

# Health Care Reform

## WHAT TO EXPECT IN 2014

### OCTOBER 1, 2013

Open Enrollment for Covered California began.  
Coverage starts January 1, 2014.

### MARCH 31, 2014

Open Enrollment for Covered California ends.

#### IMPORTANT HEALTH CARE REFORM EVENTS FOR CALIFORNIA 2013-2014

### JANUARY 1, 2014

Coverage starts if enrolled before  
December 15, 2013 and premium is paid.

## WHAT YOU SHOULD KNOW

- As of January 1, 2014, all plans will be guaranteed issue.
  - Carriers cannot deny coverage based on pre-existing medical conditions
  - There will be no waiting periods for treatment of pre-existing medical conditions
- Health insurance options for those who do not qualify for Medi-Cal or Medicare:
  - Have a health insurance plan through your Employer
  - Buy a health insurance plan through Covered California or outside Covered California.
  - Pay a penalty to the government for not having a health insurance plan. In 2014 the penalty is \$95 or 1% of taxable income, whichever is greater. This penalty will increase every year.
- Open Enrollment for Covered California has begun. You might qualify for monthly premium assistance from the government. See Income Chart below.

**SINGLE PERSON** - Annual Income less than \$45,960

**COUPLE** - Combined Annual Income less than \$62,040

**FAMILY OF 3** - Combined Annual Income less than \$78,120

**FAMILY OF 4** - Combined Annual Income less than \$94,200

**FAMILY OF 5** - Combined Annual Income less than \$110,280

**FAMILY OF 6** - Combined Annual Income less than \$126,360

- To purchase a Covered California plan outside of Open Enrollment (October 1, 2013 - March 31, 2014), you must have a qualifying event for a special enrollment period such as:
  - Loss of employer coverage
  - Family Status Change like marriage, divorce, birth of a child or adoption of a child

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**RLWELLS  
& ASSOCIATES, INC.**

## How WE WILL HELP YOU PREPARE FOR 2014

- ▶ Review your health insurance options
- ▶ Make sure your doctor is in the network
- ▶ Make sure your prescriptions are covered
- ▶ Enroll in the health insurance plan that is best for you

## WHAT YOU SHOULD KNOW...CONTINUED

- The Affordable Care act has created new taxes to fund certain aspects of health care reform. Here are a few taxes that will be added to your monthly health insurance premium:
  - **Patient-Centered Outcomes Research Institute Tax (PCORI):** This tax helps fund research to determine if medical treatments are effective and appropriate.
  - **Health Insurer Tax:** This tax helps fund the expenses related to helping qualified individuals pay for health coverage in 2014.
  - **Transitional Reinsurance Tax:** This tax helps fund transitional reinsurance programs that help cover the costs of high-risk individuals in the health insurance market.
  - **Exchange Tax:** This tax helps fund the operating costs of California's state exchange.
  - **Risk Adjustment User Tax:** This tax helps fund the U.S. Department of Health & Human Services Risk Adjustment Program, which helps insurers cover the costs of high-risk individuals.

## How PREMIUMS ARE CALCULATED LOCATION + AGE + FAMILY SIZE

**Location** ▶ California has 19 pricing regions. Rates will be determined by your home address.

**Age** ▶ **Ages 0-20:** Single rate age band for all those 20 and under.  
**Ages 21-63:** One-year age bands for those 21-63.  
**Age 64+:** Single rate age band for all those 64 and older.

**Family Size** ▶ Pricing is calculated by adding the premiums for each covered family member. There are 3 rates for children under 21: 1 child, 2 children, 3 or more children.

For more information and our previous newsletters please go to  
[www.rlwellsinc.com/healthcarereform.html](http://www.rlwellsinc.com/healthcarereform.html)