Part 3: Government Assistance at the Marketplace

To help you understand how Health Care Reform impacts you, we are releasing a series of flyers over the next few weeks addressing the following topics:

1. THE HEALTH INSURANCE MARKETPLACE (AKA THE EXCHANGE) PREVIOUSLY RELEASED
2. EMPLOYER-BASED COVERAGE IN 2014 PREVIOUSLY RELEASED
3. ELIGIBILITY FOR GOVERNMENT ASSISTANCE AT THE MARKETPLACE
4. GOOD NEWS FOR SOME INDIVIDUALS & FAMILIES! MEDICAID EXPANSION!
IF NEITHER MY SPOUSE NOR I CAN PURCHASE AFFORDABLE, MINIMUM COVERAGE AT WORK, THAT MEANS WE MIGHT BE ELIGIBLE FOR GOVERNMENT ASSISTANCE WHEN WE PURCHASE COVERAGE AT THE MARKETPLACE. ARE WE ELIGIBLE, AND IF SO, WHAT IS THE ASSISTANCE?

Government assistance at the Marketplace is generally available if you have household taxable income under 400% of the Federal Poverty Level (FPL) and are not eligible for coverage through an employer-sponsored program or a government-sponsored program such as Medicaid or the Children’s Health Insurance Program (CHIP).

<table>
<thead>
<tr>
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<th>2013 FEDERAL POVERTY LEVEL</th>
<th>400% of FEDERAL POVERTY LEVEL</th>
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<tbody>
<tr>
<td>Individual</td>
<td>$11,490</td>
<td>$45,960</td>
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<tr>
<td>Two-Person Family</td>
<td>$15,510</td>
<td>$62,040</td>
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<tr>
<td>Three-Person Family</td>
<td>$19,530</td>
<td>$78,120</td>
</tr>
<tr>
<td>Four-Person Family</td>
<td>$23,550</td>
<td>$94,200</td>
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For families with more than four people: Add $4,020 for each additional family member.

For the purpose of health care reform, your household taxable income is defined by the government as your household’s adjusted gross income (your income minus your tax deductions) plus any tax-exempt Social Security, interest and foreign income. This “modified adjusted gross income” (MAGI) will be used to determine your eligibility for government assistance when purchasing Marketplace coverage as well as for Medicaid and CHIP. If you apply for government assistance, the government will help you determine whether or not you are eligible as well as whether or not you or your family is eligible for Medicaid or CHIP.

SINCE I AM NOT ELIGIBLE FOR MEDICAL INSURANCE THROUGH MY JOB, I CAN PURCHASE A PLAN AT THE MARKETPLACE AND RECEIVE GOVERNMENT ASSISTANCE, RIGHT?

Maybe. If your spouse is eligible for coverage that is affordable and that meets the minimum guidelines due to his or her employment, then no one in your family who is your spouse’s tax dependent and eligible for coverage under your spouse’s plan can receive government assistance; however, if your spouse is not eligible for such coverage, then you and your family may purchase coverage at the Marketplace and may receive government assistance if you meet the income requirements.

GOVERNMENT ASSISTANCE AT THE MARKETPLACE WILL BE AVAILABLE IN TWO PARTS:

- **PREMIUM ASSISTANCE** that lowers your monthly cost for the medical insurance
- **COST SHARING SUBSIDIES** that lower your maximum out-of-pocket expenses when you use the plan

If you apply for government assistance, the government will help you determine whether or not you are eligible.
WHAT HAPPENS IF THE EMPLOYEE ONLY COVERAGE UNDER MY SPOUSE’S EMPLOYER BASED PLAN IS AFFORDABLE BUT THE FAMILY COVERAGE IS NOT?

No. If your spouse's employer coverage is affordable for you, then no one in your family who is your tax dependent can receive government assistance when purchasing coverage at the Health Insurance Marketplace. Your family could also be “locked out” of government assistance if your spouse is eligible for affordable coverage that meets the minimum guidelines where he or she works.

Your children, and in some states, your spouse, may still be eligible for Medicaid.

CAN OTHER MEMBERS OF MY FAMILY RECEIVE ASSISTANCE?

No. If your spouse's employer coverage is affordable for your spouse, then no one in your family who is your spouse’s tax dependent and eligible for coverage under your spouse’s plan can receive government assistance. Your children (and yourself in some states) may still be eligible for Medicaid.

IF I QUALIFY FOR GOVERNMENT ASSISTANCE, HOW DOES IT WORK? HOW DO I KNOW HOW MUCH HELP THE GOVERNMENT WILL OFFER ME?

The government will determine your subsidy amount as defined by the law for the second lowest cost Silver Level Plan that is available to you. That subsidy will be expressed as a dollar amount per month. Your cost of coverage at the Marketplace will be the premium cost of the plan you choose less the government subsidy amount. Your cost of coverage will be lower if your MAGI is closer to 100% of FPL and higher as your MAGI approaches 400%.

FOR EXAMPLE:

An annual income of $29,300 ($2,442 per month) is a MAGI of 255% FPL. At this level, the government subsidized cost is 8.05% ($197 per month). The second least expensive Silver Level Plan for this MAGI features a monthly premium of $434, so each month you will pay $197 the government will pay $237.

The government will pay a set amount regardless of which plan you elect. So, if you buy a more expensive plan, your cost will increase, but if you buy a less expensive plan, you will spend less.
You don’t have to figure out this income yourself. The math will be done for you when you apply at the Marketplace or your state agency, and you will be able to speak to a person who can assist you to complete the application. The Marketplace for your state will direct you to where you can get help. To learn more, go online to www.healthcare.gov and select the state where you reside.