



The New Healthcare Law and You

What is a **HEALTH INSURANCE EXCHANGE** and how will it affect your health costs?

The Affordable Care Act (ACA) became law in March 2010. ACA changes take place between now and 2014. The new law will create a competitive marketplace in 2014 where most Americans can shop for health insurance.

The online insurance marketplace is called an exchange. Exchanges are a helpful tool to show you coverage choices that are easy to compare. Because you can see the differences, you can buy the right insurance for you and your family. It will not force you to change insurance, buy a certain type of insurance, or buy from a certain insurer.

When you visit the exchange, you will be able to:

- Easily compare health insurance plans based on what they cover and how much they cost
- Find out if you can get any help paying for insurance (called a subsidy)
- Find out if you are eligible for Medicaid
- Buy the best health insurance for you and your family

When can I buy insurance on an exchange?

You can buy insurance on an exchange starting January 1, 2014.

Who can buy insurance on an exchange?

- Individuals and families who buy their own insurance. This means they do not get it from an employer or some other program such as Medicaid or Medicare.
- Employers with less than 100 employees can buy insurance for themselves and their employees.
- Members of Congress and their staff must buy insurance on an exchange if they choose to get insurance through their job.

Who cannot buy insurance on an exchange?

Employers with more than 100 employees.

How much will insurance cost me on the exchange?

- The cost of your insurance will depend on:
 - The level of coverage you choose
 - How many people are in your family
 - Where you live
 - If you are a tobacco user
 - How old you are
- Insurers will not be allowed to charge you more based on your gender or health status.

Will I have to buy my insurance on an exchange?

- No. Buying insurance on an exchange is a choice. You can also get insurance:
 - Through your employer, if it is offered
 - Directly from an insurer
 - Through a group such as a union

What will my insurance choices on an exchange be?

Your choices will depend on which insurers participate in your exchange, and how your exchange is set up.

- ALL exchanges will offer plans that:
 - Cover 'essential health benefits.' Essential benefits are basic services that the U.S. Department of Health and Human Services says everyone needs, like doctor's office and clinic visits, tests, emergency services, prescription drugs, and maternity care.
 - Offer at least two coverage levels:
 - > *Silver*: pays for 70% of all covered medical services
 - > *Gold*: pays for 80% of all covered medical services
 - Pay 100% of the cost of preventive services such as immunizations and certain health screenings.
- Some exchanges may offer up to five coverage level options, which can include:
 - *Catastrophic* (available for people under 30) which would cover:
 - > Three primary care visits a year
 - > 100% of the cost of preventive care
 - > Essential health benefits once you have reached a deductible (Currently: \$5,950/individual)
 - *Bronze*: pays for 60% of all covered medical services
 - *Silver*: pays for 70% of all covered medical services
 - *Gold*: pays for 80% of all covered medical services
 - *Platinum*: pays for 90% of all covered medical services

Will each state have its own exchange?

Each state has the freedom to create an exchange that fits the needs of its residents. A state can choose to create one statewide exchange, several regional exchanges, or share an exchange with another state. A state can also choose not to have an exchange. If a state chooses not to have an exchange, people that live in that state can buy insurance on a federal exchange.

Will I be able to afford the insurance offered on the exchange?

One goal of the exchanges is to create competition between insurers in order to lower costs.

- The exchange will help you find out if you can get assistance with the insurance premium. For example:
 - If you make less than 400% of the federal poverty level (\$43,560/individual, \$89,400/family of four), you qualify for a subsidy. The subsidy will help pay part of your insurance premiums. The amount of your subsidy is based on:
 - > How many people are in your family
 - > Your income
 - > Where you live
 - If you get a subsidy you will not spend more than 9.5% of your income on insurance premiums. For example, if you make \$30,000 you will not pay more than \$2,850 for insurance premiums.
 - If you make 133% or less of the Federal Poverty Level (\$14,484/individual, \$29,726/family of four), you will qualify for Medicaid insurance. People on Medicaid do not pay premiums but they may have to pay co-pays.



This is part of a series about the new health care law — the Affordable Care Act. For more information, visit reform.healthfoundation.org

The Health Foundation of Greater Cincinnati is an independent non-profit dedicated to improving community health through grants, evaluation and education. The Foundation works in Cincinnati and 20 surrounding counties in Indiana, Kentucky and Ohio.

