What You Need to Know about the Affordable Care Act (ObamaCare)

WHAT is it? The federal health care law, the Affordable Care Act (ACA), passed in 2010, creates more access to health insurance to more people. It expands eligibility for Medi-Cal (free or cost-sharing health care), offers subsidies (tax credits) to low and middle-income people to buy private insurance, and imposes new regulations on the health insurance industry. Examples of new regulations: now insurance companies must offer insurance to their members’ children up to age 26; they must limit the percentage of your premiums they spend on marketing, profits, and administration; and they can no longer deny or charge more for people with existing conditions.

MANY PARTS OF THE AFFORDABLE CARE ACT ARE ALREADY IN PLACE AND WORKING
- 435,000 Californians under the age of 26 now have health insurance through their parent’s private plan.
- 700,000 low-income Californians now have coverage through the ACA’s Low-Income Health Plans, transition programs that will last until expanded Medi-Cal coverage begins.
- 16,000 Californians got coverage through the Pre-Existing Condition Insurance plans (a transitional plan that was in place until the provision prohibiting denying people insurance for pre-existing conditions went into effect.)
- 2 MILLION Californians have received rebates from their private insurance plans because their plan violated the ACA provisions for limiting how much their plan could spend on administration, marketing, and profit.

WHO qualifies? Nearly everyone. Everyone will be required to obtain health insurance by 2014. Citizens and legal residents (in the U.S. for at least 5 years) may be eligible for no-cost insurance or subsidized insurance through the online health insurance marketplaces if their income meets certain thresholds and their employer does not offer affordable coverage.

WHERE can you get information? In California, the website is www.coveredca.com.

How much will this COST you? You can compare your cost options by entering your income, zip code, and the number of persons in your family needing insurance and their ages on the “Shop and Compare” feature on the Covered California website: www.coveredca.com. For each insurance plan that you look at, it will tell you what services are covered, the deductible, the co-pays for various services, the cost of the Total Monthly Premiums (before discount), what your Monthly Premium Assistance (Tax Credit) would be, and, finally, what Your Total Monthly Payment (what you would actually pay) would be. If your income level is low enough, it will tell you that: “you may qualify for Medi-Cal”. Currently aged 21 and over should apply for MSI, and those aged 20 and younger should apply to Medi-Cal now. (MSI will be merging with Medi-Cal in 2014.).

WHEN and HOW do you sign up? You may sign up NOW. If you qualify for Medi-Cal or MSI, go to the websites below for information about how to apply. If you do not now qualify for either of these two programs, you may buy insurance at www.coveredca.com; the current open enrollment period is October 1, 2013 - March 31, 2014. If you do not apply by March 31, 2014, you will have to wait until the next annual enrollment period. Each year from 2014 on, the annual enrollment period will be October 15 through December 7. In order for your coverage to start this Jan 1, 2014, you must buy the insurance on the online marketplace by Dec. 15, 2013.
- You may visit Medical Services Initiative (MSI) at http://ochealthinfo.com/about/medical/msi/.

What are the CONSEQUENCES of not participating? People who would have to spend more than a certain percentage of their income on health insurance may be exempt from the mandate. Otherwise, you will have to pay a tax penalty, which will rise each year. The definition of affordability depends on income, and can be found on the www.coveredca.com website. Click on “Shop and Compare”, then scroll down to “What is Affordable?” Estimates for penalties can be found at: http://www.coveredca.com/PDFs/English/Covered_California_Getting_Covered_fact_sheet_English.pdf

What do YOU HAVE TO DO? If you currently have health insurance and wish to keep that plan, you do not have to do anything. If your employer offers insurance, see your Human Resources department to sign up. If your employer’s plan is not affordable (see www.coveredca.com for what is affordable), you can buy subsidized health insurance through the above online marketplace. If you are under age 26 and your parents have private health insurance, speak to them about being added to their insurance policies. Apply to MSI or Medi-Cal if you qualify.

The above information has been compiled by GWC Student Health Service from multiple sources, including above websites and OC Register. We do our best to keep the information updated, but accuracy cannot be guaranteed. Please call the agency or provider to verify information.