

# Getting yourself and your family covered

## FACT SHEET



### Getting Californians covered

**Covered California™ will make it simple and more affordable for you and millions of other Californians to purchase high-quality health insurance.**

Legal residents of California will be eligible to buy health coverage through a new, easy-to-use marketplace called Covered California. Covered California will offer private health plans at good values that cannot be canceled or denied for a pre-existing medical condition or illness. Covered California will offer online shopping and provide in-person and phone assistance for those who need it.

Covered California's mission is to improve health care in our state by increasing the number of Californians with health insurance, improving the quality of health care for all of us, reducing health care costs and ensuring that California's diverse population has fair and equal access to quality health care.

### The new marketplace

In a marketplace operated by Covered California, private companies will compete for your health insurance business. Covered California will be open for enrollment starting later this year for coverage that will begin in January 2014.

Soon you will be able to buy the same high-quality health insurance that is sold today in the private market. When you visit Covered California's marketplace, you will be able to make "apples-to-apples" comparisons between different health plans and choose the plan that best meets the needs of you and your family.

Also Covered California is the only place where you can use tax credits offered by the federal government to reduce the cost of health insurance. If you qualify for a tax credit, this money can be used immediately when you enroll to pay for insurance premiums. You can read more in the section below called "Affordable Health Coverage."

### Improvements to insurance plans

As part of the federal health care law, the Patient Protection and Affordable Care Act, all newly sold insurance plans must meet certain requirements.

All new health plans must cover essential health benefits such as doctor visits, hospitalization, emergency care, maternity, pediatric care for your kids and prescriptions, among other services.

Insurance plans will be much easier to compare. All new health plans will be rated based on the percentage of medical expenses paid by the plan and how much is left to the individual. There will be four basic levels of coverage: platinum, gold, silver and bronze. This system will make it easy to compare plans in the same category or across categories. As the coverage goes up, so does the monthly premium payment but your costs are lower when you receive medical care. You can choose to pay a higher monthly cost so that when you need medical care, you pay less. Or you can choose to pay a lower monthly cost so that when you need medical care, you pay more. You have the choice.

## Affordable health coverage

Many people know they need health insurance but are concerned about the price. To make sure health coverage is affordable, Covered California will help people find out if they qualify for federal financial assistance that will lower their costs.

There are three financial assistance programs to help make sure everyone can afford health care. These programs are available to individuals and families who meet certain income requirements and do not have affordable health insurance with minimum coverage standards from an employer or another government program.

**1. Tax credits:** Tax credits are available to help lower the cost of your insurance premium, which is the amount you pay to buy health insurance, usually each month. When you enroll in a health plan through Covered California, tax credits can be immediately applied to the insurance premium, which reduces the amount you pay each month.

**2. Cost-sharing subsidies:** Cost-sharing subsidies reduce the amount of health care expenses an individual or family has to pay when you get care. These expenses might include copayments or other costs incurred when you receive medical care.

**3. Medi-Cal assistance.** Medi-Cal is free health coverage for those who qualify, including people with disabilities, and those with incomes of less than \$15,000 for a single individual and \$31,180 for a family of four.



## How government financial assistance works

In the chart below, you can see how different people qualify for government assistance to get health insurance. These are examples only – you may fall into a different category. The estimated cost to buy health insurance is designed to give you a general idea of the monthly cost to you. When you buy health insurance, the amount is likely to be different based on current rates and your particular situation.

| You are...   | You qualify for...   |
|--|--|
|  <b>An individual making less than \$15,415*</b>        | Medi-Cal, a free government program  |
|  <b>An individual making \$15,415 to \$27,935*</b>    | You qualify for help in paying out-of-pocket costs like deductibles and co-pays. You also qualify for a tax credit that will lower the amount of your monthly premium.** |
|  <b>An individual making \$27,936 to \$44,680*</b>    | You qualify for a tax credit that will lower the amount of your monthly premium.**   |
|  <b>An individual making over \$44,680*</b>           | You do not qualify for government assistance but you are still eligible to buy health insurance through Covered California.  |
|  <b>A family of four making less than \$31,810*</b>   | Medi-Cal, a free government program  |
|  <b>A family of four making \$31,810 to \$57,635*</b> | You qualify for help in paying out-of-pocket costs like deductibles and co-pays. You also qualify for a tax credit that will lower the amount of your monthly premium.** |
|  <b>A family of four making \$57,636 to \$92,200*</b> | You qualify for a tax credit that will lower the amount of your monthly premium.**   |
|  <b>A family of four making over \$92,200*</b>        | You do not qualify for government assistance but you are still eligible to buy health insurance through Covered California.  |

\* Income levels are based on the year 2012

\*\* You must enroll through Covered California to be eligible for your tax credit

## Penalties if you do not have insurance

The federal Affordable Care Act also requires most people over age 18 to have public or private health insurance by January 2014 or face financial penalties. The penalty phases in over three years and becomes increasingly severe. In 2014, the penalty will be 1 percent of annual income or \$95, whichever is greater. By 2016 the penalty will be 2.5 percent of income or \$695 whichever is greater. The penalty will be assessed based on the number of months without coverage.

To make sure you are covered in 2014, you must enroll in health insurance before March 31, 2014. The next open-enrollment period begins in October 2014 for coverage in 2015. You cannot enroll at any time except during open-enrollment periods unless you have a



life-changing event such as the loss of a job, death of a spouse or birth of a child, in which case you would qualify for special enrollment.

Choosing health insurance is an important choice and Covered California is here to help. Part of our mission is to reach out to your community by partnering with people on a local level. We are training local people in your community right now to help you learn about the new options for health insurance. There will be plenty of opportunities for you to get help in person, by phone or online.

## If you need coverage before 2014

If you do not currently have health coverage, you do not have to wait until Covered California opens to get covered.

You may be able to purchase private insurance for yourself by contacting an insurance company directly or working with an agent. You may be eligible right now for health coverage under Medi-Cal. For more information, you can contact the Department of Health Care Services.

If you have not yet turned 26 years old and your parents have health insurance, you are now eligible for coverage under your parents' plan. If you are over age 65 or have certain disabilities, you can receive coverage under Medicare.

Later this year, Covered California will open its marketplace to provide all Californians the option to purchase affordable health insurance. For many, this will be their first opportunity to obtain high-quality coverage for themselves and their families. We believe more covered Californians is the key to ensuring the health and well-being of our state.

## If your income changes

Any eligible Californian without insurance can shop through Covered California for coverage, regardless of income. Your income level helps determine your eligibility for Medi-Cal coverage or a financial assistance program, such as a tax credit, to help pay your health care costs. If your income changes over the year, your tax credit will be adjusted. If your income increases, you will have to pay the difference at tax time if you have not adjusted your tax credit.

If you have Medi-Cal coverage and your income increases to more than \$15,415 a year for an individual or \$31,810 for a family of four, you would no longer qualify for this no-cost government insurance plan. However, through Covered California, you could find affordable coverage and tax credits to help pay the premiums.



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**CoveredCA.com**

Covered California is the new online "marketplace" that will make it simple and affordable to purchase high-quality health insurance and get financial assistance to help pay for insurance.