

# Health Care Reform

## WHAT TO EXPECT IN 2014<sup>1</sup>

### THE BASICS

The Affordable Health Care Act states that in 2014 all Americans are required to have a minimum amount of health insurance or be taxed by the government. All states are required to have a health insurance exchange where citizens can purchase the required insurance. The exchange is simply a place to shop for and buy health insurance ([www.coveredca.com](http://www.coveredca.com)). Americans can obtain qualified coverage through work, the state exchange or private carriers.

### COVERAGE LEVELS

There will be four levels of coverage available within the exchange: Platinum, Gold, Silver and Bronze. Within each level there will be different plan options from different carriers. Carriers selling within the exchange will be announced mid-May. The plan premiums will decrease as coverage decreases from a Platinum plan to a Bronze plan.

All plans will include the government mandated "Essential Health Benefits":

1. Ambulatory Patient Services
2. Emergency Services
3. Hospitalization
4. Maternity and Newborn Care
5. Mental Health and Substance Use Disorder Services
6. Prescription Drugs
7. Rehabilitative and Habilitative Services/Devices
8. Laboratory Services
9. Preventive, Wellness Services and Chronic Disease Management
10. Pediatric Services, including Oral and Vision Care

**Platinum - 90% Coverage**  
**Gold - 80% Coverage**  
**Silver - 70% Coverage**  
**Bronze - 60% Coverage**

### REQUIREMENT FOR QUALIFIED HEALTH PLANS

As of January 1, 2014 all plans are required to be guaranteed issue, which means coverage cannot be denied if you have a pre-existing medical condition. Rates will be based on Family Tier, Age and Geography. The plans are required to have a 3 to 1 age band, which means the highest rate can be no more expensive than 3 times the lowest rate.

# OPTIONS FOR HEALTH INSURANCE IN 2014

There will be three options for coverage:

**Coverage through  
your Employer**

## Buy a plan

through the California Exchange  
([www.coveredca.com](http://www.coveredca.com)) or  
outside the California Exchange.

## Pay a Penalty

In 2014, \$95 or 1% of taxable  
income, whichever is greater. The  
penalty will increase every year.

## WHO QUALIFIES FOR GOVERNMENT PAYMENT ASSISTANCE

For Americans within certain income levels government payment assistance is available if they buy a plan through the California Exchange. How much the government will pay is still to be decided and will be based on annual income.<sup>2</sup>

### SINGLE PERSON

Annual Income  
\$11,490 - \$45,960

### COUPLE

Combined Annual Income  
\$15,510 - \$62,040

### FAMILY OF 4

Combined Annual Income  
\$23,550 - \$94,200

### FAMILY OF 6

Combined Annual Income  
\$31,590 - \$126,360

### FAMILY OF 8

Combined Annual Income  
\$39,630 - \$158,520

## SMALL GROUP EMPLOYERS

If you have less than 50 employees, you are considered a small group. There are a few different options available for you and your employees beginning in 2014.

### Offer Coverage

through a SHOP exchange  
(Small Business Health Options Program)  
or outside the SHOP exchange

### Offer an ASO plan (Administrative Services Only)

where essential benefits and metal  
level requirements don't exist  
(if allowed by state law).

### Stop Offering Coverage

and let employees buy  
individual coverage inside  
or outside the exchange.

Small group employers with less than 25 employees with an average wage of \$50,000/year or less that offer coverage through an exchange could qualify for a government subsidy. This credit can cover up to 50% of the employer's cost for the first 2 years of offering coverage through an exchange.

<sup>1</sup>Information in this flyer is subject to change as rules and regulations are established.

<sup>2</sup>Income information from [www.coveredca.com](http://www.coveredca.com)