



ASPE

ISSUE BRIEF

UNDER THE AFFORDABLE CARE ACT, 105 MILLION AMERICANS NO LONGER FACE LIFETIME LIMITS ON HEALTH BENEFITS

By:

Thomas D. Musco and Benjamin D. Sommers, ASPE

The Affordable Care Act prohibits health plans from imposing a lifetime dollar limit on most benefits received by Americans in any health plan renewing on or after September 23, 2010. While some plans already provided coverage with no limits on lifetime benefits, millions of Americans were previously in health plans that did not. According to the Kaiser Family Foundation's Employer Health Benefits Survey, 59 percent of all workers covered by their employer's health plan in 2009 had some lifetime limit placed on their benefits.¹ In addition, 89 percent of people with individually purchased coverage had a lifetime limit on benefits.²

The Department of Health and Human Services (HHS) estimated the number of Americans receiving these new protections, combining results from the 2009 Kaiser employer survey and 2009 America's Health Insurance Plans (AHIP) report with data from the 2009 to 2011 versions of the Current Population Survey (covering calendar years 2008-2010).³

Overall, we estimated that 70 million persons in large employer plans, 25 million persons in small employer plans, and 10 million persons with individually purchased health insurance had lifetime limits on their health benefits prior to the passage of the Affordable Care Act (Figure 1).⁴ These 105 million Americans now enjoy improved coverage without lifetime limits.

¹ Employer Health Benefits: 2009 Annual Survey, Washington, DC: Henry J Kaiser Family Foundation and Health Research & Educational Trust, September 2009.

² *Individual Health Insurance, 2009: A Comprehensive Survey of Premiums, Availability, and Benefits*, AHIP Center for Policy Research.

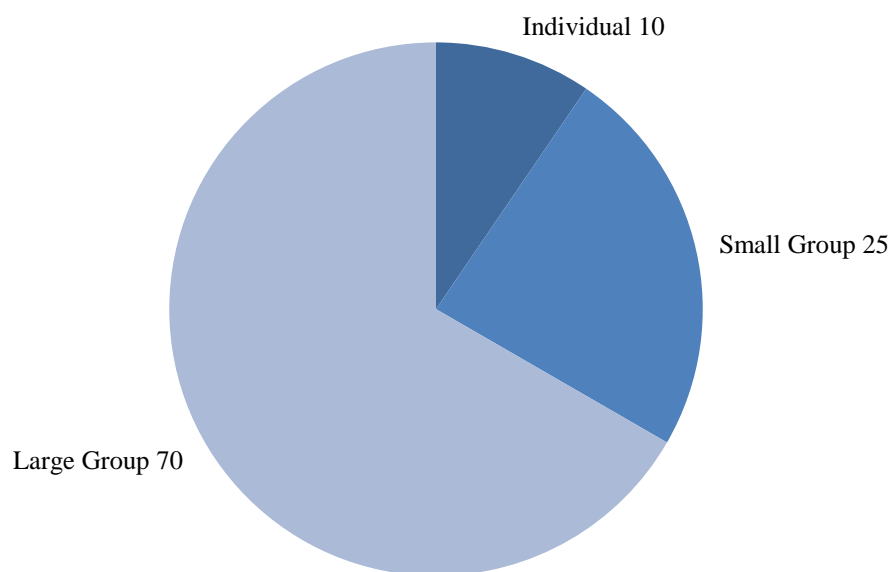
³ We used estimates of the percentages of individuals covered by small group and large group plans subject to lifetime limits (from the Kaiser employer survey cited in note 1), and an estimate for the non-group market from the AHIP survey cited in note 2, and multiplied these percentages by the number of individuals in each type of plan, as estimated from the Current Population Survey (CPS) Annual Social and Economic Supplement, 2009-2011 datasets. We then made the same calculations based on the number of individuals covered in each type of plan at the state level. Similarly, we used CPS data to estimate the distribution of small, large, and non-group coverage by race/ethnicity, and then used the Kaiser and AHIP results to estimate the number of people by race and ethnicity that benefited from the prohibition on lifetime limits.

⁴ Patient Protection and Affordable Care Act: Preexisting Condition Exclusions, Lifetime and Annual Limit, Rescissions, and Patient Protections, Interim Final Rule. Federal Register Vol. 75, No. 123, June 28, 2010

Among the 105 million Americans for whom lifetime limits have been eliminated as a result of the Affordable Care Act, 75.3 million are non-Latino White, 11.8 million are Latino, 10.4 million are African-American, 5.5 million are Asian, and approximately 500,000 are American Indian or Alaska Native (Figure 2).⁵ Approximately 28 million of those benefiting are children, with the remainder of the 105 million split almost equally between adult men and adult women (Figure 3). Approximately 15.9 million individuals lived in rural areas, with the remainder in urban areas.⁶

Table 1 presents totals by state.

