

October 2013

Health Insurance Marketplaces

The Health Insurance Marketplaces were established by the Patient Protection and Affordable Care Act (PPACA) to help individuals enroll in a health insurance plan. The Marketplaces will be similar to Orbitz or Expedia, where you will be able to compare health insurance plans and select the one that best fits your needs and budget. You can buy insurance through the Marketplace if you live in the United States, are a U.S. citizen or U.S. resident, and are not currently incarcerated.

Federal Marketplace

Florida will have a Marketplace run by the Federal government. This means that while all the plans offered in the Marketplace will be offered by private companies, the federal government through the Department of Health and Human Services (HHS) will administer it.

In Florida, ten insurers are planning to offer coverage in the Federal Marketplace. Those insurers are Aetna, Cigna, Coventry Health Care of Florida, Blue Cross Blue Shield of Florida, Florida Health Care Plan, Health Options, Humana, Molina Healthcare, Simply Healthcare Plan, and Health First Health Plans.

How to Enroll in the Marketplace

Enrollment in a Marketplace plan began October 1, 2013, for coverage beginning January 1, 2014. This open enrollment period ends March 31, 2014.

To enroll in the Marketplace, you will fill out an application and see all of the health plans available in your area. You can compare plans based on price, benefits, quality, and other features important to you before you make a choice. The application you submit will also allow the Marketplace to assess whether you qualify for free or low-cost insurance coverage available through Medicaid or the Children's Health Insurance Program (CHIP).

You can apply for coverage three ways: online, by mail, or in-person with the help of a Certified Application Counselor or Navigator. Telephone help and online chat will be available 24/7 in the Marketplace to help you complete your application. Although this assistance will be available, you do not need to have a Navigator to enroll in the Marketplace. **To enroll online, you may visit www.HealthCare.gov or call 1-800-318-2596.**

How to Qualify for Lower Out-of-Pocket Costs

When you apply for coverage in the Marketplace, you will need to provide information about your household income, any insurance you currently have, and additional items like your Social Security number and employer's contact information. The Marketplace will use this information to determine whether you qualify for Medicaid or lower out-of-pocket costs.

If your income is between 100% and 400% of the federal poverty level you will be eligible for a subsidy towards your health insurance premium. These lower costs are handled with a tax credit called a premium subsidy. This subsidy will be given directly to your insurance company so it can automatically be deducted from your premium.

The 100-400% of poverty income levels that qualify for subsidies are:

- \$11,490 to \$45,960 for individuals
- \$15,510 to \$62,040 for a family of 2
- \$19,530 to \$78,120 for a family of 3
- \$23,550 to \$94,200 for a family of 4
- \$27,570 to \$110,280 for a family of 5
- \$31,590 to \$126,360 for a family of 6

If you already have employer-sponsored health insurance, you will not qualify for the premium subsidy unless the cost of that insurance exceeds 8% of your household income. The Marketplace will determine this by contacting your employer and comparing the cost with your reported income.

If the premium subsidy you received for the year is less than the amount you qualified for, you will receive the difference as a refundable credit when you file your federal income tax return. If your premium subsidy for the year is more than the amount you should have received, the excess amount will be deducted from your tax return.

When Insurance Coverage Begins

If you enroll in a private health insurance plan any time between October 1, 2013 and December 15, 2013 and make your first premium payment, your new health coverage starts January 1, 2014.

During the rest of open enrollment, which lasts until March 31, 2014, if you enroll between the 1st and 15th day of the month and pay your premium, your coverage begins the first day of the next month. For example, if you enroll on January 12, 2014, your coverage would begin on February 1, 2014.

If you enroll between the 16th and the last day of the month and pay your premium, your effective date of coverage will be the first day of the second following month. For example, if you enroll on January 16, 2014, your coverage will start on March 1, 2014.

When You Already Have Health Insurance

If you already have health insurance, you do not have to drop it to enroll in the Marketplace. You can use the Marketplace to explore your options and enroll in a new plan if you so choose.

If your employer provides your insurance, you do not need to change to a Marketplace plan unless you want to. If you opt out of your employer's insurance and choose a Marketplace plan, your employer does not need to contribute to your premium. This means you could face higher premiums, and should consider this carefully before purchasing a plan in the Marketplace.

The Need to Have Health Insurance

Effective January 2014, if you do not have health insurance you will pay a penalty for noncompliance. The penalty in 2014 will be \$95 for adults and \$47.50 per uninsured child, or 1% of your income, whichever is greater. The penalty will be collected by the Internal Revenue Service (IRS) through your tax return.

Some individuals are not required to have insurance and will not have to pay the penalty if they:

- Are uninsured for less than 3 months of the year
- Are determined to have very low income and coverage is considered unaffordable
- Are not required to file a tax return because income is too low
- Have a financial hardship
- Have an income below 138% of the Federal Poverty Line
- Are an American Indian
- Are a member of a recognized religious sect with religious objections to health insurance

If you do not qualify for these situations, you can apply for an exemption in the Marketplace. If you have Medicaid, Medicare, or TRICARE, you will be considered to have health insurance and will not have to pay a penalty.

Plans Offered in the Marketplace

PPACA created four benefit categories of plans, plus a separate catastrophic plan, that will be offered through the Marketplace and individual markets. The plans are outlined below:

- Bronze Plan – covers 60% of the cost of the plan
- Silver Plan – covers 70% of the cost of the plan
- Gold Plan – covers 80% of the cost of the plan
- Platinum Plan – covers 90% of the cost of the plan
- Catastrophic Plan – available to those up to age 30

Within each of the different levels, premiums will vary depending upon which company insurance is purchased. It is possible that one company's Silver Plan could be cheaper than another company's Bronze Plan, which is why individuals should compare all options.

Conclusion

The Health Insurance Marketplace is a one-stop location for insurance options in your area. You can compare private insurance plans and find out if you are eligible for Medicaid, CHIP, or premium subsidies.

Local enrollment assistance will be available free of charge to help you purchase coverage in the Marketplace. This assistance is listed at www.HealthCare.gov.

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