

coveredshasta



10 Most Frequently Asked Questions About the Affordable Care Act

#1 What is health care reform?

The term “health care reform” refers to the Patient Protection and Affordable Care Act - the federal law passed in 2010. These laws are intended to help more people get affordable health care coverage and receive better medical care.

#2 Who has to buy health insurance?

The Affordable Care Act requires most U.S. citizens and legal immigrants to have a basic level of health coverage starting January 1, 2014.

Certain individuals are exempt from the individual mandate to purchase health coverage. These include:

- People who would have to pay more than 8% of their income for health insurance
- People with no tax filing requirement
- People who qualify for religious exemptions
- Undocumented immigrants
- Members of Native American tribes
- People who are incarcerated
- People with a financial hardship or who fall into short coverage gaps

#3 What If I don't buy health care coverage?

There will be a penalty for people who are not covered and do not fall into one of the categories above.

The penalty phases in for three years and becomes increasingly more costly. In 2014, the penalty will be 1% of annual income or \$95, whichever is greater. By 2016, the penalty will be 2.5% of your annual income or \$695. This means that if you do not have coverage in 2014, you may be required to pay a penalty when you file your taxes at the end of the year.

#4 What do I need to do now?

It depends. If you have health coverage that you like and you can afford - nothing. If you have Medicare, the Affordable Care Act protects your existing coverage. Medicare will now cover more preventative services, including mammograms and colonoscopies, and help you save on prescription drugs. If you'd like to see what else is available - visit Covered California to compare plans and costs. Income tax credits and subsidies will be available to reduce premiums. If you have a low income and have trouble paying for basic necessities, call 1-877-652-0731 to find out what coverage you are eligible for.

#5 What is the Exchange?

Often referred to as “the Exchange,” Covered California is an online marketplace that makes it easy to compare and choose health plans from established insurance companies. Covered California is the *only* place where the federal government will provide you income tax credits and subsidies based on income and household size. Covered California's exchange opens in October 2013 and coverage purchased there will be effective January 1, 2014 or later. Consumers who qualify for no-cost health coverage will be transferred to their County to complete their application.

#6 Do I have to buy from the Exchange?

No, not necessarily. Covered California is just one of the ways people can shop for health coverage. People can still get coverage through their employer, through Medicare, or directly from an insurance company. To apply for income credits or subsidies, you **must** purchase coverage through the Exchange.

You are:	You qualify for:
 An individual making less than \$15,856 ¹	Medi-Cal, a free government program
 An individual making \$15,857 - \$28,725 ²	Help in paying out-of-pocket costs like deductibles and co-pays You also qualify for a tax credit that will lower the amount of your monthly premium
 An individual making \$28,726 - \$45,960 ³	A tax credit that will lower the amount of your monthly premium
 An individual making over \$45,960 ⁴	You do not qualify for government assistance, but you are still eligible to buy health insurance through Covered California
 A family of four making less than \$32,499 ¹	Medi-Cal, a free government program
 A family of four making \$32,500 - \$58,874 ²	Children qualify for Medi-Cal; parents receive help in paying out-of-pocket costs, and a tax credit that lowers the amount of your monthly premiums
 A family of four making \$58,875 - \$94,200 ³	A tax credit that will lower the amount of your monthly premium
 A family of four making over \$94,200 ⁴	You do not qualify for government assistance, but you are still eligible to buy health insurance through Covered California

¹138% FPL

²138-250% FPL

³250-400% FPL

⁴400% FPL (Federal Poverty Level)

Federal Poverty Level (FPL) is a set minimum amount of gross income that a family needs for basic necessities.

#7 What if I can't afford to buy insurance?

Income tax credits are available to reduce the cost of premiums. The amount of the credit is determined by a person's income level and family size. In addition, cost-saving reductions will be available to reduce direct out-of-pocket expenses. The chart above includes some basic income eligibility guidelines.

Individuals or families with low incomes (138% FPL and under) may be eligible for no-cost health coverage through Medi-Cal. Find out what you're eligible for, by calling your local office at 1-877-652-0731 or going online to www.coveredca.com.

#8 Can anyone - even people with pre-existing conditions - get coverage?

Yes, anyone can get coverage. Insurance companies can *no longer deny coverage* to anyone with a pre-existing medical condition, and you don't have to pass a medical exam to qualify for coverage.

#9 I'm healthy. Why do I need insurance?

Health insurance gives you access to important preventative care - helping you *stay* healthy, reducing the number of sick you must take and helping you enjoy your work and personal life. It also means you don't have to worry about being able to afford a doctor when you need one. Many preventative services like check-ups, immunizations and flu shots will now be covered at no-cost. Insurance protects you from the huge cost of medical bills in the event of an accident or emergency.

Increasing the number of insured people in our community reduces health care costs for everyone.

#10 Why do we need health care reform?

The law puts into place comprehensive health insurance reforms that:

- Increases access to healthcare for millions of Americans
- Establishes new consumer protections
- Improves quality and lowers the cost of healthcare

Visit www.coveredshasta.com or call 1-877-652-0731 to enroll today!