Figure 1: Distribution (in millions) by Market of 105 Million Americans (Ages 0-64) Benefiting from the Affordable Care Act's Prohibition on Lifetime Limits

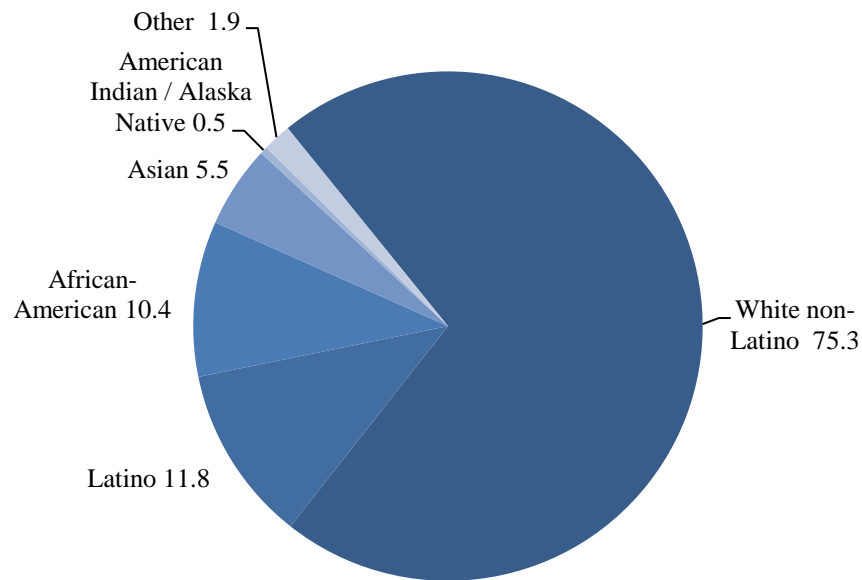


Source: ASPE analysis using data from the Employer Health Benefits: 2009 Annual Survey, Washington, DC: Henry J Kaiser Family Foundation and Health Research & Educational Trust, September 2009; *Individual Health Insurance, 2009: A Comprehensive Survey of Premiums, Availability, and Benefits*, AHIP Center for Policy Research; and 2009-2011 Current Population Survey Annual and Social Economic Supplements.

⁵ Race/ethnicity based on self-report from the Current Population Survey. White non-Latino, Black, Asian, and American Indian/Alaska Native groups exclude Latinos, who comprise their own category. 'Other' in Figure 2 contains any individuals not included in the first five categories (including biracial and multiracial individuals).

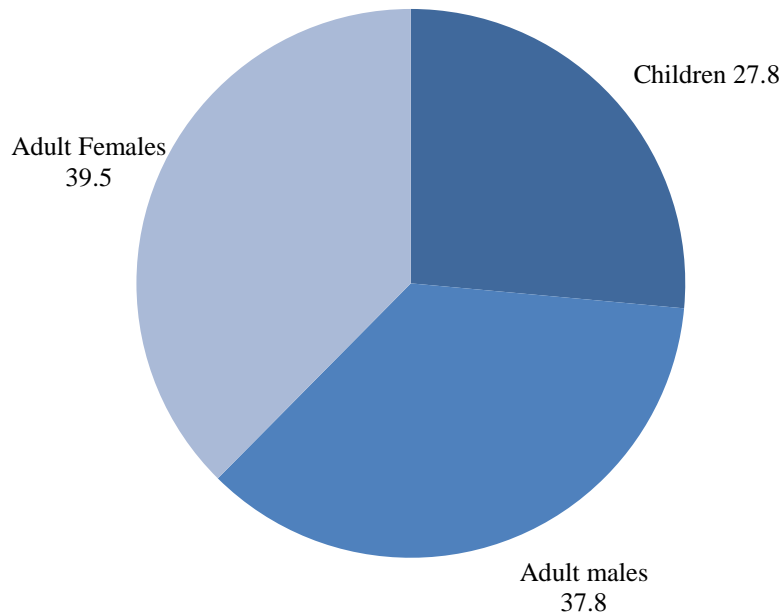
⁶ The method for this calculation was analogous to that described for race/ethnicity in Note 4. We used the Census definition in the CPS of living in a 'metropolitan area' as urban, and all others as rural.

Figure 2: Distribution (in millions) by Race/Ethnicity of 105 Million Americans (Ages 0-64) Benefiting from the Affordable Care Act's Prohibition on Lifetime Limits



Source: ASPE analysis using data from the Employer Health Benefits: 2009 Annual Survey, Washington, DC: Henry J Kaiser Family Foundation and Health Research & Educational Trust, September 2009; *Individual Health Insurance, 2009: A Comprehensive Survey of Premiums, Availability, and Benefits*, AHIP Center for Policy Research; and 2009-2011 Current Population Survey Annual and Social Economic Supplements.

