The goal of the Affordable Care Act (ACA) is to increase access to health care for all Americans.

As of January 1, 2014, ACA:

- Requires most **individuals** to have minimum essential **health coverage** or pay a penalty.
- Establishes **health insurance exchanges** (also called marketplaces) in each state to allow individuals without employer health coverage to purchase their own insurance.
- Provides tax credits (**subsidies**) for low-income individuals to pay for coverage through the health insurance exchange.
- Requires **employers** with 50 or more employees to pay a penalty if they do not provide **affordable coverage** of minimum value to full-time employees. (Enforcement delayed until January 2015.)
- Expands health coverage for adult **children to age 26** on their parents’ plan.
- Requires coverage of **preventive services** with no cost sharing such as copays and deductibles.*
- Broadens an individual’s **choice of doctors.***
- Prevents health plans from denying or charging more for coverage because of an individual’s **preexisting condition.**
- Limits **waiting periods** on health plans to no more than 90 days.
- Eliminates **lifetime and annual limits** for essential health benefits.
- Prevents health plans from **dropping an eligible individual’s coverage** except in cases of fraud.
- Broadens the **appeal process** for health coverage determinations and claims.*
- Requires health plans to provide a **summary of benefits and coverage** offered, including examples and a glossary of terms commonly used in health insurance.
- Allows health plans to increase **wellness incentives** from 20% to 30% of plan costs (or up to 50% if appropriate).
- Disallows reimbursement for **over-the-counter (OTC) drugs** from health savings accounts (HSAs), health reimbursement arrangements (HRAs) and health flexible spending accounts (FSAs).
- Limits to **$2,500** the amount of money an individual can contribute to a **health FSA.**
- Increases the **Medicare payroll tax** for high-income individuals.
- Requires employers to report the cost of an individual’s health care coverage on their **W-2 form.**

*Does not apply to grandfathered plans (health plans in existence on or before March 23, 2010 that have not significantly reduced benefits or increased participant costs).

Note: This fact sheet highlights the main provisions of ACA that affect American workers. The law contains other provisions affecting Medicare, insurance companies, employers and plan sponsors, and the health care industry. See www.healthcare.gov for more information.