



Health Care Reform Information to **Know**



**Premium
Assistance**
For Healthcare
Coverage



Prepared specifically for Pasco County
Employees and Family Members



Health Care Reform: Marketplace Subsidies, Medicaid and CHIP

Under the Affordable Care Act (ACA), uninsured individuals are required to buy insurance or face a tax penalty. When you use a health insurance marketplace (Marketplace), you may be able to get lower costs on monthly premiums or out-of-pocket costs, or get free or low-cost coverage.



Understanding Health Care Reform & You

Subsidized coverage is available to individuals and families with household incomes up to 400 percent of the federal poverty level.

Subsidized coverage—or coverage that’s obtained through financial assistance from programs to help people with low and middle incomes—is available to individuals and families with household incomes up to 400 percent of the federal poverty level.

You can save money in the Marketplaces three ways. All of them depend on your income and family size.

1. You may be able to lower costs on your monthly premiums through tax credits when you enroll in a private health insurance plan.
2. You may qualify for lower out-of-pocket costs for copayments, coinsurance and deductibles.
3. You or your child may get free or low-cost coverage through Medicaid or the Children’s Health Insurance Program (CHIP).

Tax Credits for Premiums

By far the most widely available subsidy is the Advance Premium Tax Credit, which helps people cover the gap between the cost of their premium and what they can afford to pay.

The ACA requires households participating in the Marketplaces to put a certain percentage of their income towards the cost of health insurance. The exact percentage households need to pay is graduated up to 400 percent of the federal poverty level (FPL), with people at that percentage level required to pay the most and people at 100 percent of the federal poverty level required to pay the least. A rough guide to the graduated percentage is as follows:

Income Level	Premium as a Percent of Income
Up to 133% FPL	2% of income
133-150% FPL	3 – 4% of income
150-200% FPL	4 – 6.3% of income
200-250% FPL	6.3 – 8.05% of income
250-300% FPL	8.05 – 9.5% of income
300-400% FPL	9.5% of income

Source: Kaiser Family Foundation

The percentage of income that households are required to pay, however, may not be enough to cover the cost of the insurance policy. That's where the Advanced Premium Tax Credit steps in, covering the amount between what households are required to pay and the cost of the insurance policy.

Premium tax credits are both refundable and advanceable. A refundable tax credit is available to a person even if he or she has no tax liability. An advanceable tax credit allows a person to receive assistance at the time that he or she purchases insurance rather than paying his or her premium out of pocket and waiting to be reimbursed when filing an annual income tax return.

There are several online calculators available to help you estimate the size of your premium tax credit and the percentage of your income relative to the poverty level. In general, people at the following income levels will qualify to save in 2014. (The amounts below are based on 2013 numbers and are likely to be slightly higher in 2014.)

- Up to \$45,960 for individuals
- Up to \$62,040 for a family of 2
- Up to \$78,120 for a family of 3
- Up to \$94,200 for a family of 4
- Up to \$110,280 for a family of 5
- Up to \$126,360 for a family of 6
- Up to \$142,440 for a family of 7
- Up to \$158,520 for a family of 8

Reduced Out-of-pocket Costs

In addition to the Advance Premium Tax Credit, households that earn up to 250 percent of the federal poverty level may be eligible for cost-sharing subsidies. These subsidies are designed to help lower out-of-pocket costs.

Health insurance companies offering coverage through the Marketplace must lower the amount you pay out of pocket for essential health benefits if your household income is below the following amounts. (Incomes below are based on 2013 numbers. They are likely to be slightly higher in 2014.)

- Up to \$28,725 for individuals
- Up to \$38,775 for a family of 2

- Up to \$48,825 for a family of 3
- Up to \$58,875 for a family of 4
- Up to \$68,925 for a family of 5
- Up to \$78,975 for a family of 6
- Up to \$89,025 for a family of 7
- Up to \$99,075 for a family of 8

Reduced cost-sharing is only applicable to Silver plans. If you qualify for out-of-pocket savings, you must choose a Silver plan to get the savings.

Medicaid Eligibility

Medicaid is the nation's health insurance program for low-income individuals and families. Medicaid covers a continuum of long-term care services in a variety of settings, including home and community-based care and institutional care, like nursing homes. To qualify for Medicaid long-term care services and supports, individuals must be low-income or must have incurred health expenses that have caused them to "spend down" their incomes to Medicaid eligibility levels.

Under the ACA, states have the option of expanding Medicaid to households making up to 138 percent of the poverty line. However, these are the minimum thresholds for Medicaid expansion. The rules for Medicaid eligibility are different for each state. States can choose to offer Medicaid to households with a higher income. Conversely, states can choose not to participate in the Medicaid expansion.

To determine your eligibility for Medicaid under the ACA, visit your state's Medicaid Web page.

CHIP Eligibility

CHIP provides low-cost health coverage to children in families that earn too much money to qualify for Medicaid. In some states, CHIP covers parents and pregnant women. Each state offers CHIP coverage, and works closely with its state Medicaid program. Check with your state for more information about covered services.

Each state program has its own rules about who qualifies for CHIP.

To see if you if your children qualify, visit www.insurekidsnow.gov.

Source: Healthcare.gov



Prepared by



Gallagher Benefit Services, Inc.