

The Affordable Care Act: What You Need To Know



The Affordable Care Act (ACA) of 2010 makes it easier for many Americans to get health insurance. It also expands the services and procedures that health plans need to cover. For many people, the ACA means that your health plan will provide free preventive care. Or, if you need to buy individual coverage, you'll be able to shop and compare plans through a centralized "Health Insurance Exchange."

The law covers such a wide range of issues that it's hard to understand just what it will mean for you. So, we've put together the basics that you'll need to know about how the law will affect your coverage, your health plan options and your costs.

When Does the Law Start?

Some of the ACA's reforms and consumer protections have already started. Most will take effect by January 1, 2014. For instance, if you don't have health coverage through your employer or a public plan like Medicare or Medicaid, you will need to purchase coverage by January 1, 2014 or pay a penalty.

For some requirements, the federal government has extended the deadline. For example, large employers will have to offer health coverage to their workers, or pay a penalty. Employers now have until 2015 to comply with that rule.

What Coverage Will I Need to Have?

By January 1, 2014, everyone must have "minimum essential coverage" or pay a penalty. Health coverage provided by your employer, an individual plan that you buy, and public insurance like Medicaid 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?

When you are uninsured and cannot pay for healthcare services, others indirectly have to foot the bill. The ACA is intended to encourage as many people as possible to have coverage in order to spread the risk among a large group and minimize costs for everyone.

How much is the penalty?

The penalty is based on income and starts at \$95 per adult and \$47.50 for each child in 2014. And of course, in addition to the penalty, you will 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 by visiting <https://www.healthcare.gov/what-if-someone-doesnt-have-health-coverage-in-2014/>.

How Do I Get Coverage? The Health Insurance Exchanges (Marketplaces)

What are Health Insurance Exchanges?

Starting on October 1, 2013, you will be able to buy a health plan using a “Health Insurance Exchange” or “Health Insurance Marketplace.” Think of the Exchange as a centralized website where you can shop and compare different plans. Keep in mind that if you already have minimum essential coverage through your employer, a family member or another plan, you’re all set - you won’t need to use an Exchange.

How Do I Find an Exchange?

Exchanges will be run by some states, the federal government, and in some cases, states in partnership with the federal government. If you live in a state that is running its own Exchange, you will use that one. If your state will not have its own Exchange, or if it will offer one in partnership with the federal government, you can use the federal Exchange.

You can find out if your state will run its own Exchange, and locate its website at:

<https://www.healthcare.gov/what-is-the-marketplace-in-my-state/> (scroll to the bottom of the page to find your state). The federal Exchange is available at www.healthcare.gov.

When Can I Enroll?

You can sign up for a health plan on the Exchange during an “open enrollment” period. Open enrollment starts on October 1, 2013 and ends on March 31, 2014. You can enroll online, by phone or in person.

If you want your coverage to begin on January 1, 2014, you must sign up by December 15, 2013. If you enroll between December 16, 2013 and March 31, 2014, as long as you sign up by the 15th of the month, your coverage will begin on the first of the next month.

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



What Do the Exchange Plans Provide?

Each Exchange will sell “qualified health plans” – plans that meet a minimum level of coverage and cost-sharing. Every plan on the Exchange will need to meet these requirements:

Essential Health Benefits

Qualified health plans must offer a core set of benefits. These include coverage for behavioral health services, emergency services, maternity and newborn care and preventive/wellness services.

Starting on January 1, 2014, all health plans, even those that are not sold on an Exchange, must cover essential health benefits. A full list of essential health benefits is available at <https://www.healthcare.gov/glossary/essential-health-benefits/>.

Coverage for Preventive Care

Taking care of our health is often the best way to reduce our health risks – and our health costs. One of the most important things we can do is get regular preventive care, like immunizations and cancer screenings. Some health plans already cover a range of preventive services at no cost to you – even if you haven't met your deductible, or usually have co-pays for other services. All health plans on the Exchange will cover certain preventive services at no cost.