Figure 3: Distribution (in millions) by Age/Gender of 105 Million Americans (Ages 0-64) Benefiting from the Affordable Care Act's Prohibition on Lifetime Limits



Source: ASPE analysis using data from the Employer Health Benefits: 2009 Annual Survey, Washington, DC: Henry J Kaiser Family Foundation and Health Research & Educational Trust, September 2009; *Individual Health Insurance, 2009: A Comprehensive Survey of Premiums, Availability, and Benefits*, AHIP Center for Policy Research; and 2009-2011 Current Population Survey Annual and Social Economic Supplements.

Table 1: Estimated Number of Americans (Ages 0-64) Benefiting from the Affordable Care Act's Prohibition on Lifetime Limits on Health Benefits, By State & Age/Gender

State	Children	Adult Males	Adult Females	Total
Alabama	396,000	561,000	609,000	1,566,000
Alaska	64,000	87,000	86,000	237,000
Arizona	570,000	752,000	769,000	2,091,000
Arkansas	219,000	313,000	333,000	865,000
California	3,255,000	4,389,000	4,448,000	12,092,000
Colorado	521,000	685,000	696,000	1,902,000
Connecticut	367,000	494,000	525,000	1,386,000
Delaware	86,000	113,000	121,000	320,000
District of Columbia	34,000	83,000	91,000	208,000
Florida	1,411,000	2,006,000	2,170,000	5,587,000
Georgia	916,000	1,145,000	1,256,000	3,317,000
Hawaii	115,000	174,000	173,000	462,000
Idaho	173,000	195,000	198,000	566,000
Illinois	1,192,000	1,735,000	1,743,000	4,670,000
Indiana	615,000	822,000	822,000	2,259,000
Iowa	311,000	443,000	433,000	1,187,000
Kansas	279,000	368,000	374,000	1,021,000
Kentucky	362,000	524,000	528,000	1,414,000
Louisiana	385,000	488,000	538,000	1,411,000
Maine	103,000	156,000	172,000	431,000
Maryland	585,000	794,000	872,000	2,251,000
Massachusetts*	633,000	912,000	975,000	2,520,000
Michigan	977,000	1,255,000	1,315,000	3,547,000
Minnesota	553,000	736,000	754,000	2,043,000
Mississippi	223,000	294,000	327,000	844,000
Missouri	581,000	775,000	792,000	2,148,000
Montana	81,000	122,000	116,000	319,000
Nebraska	192,000	252,000	257,000	701,000
Nevada	269,000	339,000	329,000	937,000
New Hampshire	140,000	197,000	208,000	545,000
New Jersey	877,000	1,183,000	1,214,000	3,274,000
New Mexico	148,000	194,000	213,000	555,000
New York	1,609,000	2,294,000	2,529,000	6,432,000
North Carolina	804,000	1,101,000	1,186,000	3,091,000
North Dakota	66,000	94,000	93,000	253,000
Ohio	1,100,000	1,512,000	1,542,000	4,154,000
Oklahoma	317,000	430,000	450,000	1,197,000
Oregon	342,000	485,000	529,000	1,356,000

Pennsylvania	1,136,000	1,677,000	1,769,000	4,582,000
Rhode Island	89,000	138,000	147,000	374,000
South Carolina	397,000	495,000	566,000	1,458,000
South Dakota	82,000	104,000	109,000	295,000
Tennessee	523,000	744,000	775,000	2,042,000
Texas	2,094,000	2,671,000	2,771,000	7,536,000
Utah	411,000	385,000	387,000	1,183,000
Vermont	46,000	82,000	87,000	215,000
Virginia	817,000	1,036,000	1,121,000	2,974,000
Washington	580,000	910,000	937,000	2,427,000
West Virginia	147,000	215,000	219,000	581,000
Wisconsin	580,000	771,000	791,000	2,142,000
Wyoming	54,000	73,000	69,000	196,000
Total	27,827,000	37,803,000	39,534,000	105,164,000

*Massachusetts previously permitted lifetime limits only on non-core benefits.

Source: ASPE analysis using data from the Employer Health Benefits: 2009 Annual Survey, Washington, DC: Henry J Kaiser Family Foundation and Health Research & Educational Trust, September 2009; *Individual Health Insurance, 2009: A Comprehensive Survey of Premiums, Availability, and Benefits*, AHIP Center for Policy Research; and 2009-2011 Current Population Survey Annual and Social Economic Supplements.