

— TOP TAKEAWAYS —

Pre-existing Conditions



THE AFFORDABLE CARE ACT CHANGED THE RULES ON PRE-EXISTING CONDITIONS

- The ACA requires “guaranteed issue,” meaning all insurance carriers must take all comers. No one can be denied coverage for any reason, including a poor health status or history.
- The law also requires “community rating,” meaning insurers cannot offer different prices based on health status or history. (In other words, they cannot charge sick people higher premiums.)

VERY FEW PEOPLE HAVE BENEFITTED FROM ACA RULES; MANY HAVE SUFFERED

- The Obama Administration and others claimed that 129 million Americans would be affected by the new rules, but this gross misrepresentation earned “**Four Pinocchios**” from the Washington Post fact checker.
- In reality, most Americans with pre-existing health conditions had access to affordable insurance coverage before the ACA.
 - **About half** of Americans are covered by employer plans, which were already prohibited from denying coverage or charging more based on health status, thanks to **HIPAA, a 1996 law**.
 - Medicare and Medicaid cover another **approximate third** of Americans. These programs that have never denied coverage or charged more based on health status.
 - The Americans who remain seek coverage in the individual (non-group) market. Data show that only about **500,000 people** could not access coverage due to their pre-existing condition before the ACA.
 - The rules on pre-existing conditions are the single biggest factor driving up insurance costs under the ACA, responsible for a **20-45% increase**. Overall, premiums **increased** from \$197 for individuals and \$426 for families to \$393 (99%) and \$1,021 (140%), respectively, in the ACA’s first three years.
 - Because of these rules, insurance companies experienced financial losses and many exited the ACA exchanges. Today **29%** of all ACA consumers have only one carrier left in their exchange.

THERE’S A BETTER WAY TO ADDRESS PRE-EXISTING CONDITIONS

States are in the best position to manage programs aimed at helping those with costly conditions and no other avenue to insurance coverage. For them, there should be a dependable safety net. To learn more, [read our full policy focus on Pre-Existing Conditions here](#).