

The Affordable Care Act: Curbing Insurance Rescissions and Cancellations FACT SHEET

The Patient Protection and Affordable Care Act provides you and your family with new protections, programs and resources. The Act prohibits a health insurer from cancelling coverage for honest mistakes on applications or medical history questionnaires.

What it Means for You

Under California and federal law, a health plan cannot rescind or cancel your coverage simply because you made an honest mistake on your application or about your health history.

A rescission means a health plan declares your health plan contract or policy invalid from the day it began.

California health care consumers have been protected from inappropriate rescissions for many years. The federal law provides similar protections to all Americans. The new law also limits the reasons for which a health plan can cancel your coverage going forward.

This provision applies to all health plans and types of coverage, including employer-based group health plans and individual health insurance coverage purchased for you and your family.

Your health plan can rescind your health coverage if you intentionally put false or incomplete information in your application. If the health plan rescinds your coverage, you may be required to pay back all of the money the health plan spent on your medical care.

If your health plan determines that you intentionally put false or incomplete information in your application, it must give you at least 30 days' notice before it can rescind your coverage. This allows you to appeal the decision or find new coverage without a lapse.

You can appeal a rescission of coverage by contacting the DMHC Help Center at 1-888-466-2219 or helpline@dmhc.ca.gov.

Key Dates

This provision applies to “plan years” or “policy years” that began 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.

For More Information: For assistance, call the Help Center at 1-888-466-2219, email us at helpline@dmhc.ca.gov or log onto healthhelp.ca.gov.