

Insure The Uninsured Project

ObamaCare: A Guide to the Affordable Care Act (ACA)



Main Goals of ObamaCare:

1. Increase health care coverage
2. Reduce health care costs and improve affordability
3. Improve people's health



2013 Federal Poverty Levels

Household size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	\$15,510	\$20,628	\$23,265	\$31,020	\$46,530	\$62,040
3	\$19,530	\$25,975	\$29,295	\$39,060	\$58,590	\$78,120
4	\$23,550	\$31,322	\$35,325	\$47,100	\$70,650	\$94,200
5	\$27,570	\$36,668	\$41,355	\$55,140	\$82,170	\$110,280
6	\$31,590	\$42,015	\$47,385	\$63,180	\$94,770	\$126,360

Medi-Cal

Under the ACA in California, **all U.S. citizens and legal permanent residents will be eligible for Medi-Cal on January 1, 2014 if their income is up to 133% FPL.** These individuals are called “newly eligible” and will include parents, and adults without children. Pregnant women will have coverage up to 200% FPL, and children up to 250% FPL.

For families and individuals, other than the aged and disabled, eligibility will be determined based on a person's modified adjusted gross income (MAGI). This is the same method used for counting income when households file taxes. There will also be no asset test for these groups unless they would like long-term care services.

For seniors, people with disabilities, people needing long-term care, people eligible for both Medicare and Medicaid, and individuals in the Medically Needy program the enrollment process and rules will remain the same. Individuals without legal permanent residence may be eligible for limited scope benefits for emergency care and pregnancies.

Covered California

Covered California is our state's new health insurance exchange. It is a marketplace for people to shop for affordable health insurance coverage. The marketplace will offer online educational tools, price calculators and information about how to receive financial assistance to make coverage more affordable. Covered California will allow people to make apples-to-apples comparisons of health insurance plans. **Only citizens and legal permanent residents are able to buy coverage through Covered California. More information is available at www.coveredca.com.**

In Covered California, the federal government will help individuals pay for a portion of their health insurance by providing premium subsidies. These subsidies will be based on income so that households with lower incomes receive more assistance. These subsidies will help most middle and lower-income families to pay for health insurance if they do not qualify for Medi-Cal, and have incomes between 133% and 400%FPL. The federal government will also provide subsidies that reduce co-pays and any deductibles for households at or below 250% FPL. So, in addition to reduced premium costs, these individuals will have lower co-pays when they see a health care provider or have a prescription filled.

Consumers will be able to buy different tiers of health insurance. **Health plans will offer bronze, silver, gold, & platinum levels of coverage in Covered California.** Each metal level will have the same benefits but will cover a different amount of a person's expected medical cost for the year. **Benefits will include hospitalizations, doctor visits, prescription drugs, mental health services, and others. (Continued on the other side.)**



Covered California (cont'd.)

The metal tiers will cover the following costs:

- **Bronze** plans will cover 60% of a person's expected medical costs
- **Silver** plans will cover 70%
- **Gold** plans will cover 80%
- **Platinum** plans will cover 90%
- **Catastrophic plans** will be available for those under 30 or with a financial hardship exemption

The higher the metal level, the higher the plan's monthly premium will be. So, if a person spends more each month on premiums, he/she will spend less money in co-pays when they visit the doctor. If a person spends less money each month on premiums, he/she will spend more money in co-pays when they visit the doctor.

People can only buy health insurance during a specified time called **open enrollment**. Insurance will also be available if someone encounters a special circumstance, such as marriage, divorce, childbirth, loss or change of employment. **Open enrollment for Covered California plans will be from October 1, 2013 to March 31, 2014.** Coverage will begin on January 1, 2014 if you apply by December 15, 2013.

Simplified Enrollment

CalHEERS, a new online system, will help to determine if someone is eligible for Medi-Cal or for buying health coverage through Covered California. This determination will be based on an individual's household size, age & income. Individuals can select their own plan and level of coverage. Individuals can also apply for both Medi-Cal and Covered California by mail, phone and in-person at county social service offices, clinics, doctor's offices, hospitals, broker's offices and others.

Other Health Options

Individuals who do not qualify for Medi-Cal or Covered California may be eligible for other health programs, emergency Medi-Cal or may receive care at community clinics.

In San Luis Obispo County, the **County Medical Services Program (CMSP)** provides payment for medical care on a 'medical necessity' basis for uninsured, low-income adults between the ages of 21 and 64 years. To see if you are eligible, call: 805-781-4838.

SLO Noor Foundation Free Clinic, located in San Luis Obispo, provides free health care to uninsured people. To make an appointment, call: (805) 439-1797.

Community Health Centers of the Central Coast (CHCCC) provides health care to all persons through a network of clinics throughout the county, including free and sliding fees depending upon income level. To find a clinic near you, visit: www.communityhealthcenters.org.

Insurance Market Reforms:

With the ACA, insurance companies must follow new rules, including:

- Covering preventive services without co-pays
- Allowing children (dependents) under the age of 26 to stay on their parent's plan.

In 2014, other rules will take effect. Insurance companies will be required to sell insurance to *everyone* during open enrollment, and they must also renew that coverage. Individuals will no longer be denied coverage based on pre-existing conditions (e.g. diabetes, asthma). Also, plans can only vary the cost of insurance based on geography, family size, and age.

Individual Mandate:

The ACA requires that everyone have health insurance in 2014. If an individual does not have health insurance and is not exempt from the individual mandate, then he/she will have to pay a penalty fee as described below:

- \$95 or 1% of income in 2014
- \$395 or 2% of income in 2015
- \$695 or 2.5% of income in 2016 and thereafter

**Note: The individual must pay the amount that is higher.*

An individual can be exempt from paying the penalty fee due to financial hardship* or a religious exemption.

**A financial hardship is when the most affordable insurance option exceeds 8% of household income. Or, the household income is below the tax-filing threshold.*