Examining your health insurance options under Obamacare

With open enrollment in the state's new health insurance marketplace beginning this week, it's a good time to answer some commonly asked questions.

By Lisa Zamosky and Chad Terhune, September 27, 2013

Starting Oct. 1, millions of Californians can start signing up for health insurance under the federal Affordable Care Act.

In addition to new coverage options, the healthcare law changes the rules of the insurance game for many consumers. It also requires most Americans to get health insurance or pay a penalty.

Here are some answers to commonly asked questions. Please share your comments or ask questions at healthcare@latimes.com. Submissions must include names and phone numbers.

Do I need to do anything right now?

You have time to consider your options. You can start signing up for health insurance Tuesday through Covered California, the state's new marketplace.

The earliest policies take effect is Jan. 1. You'll need to buy a health plan no later than Dec. 15 if you want your benefits to kick in at the start of the year. Enrollment for the state exchange runs through March 31. Medi-Cal, the state's Medicaid program, accepts applicants year round.

Where do I go to enroll?

In California, go to the Covered California website or call the health marketplace at (800) 300-1506. The state can also refer you to community groups, insurance agents and government offices that offer enrollment help in person.

Outside California, visit HealthCare.gov to find the link and other contact information for the marketplace in your state.

I get my insurance through work. Will that be affected next year because of all this?

Most people with health insurance through work won't be directly affected by the overhaul.

Employers will keep adjusting their health benefits as they have for years, but in most cases those changes in coverage or worker contributions have little to do with the Affordable Care Act. Changes are driven largely by employers’ efforts to reduce their healthcare costs.

How much will this new health coverage cost?

That depends on your age, where you live, the level of coverage you want and whether you qualify for a federal subsidy based on your income.
Four basic levels of coverage are sold through Covered California: Bronze, Silver, Gold and Platinum. Bronze plans are generally the least expensive, while Platinum plans are the priciest.

For example, a family of four in Los Angeles earning $65,000 a year could pay $384 a month for a mid-level Silver plan.

In general, more comprehensive plans have more expensive premiums but have lower out-of-pocket costs for medical care. For instance, a Bronze plan on average covers 60% of a person's total healthcare costs. At the high end, Platinum plans cover 90%.

People younger than 30 also have the option of a less expensive and more limited policy.

There are subsidies: Individuals earning less than $45,960 annually may qualify for federal tax credits that lower their monthly premium. Subsidies are available for a family of four making less than $94,200.

For a sense of what health insurance may cost you, check the state's calculator.

**Can I wait until I get sick to enroll?**

No. There is a six-month open enrollment period that runs from Tuesday to March 31.

If you fail to sign up during that period, you'll be on the hook for your medical bills. Unless you're eligible for Medi-Cal, you wouldn't be able to buy insurance in the exchange until the next enrollment period comes around in fall 2014.

There are exceptions. People who experience a "qualifying event" that affects their insurance coverage, such as losing a job, will be allowed to buy coverage outside of the open enrollment period.

**What are the penalties if I don't buy health insurance?**

The federal health law requires most Americans to buy health insurance. If you don't, you'll be charged a penalty in 2014 of $95 or 1% of your household income, whichever is greater. The penalties go up after that.

**Will I pay more for being a smoker or having cancer in the past?**

Although the federal law allows insurers to charge smokers as much as 50% more than nonsmokers, California decided not to levy that surcharge. Smokers and nonsmokers are treated the same.

Everyone is guaranteed coverage regardless of their medical history under the law. Also, insurers can't charge people more based on their health.

**What kind of income is counted in determining whether I qualify for premium subsidies?**
Salary or income from a job or business counts when it comes to calculating whether you qualify for Medicaid or federal subsidies toward the purchase of private insurance.

Other sources of income, such as unemployment insurance, pensions, Social Security, alimony and rental proceeds, all count. Your assets, like a home, are not included in the calculation.

For many taxpayers, line 37 on their most recent IRS Form 1040 provides an idea of what will be used.

**Does my employer have to offer me coverage now?**

Most large employers already provide benefits. But starting in 2015, firms with 50 or more full-time workers will be required to provide health coverage to employees who work more than 30 hours a week, on average.

**What will it cost when I go to the ER or see the doctor?**

That depends on the plan you select. All health plans sold to individuals and small businesses next year must help cover the cost of emergency services.

In a Bronze plan in California, for instance, you would owe a $300 co-payment for a visit to the emergency room. A primary-care appointment would cost $45 on a Silver plan. Lower-income patients would pay even less thanks to federal cost-sharing subsidies.

**Who qualifies for Medi-Cal?**

That is California's Medicaid program for the poor. Under the federal law, the state has expanded eligibility to people earning as much as $15,856 a year or families of four earning less than $32,500.

**I have a small business with five employees. How does this affect me?**

Firms with fewer than 50 full-time employees aren't required to provide health insurance. It remains optional under the health law.

Covered California offers a marketplace specifically for small businesses to shop for coverage apart from where individuals buy policies. Some small firms may also be eligible for tax credits.

**I'm an undocumented resident in California. Can I get financial help with my premiums?**

No, undocumented residents are not eligible for federal subsidies. There are other county and private programs that may assist people with their medical bills.
I have Medicare. Do I have to buy a new health plan through the marketplace?

No, anyone currently covered by Medicare or the U.S. Veterans Administration will remain with those government programs.

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