

# The Affordable Care Act: No Limits on Your Health Benefits

## FACT SHEET

**The Patient Protection and Affordable Care Act provides you and your family with new protections, programs and resources. This law eliminates lifetime dollar limits or annual dollar limits on the essential health care benefits you can receive under your plan.**

### What it Means for You

Essential health care benefits include, but are not limited to, doctor office visits, hospital care and prescriptions.

Before the Affordable Care Act, many health plans could limit how much they would spend to cover your essential health benefits each year (“annual dollar limit”). Many health plans could also set a “lifetime dollar limit” on how much they would spend to cover your health benefits for the entire time you were enrolled in their plan. Anyone who had health care costs higher than these limits had to pay the amount that was over the limit.

The Affordable Care Act prohibits health plans from putting a lifetime dollar limit on your coverage. A health plan cannot limit the total it will spend to cover your benefits during the entire time you are enrolled in the plan. The new law applies to all employer-based group health plans (“group coverage”) and all individual insurance coverage you purchased for you and your family.

The Affordable Care Act limits then phases out annual dollar limits a health plan places on most of your benefits (see below). Annual limits will be eliminated entirely in 2014.

This law applies to all group coverage and individual coverage purchased after Sept. 23, 2010. However, this new law does not apply to individual coverage purchased on or before March 23, 2010, known as “grandfathered” individual coverage. Your health plan must state in its plan materials if it is a grandfathered plan.

The new law does not require your plan or policy to eliminate annual or lifetime dollar limits on spending for non-essential health benefits. Federal regulations will define essential and non-essential health benefits.

### Key Dates

Protections under the new law are effective as soon as you begin a new “plan year” or “policy year” on or after Sept. 23, 2010. A plan or policy year refers to a 12-month period of benefits coverage which may not be the same as the calendar year. Check with your plan to find out when your plan or policy year begins.

The new law phases out annual dollar limits for all plans except individual health insurance coverage purchased on or before March 23, 2010.

For health plan contracts and policies purchased on or before March 23, 2010, your health plan cannot have annual dollar limits on most benefits lower than:

- \$750,000—for a plan year or policy year starting on or after September 23, 2010, but before Sept. 23, 2011.
- \$1.25 million—for a plan year or policy year starting on or after September 23, 2011, but before Sept. 23, 2012.
- \$2 million—for plan years or policy years starting on or after Sept. 23, 2012, but before Jan. 1, 2014.

No annual dollar limits will be allowed on essential health care benefits in a plan year or policy year that begins on or after Jan. 1, 2014.

**For More Information:** For assistance, call the Help Center at 1-888-466-2219, email us at [helpline@dmhc.ca.gov](mailto:helpline@dmhc.ca.gov) or log onto [healthhelp.ca.gov](http://healthhelp.ca.gov).