New health plans created after the ACA was signed on March 23, 2010, or plans that have changed their coverage since then, are already required to cover preventive services for free. Older plans that have stayed the same since the law was signed are considered "grandfathered." These plans don't have to cover free preventive services yet, but they will on January 1, 2014. If you aren't sure if you have a grandfathered health plan, review your plan documents, check with your employer or contact your plan.

Levels of Cost-Sharing

Most plans require cost-sharing: you pay for a portion of your care, and your insurer covers the rest. Qualified health plans are grouped into four categories of cost-sharing: Platinum, Gold, Silver and Bronze. Monthly premium payments are higher for Platinum and Gold plans than for Silver and Bronze plans, but they also offer lower deductibles, co-insurance and co-pays. On your Exchange website, you will be able to compare all of these costs and see what type of plan works best for you.

Remember, all plans will cover, at a minimum, the same essential benefits – the big difference will be how much you pay.

What If I Can't Afford a Plan?

When you enroll in a health plan, you generally pay a premium to your health insurance company for health coverage. When you get health insurance through an employer, the employer generally pays a portion of the premium and you pay the rest, usually through regular deductions from your paycheck.

If you buy a plan through an Exchange, you will pay the cost yourself. But, you may qualify for financial help – and you won't have to figure out whether you're eligible on your own. When you submit your application, it will automatically be sent to the right place to determine what kind of financial help, if any, you can receive.

Premium Tax Credit

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

You can learn more about tax credits by visiting <https://www.healthcare.gov/glossary/premium-tax-credit/>. The Kaiser Family Foundation offers a helpful subsidy calculator at <http://kff.org/interactive/subsidy-calculator/> that you can use to see what type of assistance you may qualify for.

Medicaid and CHIP

Under the ACA, many states will be expanding Medicaid eligibility to more people. If you live in one of them, and your income is less than 138% of the federal poverty level (currently \$32,500 for a family of four), you will be able to enroll in Medicaid using the federal Exchange 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 <http://www.healthcare.gov/are-my-children-eligible-for-chip/>.



Your Action Plan: Get Your Affordable Care Act Together

If you won't have health coverage by January 1, 2014 and you don't want to pay a penalty fee for being uninsured, start thinking about buying coverage through an Exchange.

- Find out if your state will run an Exchange, and locate the Exchange website, by visiting <https://www.healthcare.gov/what-is-the-marketplace-in-my-state/> or the Kaiser Family Foundation website at <http://kff.org/state-health-exchange-profiles/>.

If your state will not have an Exchange, you can use the federal Exchange at www.healthcare.gov starting October 1.

- Do your homework! Start reading up on the coverage options and plans that will available in your area by visiting finder.healthcare.gov.
- Use our FH Reimbursement 101 guides to learn insurance basics:
 - How to Choose the Right Plan for You
 - Cost- Sharing: Know What You May Owe
 - Understanding High Deductible Health Plans
 - Alphabet Soup of Health Plans
- Learn more from:
 - Healthcare.gov
 - Kaiser Family Foundation Health Reform Source: <http://healthreform.kff.org/>
 - *Consumer Reports*:
http://www.consumerreports.org/health/resources/pdf/ncqa/The_Affordable_Care_Act-You_and_Your_Family.pdf
 - FamiliesUSA.org
 - A community health center near you (which will have information about the ACA) by visiting: <http://www.hrsa.gov/getthehealthcare/affordable/index.html>
- Learn more about:
 - Health Insurance Exchanges (Marketplaces):
<http://www.healthcare.gov/law/features/choices/exchanges/index.html>
 - Essential health benefits: <https://www.healthcare.gov/glossary/essential-health-benefits>
 - Essential minimum coverage: <https://www.healthcare.gov/what-if-someone-doesnt-have-health-coverage-in-2014/>
 - Premium tax credits: <https://www.healthcare.gov/glossary/premium-tax-credit/>
 - Preventive services that may be covered at no cost: <https://www.healthcare.gov/what-are-my-preventive-care-benefits/>

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!

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