



## The New Healthcare Law and You

If you are **Not Insured**, what will your choices be to find affordable insurance?

The **Affordable Care Act (ACA)** became law in March 2010. The ACA helps uninsured people get affordable health coverage. ACA changes take place between now and 2014. The ACA does not apply to illegal immigrants.

There are 378,000 Greater Cincinnatians with no health insurance. More than 1.3 million adults are uninsured in Ohio and 700,000 in Kentucky. Many earn less than the Federal Poverty Level. But some people of all ages and incomes have a hard time finding health insurance they can afford.

The ACA has made changes that will help you find affordable insurance whether you have a job or not. This includes programs like the insurance marketplace, which will list plan costs and coverage online, making it easier to compare. People will still pay for their own insurance, as well as co-pays and other health costs. But, there will be programs and financial help available for lower income people.

### Why is the Federal Poverty Level Important?

The Department of Health and Human Services sets the Federal Poverty Level each year. This is the amount of money a person or family should make each year to pay for basic needs. Many government agencies use the Federal Poverty Level — or a percent above the base level — to decide who can take part in their programs.

The chart below lists some of the 2013 Federal Poverty Levels, which change each year:

Federal Poverty Levels Based on Income		
Persons in family	138%	400%
1	\$15,857	\$45,960
2	\$21,404	\$62,040
3	\$26,952	\$78,120
4	\$32,499	\$94,200

**Below are the ways the ACA helps people get and afford insurance.**

### For everyone without health insurance

#### BEGINNING IN 2014

##### *Can I get Medicaid?*

If your state chooses to expand Medicaid and you earn less than 138% of the Federal Poverty Level and your state implements the Medicaid expansion, you can get Medicaid insurance. You will no longer have to meet requirements such as being a parent or being disabled. Medicaid is government health insurance that provides coverage for people with low incomes. For example in 2014, if you are a one-person household and make less than \$15,857, you can get into the program. Social Security money won't count as income.

##### *How can I pay for insurance if I can't afford it now?*

If you make less than 400% of the Federal Poverty Level (\$45,960 for a one-person family) the government will pay money toward your premium, called a subsidy, to help pay for your health insurance. Subsidies are based on income, family size, and where you live. With a subsidy, insurance premiums can't cost more than 9.5% of what you make. Subsidies will not pay for additional fees charged by the insurance company if you are a tobacco user. For example if you make \$45,960, insurance couldn't cost you more than \$4,366 a year.

## If you are **Not Insured**, what will your choices be to find affordable insurance? (cont'd)

*What if I make more than 400% of the Federal Poverty Level and have trouble affording insurance?*

To help make it easier to find affordable plans, the ACA will create a health insurance marketplace. The marketplace will offer a choice of insurance plans in one place online. The plans will include a range of prices and coverage making it easier to compare and buy health insurance. The Health Foundation will provide more specifics about the health insurance marketplace in the near future.

*Will I have to pay a tax if I don't have insurance?*

You must be insured or pay a tax unless you:

- Have financial hardship – this means you can't find insurance that costs less than 8% of your income. That is after you receive any financial help or subsidies. For example, if you make \$20,000, you WON'T pay a tax if the cheapest insurance you can get costs more than \$1,600 a year.
- Have a known religious objection
- Are a Native American
- Have no health insurance for less than three months
- Would qualify for Medicaid if your state implemented the Medicaid expansion

*How high are the taxes?*

If you stay uninsured you could be taxed the higher of:

- \$95 or 1% of income in 2014
- \$325 or 2% of income in 2015
- \$695 or 2.5% of income in 2016 and beyond

*How much will I have to pay for my basic healthcare needs?*

Out-of-pocket costs for essential health benefits will be capped for everyone. But limits are lower for people making less than 400% of the Federal Poverty Level. Essential benefits are basic services everyone needs like doctor's office and clinic visits and tests, emergency services, prescription drugs, or maternity and newborn care. For example if you are a one-person household and you make less than \$32,670 you would only pay up to \$2,975 in out-of-pocket expenses a year.

### For people with health problems

#### BEGINNING NOW

- If you are denied insurance for health reasons, you can buy it through the *Pre-existing Condition Insurance Plan* (PCIP).

#### For information:

- Ohio residents can go to: [www.ohiohighriskpool.com](http://www.ohiohighriskpool.com)
- Kentucky and Indiana residents can go to: [www.pcip.gov](http://www.pcip.gov)

#### BEGINNING IN 2014

- Insurers can't deny coverage to anyone because of a health problem. That is why the PCIP plan will end in 2014.

### For Children (Ages Birth-18)

#### BEGINNING NOW

- Children under 19 with health problems can't be denied insurance
- Parents of children with health problems can't be denied a family insurance plan

### For Young adults (Ages 19-30)

#### BEGINNING NOW

- Young adults can stay on their parents' insurance plan until age 26
- There is an exception. If your parents have the same plan they had on March 23, 2010, you can only stay on the family plan if your employer doesn't offer you insurance.
- Foster children will be covered by Medicaid until they turn 26 in states that implement the Medicaid expansion.

#### BEGINNING IN 2014

- Young adults who live in states that implement the Medicaid expansion and make less than 138% of the Federal Poverty Level can get Medicaid. This means if you are a one-person family and make less than \$15,857 you will be able to get it.
- If you are under age 30, having catastrophic insurance will meet your insurance requirement. Under the ACA, catastrophic insurance will pay for 3 primary care visits and preventive care. Once you meet a deductible the plan will cover at least 60% of essential health benefits.

*This is fourth in a series about the new healthcare law — the Affordable Care Act. For more information, visit [reform.healthfoundation.org](http://reform.healthfoundation.org)*



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

