

The Affordable Care Act

The Affordable Care Act (ACA) is a federal law that makes it easier and more affordable for many Americans to get health insurance. The ACA also makes it a requirement for most people to have coverage. If you need to buy individual or family coverage, you can shop and compare plans through a centralized [health insurance Marketplace](#). For most people, the ACA requires that their health plan cover certain services and procedures, including free preventive care, as well as many other important benefits.

We've put together the basics that you need to know about the ACA, including your health plan options and your costs.

What Coverage Do I Need to Have?

Under the ACA, everyone must be enrolled in a health plan that offers “minimum essential coverage” or pay a penalty. Health coverage provided by your employer, an individual plan that you buy in a Marketplace, and public insurance plans like Medicaid and Medicare, all count as minimum essential coverage. If you can't afford coverage, you may be eligible for [financial help](#).

Why is there a penalty for not having insurance?

The ACA imposes a penalty that is intended to encourage as many people as possible to have coverage. The intent is that if more people have coverage, the risk of healthcare costs will be spread among a larger group, and costs will be lower for everyone.

How much is the penalty for 2017?

If you don't have coverage in 2017, you'll have to pay a penalty that is the higher of the following amounts:

- 2.5 percent of your yearly household income, or
- \$695.00 per adult and \$347.50 per child under 18 years of age.

And, in addition to the penalty, you'll still have to pay all of your own medical costs.

You can see examples of minimum essential coverage and [learn more about the penalty fee and maximum penalties](#).

How Do I Get Coverage? The Health Insurance Marketplaces

What are Health Insurance Marketplaces?

Marketplaces are one-stop shops where you can buy a private health plan, or apply for government health plans like Medicaid. They were created by the ACA. Think of the Marketplace as a website where you can shop and compare different plans all in one place. Keep in mind that if you already have minimum essential coverage through your employer, a family member's coverage or another plan, you're all set—you won't need to use a Marketplace.

How Do I Find a Marketplace?

Marketplaces are run by the federal government and some states, and in certain cases, states in partnership with the federal government. If you live in a state that has a Marketplace, you'll use that one. If your state does not have its own Marketplace, or if it offers one in partnership with the federal government, you can use the federal Marketplace.

You can find out if your state has its own Marketplace, and [locate its website](#) (scroll to the bottom of the page to find your state). The federal Marketplace is available at www.healthcare.gov.

When Can I Enroll?

You can sign up for a health plan through a Marketplace during an annual [open enrollment](#) period.

Typically, the open enrollment period starts in November and ends January of the following year. You can enroll online, by phone or in person. If you don't enroll by the end of open enrollment period, you can't enroll in a health insurance plan unless you qualify for a [special enrollment period](#).

Before the open enrollment period starts, you can start learning about your health coverage options by visiting finder.healthcare.gov.

What Do the Marketplace Plans Provide?

Each Marketplace sells "qualified health plans"—plans that meet a minimum level of coverage and cost-sharing. Every plan offered through a Marketplace needs to provide:

- *Essential Health Benefits.* These core benefits include coverage for behavioral health services, emergency services, maternity and newborn care and preventive/wellness services. A full list of essential health benefits is available [here](#).
- *Coverage for Preventive Care.* Preventive care can help you avoid health risks and reduce costs. One of the most important things to do is get regular preventive care, like immunizations and screenings. Check with your provider to find out which ones are appropriate for you and your family. All health plans offered through a Marketplace must cover certain preventive services at no cost; you don't even have to pay deductibles or copays. Learn more about [covered preventive care](#).
- *Levels of Cost-Sharing.* Cost-sharing the portion of your care that you pay for yourself, even if you are insured. Marketplace plans are grouped into five categories based on cost-sharing: Platinum, Gold, Silver, Bronze and Catastrophic. If you get a Platinum or Gold plan you will have lower deductibles, and pay less coinsurance and copays, than if you get a Silver or Bronze plan—but your monthly premium payments will be higher. A catastrophic plan is a special type of plan for people under 30 and those with "hardship exemptions." Catastrophic plans typically have lower monthly premiums but cover your medical costs only after you've used a lot of medical care—like care you would need for a serious illness or injury. On your Marketplace website, you will be able to compare each type of plan's cost-sharing and see what works best for you.

Remember, all plans will cover, at a minimum, the same essential benefits, like preventive care—the big difference will be how much you must pay.

What If I Can't Afford a Health Plan?

Most health insurance plans charge a monthly premium for coverage. If you get health insurance through an employer, your employer probably pays part of that premium and you pay the rest, usually through deductions from your paycheck.

If you enroll in a Marketplace plan, you will pay the entire premium yourself. But, you may qualify for financial help. The Marketplace website can tell you whether you're eligible and estimate how much you'll save. When you submit your application, it will be sent automatically to the right place to determine exactly how much financial help, if any, you can receive.

Premium Tax Credit

You may qualify for a premium tax credit to help you pay the plan premium if you are under age 65, and are not eligible for coverage through your employer, Medicaid or Medicare. Your income and family size also affect your eligibility for a premium tax credit.

You can learn more about tax credits by visiting the [healthcare.gov](https://www.healthcare.gov) glossary. The Kaiser Family Foundation offers a [Health Insurance Marketplace Calculator](#) that you can use to see what type of assistance may be available for you.

Medicaid and CHIP

Under the ACA, many states have expanded Medicaid to cover more people. If you live in one of those states, and your income is less than 138 percent of the federal poverty level for your family size (currently \$33,948 for a family of four), you will be able to enroll in Medicaid using the federal Marketplace at www.healthcare.gov.

The Children's Health Insurance Program (CHIP) offers low cost health insurance coverage for children as well as for some parents and pregnant women. You can find more information about CHIP by visiting:

- <https://www.healthcare.gov/medicaid-chip/childrens-health-insurance-program>
- <http://www.healthcare.gov/are-my-children-eligible-for-chip/>

Your Action Plan: Get Your Affordable Care Act Together

If you don't have health coverage and you don't want to pay a penalty for being uninsured, start thinking about buying coverage through a Marketplace.

- Find out if your state has its own Marketplace, and locate its website, by visiting <https://www.healthcare.gov/marketplace-in-your-state/>
 - If your state does not have a marketplace, you can use the federal marketplace at www.healthcare.gov.
- Do your homework! Start reading up on the coverage options and plans available in your area by visiting finder.healthcare.gov.
- Learn [insurance basics](#).
- Helpful Links:
 - [Healthcare.gov](http://www.healthcare.gov)
 - [Kaiser Family Foundation Health Reform Source](#)

- [Find a community health center near you](#) if you do not have insurance
- Learn more about:
 - Health Insurance Marketplaces (Exchanges): <https://www.healthcare.gov/quick-guide/>
 - [Essential health benefits](#)
 - [Essential minimum coverage](#)
 - [Premium tax credits](#)
 - [Preventive services](#) that may be covered at no cost.

Being in the know about the ACA can help you make smart decisions and get the coverage that's right for you and your family!