During recent months, you may have read or heard about a new federal law dealing with health insurance coverage. That federal law is the Affordable Care Act ("ACA"). I am taking this opportunity to furnish you with some general information about the ACA and advise you that it will not have any immediate impact on your medical coverage provided through this Association.

The ACA provides that individuals will be able to purchase health insurance without regard to their health, and all pre-existing health conditions will be covered immediately. This is called guaranteed issue. Further, purchasers of such coverage will have no dollar limit on lifetime maximum benefits.

These guaranteed issue health insurance policies may be purchased through a health insurance exchange. The Exchange is scheduled to begin accepting applications October 1, 2013, with coverage to become effective January 1, 2014. Qualifying individuals obtaining coverage through the exchange may be eligible for premium tax credits to help with the cost of their insurance. These credits will vary depending upon the individual's income level.

There will also be insurance companies not participating in the exchange that will offer similar plans on a guaranteed issue basis. Premium tax credits will not be available for plans purchased outside the exchange.

With regard to your coverage through the Association, it will remain unchanged at this time. Benefits will remain the same, and premium rates are not expected to increase during 2014, except for normal anniversary date adjustments.

One aspect of the ACA is that individuals will be required to purchase coverage if they do not have health insurance or do not have coverage that meets certain minimum requirements of the ACA. This is called the ACA insurance mandate. A person without health insurance or without health insurance that meets the minimum requirements will face a financial penalty. The Association has been told that the coverage you now have through the Association currently meets the requirements of the ACA, and that will be the case at least through 2014. You, therefore, will not be required to purchase different coverage in order to avoid a financial penalty.

There are many aspects to the ACA that have not been addressed by the federal authorities. As a result, we are unable to provide you with more detail at this time. Updates will be posted here periodically.

More information about the coverage that will be available through the Exchange may be obtained by going to www.healthcare.gov/.

Lanny Craft
Executive Director