On October 1, 2010, Sally purchased a new individual health policy for herself and her 13-year-old child, Miranda, who has been treated for asthma in the past. The new health policy excludes coverage for treatment of pre-existing conditions for all enrollees. On November 1, 2010—one month after coverage began for Sally and Miranda—Miranda is hospitalized for an asthma attack. Her insurance company denies payment for the hospitalization, because under the policy, Miranda’s asthma is considered a pre-existing condition.

Under the new law, the insurer cannot deny payment for the hospitalization based on Miranda’s pre-existing asthma condition. Miranda is under the age of 19; Sally’s policy is new and therefore subject to the pre-existing condition rules of the new health care reform law. Sally’s policy year began after September 23, when the law’s rules on pre-existing conditions began to take effect.

Source: www.HealthCare.gov