Health Care Reform Affects Employer-Sponsored Insurance

Much of the public debate regarding health care reform concerns government-funded health insurance like Medicaid and exchanges, but changing health care laws will also affect the health insurance many Americans get through their employers. Therefore, any changes to current law must not make it harder for cancer patients and survivors to obtain, afford or use their job-based health insurance.

What is Employer-Sponsored Insurance and Who Has It?

Employer-sponsored insurance (ESI) is health insurance coverage offered through an individual's job as part of their benefits package. Many employers contribute an amount towards employees' premiums and may also offer coverage for employees' spouses, partners and dependents. Under current law, employers with 50 or more full time employees must provide health insurance to employees and their dependents, or face a financial penalty.

The majority of Americans receive health insurance coverage through an employer (this includes individuals enrolled through a spouse's or parent's employer), although this percentage has been trending downward. In 1999, 67 percent of non-elderly individuals were enrolled in ESI. As of 2014, this percentage dropped to 56 percent.[1] Research shows that individuals and families with lower incomes and individuals who work part-time are less likely than those with higher incomes or who work full-time to be offered and enrolled in ESI.[2]

Which Current Health Care Law Provisions Protect Cancer Patients and Survivors with Employer-Sponsored Insurance?

While ESI makes it easier to obtain health insurance coverage, enrollees with cancer and survivors still need several key patient protections to ensure they can get the care they need. These patient protections are essential in any health care system:

- **No Pre-Existing Condition Exclusions:** Prior to 2014, ESI plans were allowed to delay an employee enrollment in a plan, or exclude coverage for treatment related to a pre-existing condition under some circumstances. Cancer was frequently considered a pre-existing condition, and these actions left patients with gaps in coverage or high medical bills. ESI plans are now prohibited from imposing this exclusion.
- **No Rescissions:** Insurance plans are no longer able to drop an individual from the plan after they are diagnosed with a serious illness like cancer.
- **No Annual or Lifetime Caps:** ESI plans are no longer allowed to have annual or lifetime limits on the amount they will pay for a patient's health care. Before this protection was in place, some cancer patients reached their maximum limits and had to pay out-of-pocket for treatments for the rest of their plan year or maxed out their coverage entirely.
- **Out-of-Pocket Spending Limits*:** Current law includes limits on the amount an ESI enrollee must pay out-of-pocket in copays, coinsurance and pre-deductible expenses. Cancer treatment can be very expensive and many cancer patients are likely to meet their out-of-pocket maximums so these provisions keep treatment from becoming unaffordable.
- **Coverage Standards:** The "minimum essential coverage" standard ensures that health insurance plans include a basic level of benefits that all enrollees need. Plans that only provide discounts on health care services, or only cover care for certain diseases, do not count under this standard. Before this standard was in place, many cancer patients who thought they were

adequately insured discovered their plans did not cover their treatments.

- **Preventive Services*:** Current law requires ESI plans to cover preventive services and cancer screenings with no cost-sharing. This requirement makes it easier for employees and dependents to get needed preventive services like mammograms, colonoscopies and help quitting tobacco.
- **Rights to Appeal*:** If an ESI plan denies a claim or drops an enrollee from coverage, the enrollee has the right to appeal the decision internally and externally. Current federal law establishes this requirement and processes. Note that this requirement does not apply to enrollees in a grandfathered ESI plan.
- **Dependent Coverage:** Since 2010, ESI plans that offer dependent coverage have been required to offer coverage to policy holders' dependent children up to age 26. This provision is crucial to providing health insurance options for young adult cancer survivors and those needing cancer screenings and vaccinations.

*Note that these requirements do not apply to ESI plans that are grandfathered under the Affordable Care Act. For more information about grandfathered plans, see https://www.healthcare.gov/glossary/grandfathered-health-plan/.

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[1] Kaiser Family Foundation. *Trends in Employer-Sponsored Insurance Offer and Coverage Rates, 1999-2014.* March 21, 2016. Available at http://kff.org/private-insurance/issue-brief/trends-in-employer-sponsored-insurance-offer-and-coverage-rates-1999-2014/.

[2] Ibid.