

# Top 10 Questions

about Individual coverage under the Affordable Care Act



An Independent Licensee of the Blue Cross and Blue Shield Association

## 1 What is the Affordable Care Act (ACA)?

The ACA is the federal healthcare reform law that was passed in March 2010. Since its passage, many federal regulations have also been enacted to implement the details and requirements. These laws are intended to make health insurance benefits more accessible to more people. The ACA requires most people over the age of 18 to have health coverage (through private insurance, employer coverage or a government program) no later than March 31, 2014. Starting October 1, 2013, new qualified health insurance plans for individuals, families, and small groups will be available for purchase for effective dates beginning January of 2014.

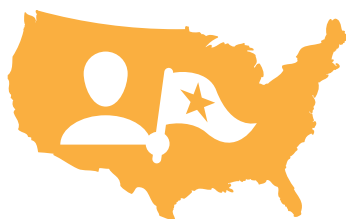
## 2 Do I have to do anything now?

No, you don't have to do anything now. However, you may need to act when the Health Insurance Marketplace (Federal Exchange) opens for enrollment in October of 2013. If you don't have coverage through employment or a government program, you will need to buy insurance during the open enrollment period – October 1, 2013 to March 31, 2014. The ACA requires most people over the age of 18 to have health insurance by March 31, 2014. Those who do not have coverage may be assessed a tax penalty by the federal government. Now is a good time to educate yourself about your healthcare options.



## 3 Who has to buy health insurance?

Beginning January 1, 2014, most U.S. citizens and legal immigrants will be required by the federal government to have some form of health insurance or coverage. Some exceptions will be made for members of Native American tribes, undocumented immigrants, individuals with certain religious beliefs, individuals in prison, and individuals whose income is below a certain level.



## 4 What will happen if I don't buy insurance?

If you are required to have coverage but choose to remain uninsured, the federal government will assess a tax penalty. To avoid a penalty, you must have a health insurance policy by March 31, 2014 and include proof in your 2013 tax return.

### Tax penalties for uninsured individuals

Year	Per Adult	Per Child	Family Max		% of Taxable Income
2014	\$95	\$47.50	\$285	or	1.0%
2015	\$325	\$162.50	\$975	or	2.0%
2016	\$695	\$347.50	\$2,085	or	2.5%

## 5 Can I be denied healthcare coverage?

Not for new individual and family policies issued on and after January 1, 2014. The ACA makes health insurance benefits more accessible to more people. Starting January 1, 2014, no one in your family will be denied coverage or charged more because of a pre-existing condition including a disability.

## 6 What is the Health Insurance Marketplace?

The Health Insurance Marketplace is an online website where you can compare plans, verify subsidy eligibility and buy health insurance. If you are eligible to receive a tax credit, you must buy a health insurance policy on the Health Insurance Marketplace website by March 31, 2014. Even if you don't qualify for a subsidy, you can still buy health insurance through the Health Insurance Marketplace. There is one marketplace for individuals and families, and a different marketplace called "The SHOP" for small group businesses.



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## 7 Do I have to buy from the Health Insurance Marketplace (Federal Exchange)?

No. You only have to buy from the Marketplace if you want to buy individual coverage and apply for a federal subsidy. You can also acquire health insurance coverage from your employer, directly from an insurance company, or indirectly through an independent broker.



## 8 What if I can't afford individual insurance?

Two forms of financial subsidy are available to help those who don't have coverage through work and can't afford to buy minimum individual health coverage. Eligibility for each subsidy depends on income level. Individuals with incomes below 400% of the federal poverty level (FPL), and who don't have affordable coverage through work, may qualify for a tax credit to apply toward the cost of health insurance premiums. Individuals with incomes below 250% of the FPL may qualify for reduced cost sharing, where the federal government pays part of a member's cost share, such as copayments and coinsurance.

Household Size	Household Income at 100% – 400% FPL
1	\$11,490 – \$45,960
2	\$15,510 – \$62,040
3	\$19,530 – \$78,120
4	\$23,550 – \$94,200
5	\$27,570 – \$110,280

## 9 What services will be covered?

All new individual and small group plans will include certain essential health benefits. No matter what level of coverage you buy, your plan will include the following services:

1. Ambulatory patient service
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including dental and vision care

## 10 What is a “grandfathered” plan?

If you have an individual health insurance plan that was purchased on or before March 23, 2010, then it's likely a grandfathered plan. As a result, it may be exempt from many changes ushered in by the ACA.

