

This message is from Ellen Pinnes and The Disability Coalition.

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Health Care Reform Information Series – Bulletin #9

What's Coming in 2014

Part IV. – Personal responsibility and help with costs

In 2014, the Affordable Care Act (ACA) will expand coverage to more than 30 million people through expansion of Medicaid and improved access to insurance. At that time, most people will be required to have health coverage through either a public program like Medicaid or private insurance. This is the ACA's personal responsibility requirement, also called the "individual mandate".

**** If you have insurance through your job, that meets the requirement** – Most people get health coverage as one of their work benefits. Those folks won't have to go out and buy insurance, because they've already met the requirement. And having Medicaid coverage, for those who are eligible now or will become eligible through the expansion because their income is no more than 138% of the federal poverty level (FPL), satisfies the requirement too. So does having Medicare.

**** Some people are exempt from the requirement and won't have to pay a penalty for going without coverage** – This includes Native Americans, people for whom buying insurance would be a financial hardship, people whose religion objects to health insurance, those who have very low incomes, and those who are uninsured for less than three months.

**** People who aren't exempt and choose not to have coverage will have to pay a financial penalty** – There are no criminal penalties for people who don't have coverage. The only penalty is a fine.

**** Help will be available to pay for insurance premiums and out-of-pocket costs** – People with low and middle incomes will get help paying for the cost of coverage.

- ◆ People with incomes up to 400% FPL will get help paying for premiums. (In 2012, 400% FPL is \$44,680 for a single person and \$92,200 for a family of four.) Subsidies will be on a sliding scale, so people with lower incomes will get more help. Most people who get this help will be workers or members of working families.
- ◆ The amount a person can be required to pay out-of-pocket for services will be capped for everyone, and there will be lower limits – again on a sliding scale – for people with incomes below 400% FPL. People below 250% FPL will get extra help to cover these costs.

**** Why have a mandate?** – The ACA in 2014 will require that insurance companies cover anyone who applies, can't exclude coverage for pre-existing conditions, and can't charge more for people who have high needs. In order to make that system work, everyone has to be part of it. Otherwise, people could wait until they got sick or suffered a serious injury and then sign up for insurance, because the insurance company couldn't say no. The mandate brings everybody – both the healthy and the folks with high needs – into the insurance system and spreads the cost over a larger group, so the cost for each individual is less than it would be if only people who need a lot of services are in it.

Next: What's coming in 2014 – Better insurance marketplaces: Health insurance "exchanges"