

## HEALTHCARE COVERAGE IN 2014

# FIVE THINGS CALIFORNIANS SHOULD KNOW

**W**HY CARE ABOUT HEALTHCARE, AND WHY NOW? It's important for you and your family to be able to see a doctor if you're sick or injured. Health insurance can help offer financial security if you need medication or to go to a hospital. You can also catch health problems early before they get too serious. If you don't have health insurance, you may have to go to an emergency room to get care. That's expensive.

You've probably heard about the Affordable Care Act, the new health law known as Obamacare, which was passed to help make health insurance more affordable for Americans. This means most Californians will be required to have health insurance, beginning in 2014. Purchasing healthcare can be confusing and overwhelming. Here are five things you should know about obtaining health coverage:

You may qualify for financial help from the government to buy health insurance.

1

You should expect to pay at least part of your healthcare coverage.

2

Covered California™ can help you find the best plan for you and your family.

3

There will be plans for a variety of budgets.

4

You could face a tax penalty if you don't have health insurance.

5

# 1

You may qualify for financial help from the government to buy health insurance.

**If health insurance was too expensive in the past, you may be eligible for programs to help you pay for it.**

Insurance is important for a couple of reasons. Most people will be required to have coverage beginning January 1, 2014, or pay a penalty. Also, if you have an illness or injury and need to see the doctor or go to the hospital, your coverage can help you get the care you need. Your insurance company will help you pay the bills in exchange for the payments (premiums) you pay each month.

**About 2.6 million Californians will qualify for federal assistance to buy health insurance in 2014**, according to Covered California, the state's new health insurance marketplace for comparing and choosing health plans.

If you already have affordable health insurance from your employer, you don't need to do anything. Otherwise, here are some options:

- **Tax credits:** People who qualify for tax credits usually have to file their taxes to get the credit. The new tax credit available through the Covered California marketplace allows you to take the tax credit in the form of advance payments directly to your health plan, lowering your monthly premium. Covered California will help you find out if you qualify for sliding-scale financial assistance to lower your health insurance premiums and out-of-pocket costs.
- **Subsidies to lower out-of-pocket costs:** People with lower incomes may be eligible for federal assistance to lower the costs that are paid when medical services are received. These subsidies are offered on a sliding scale, based on your annual household income. The lower your income, the less you will pay.
- **Medi-Cal:** California's version of Medicaid. Certain eligibility requirements have been removed, making it easier for people with very little income to receive medical coverage, including adults without children.



You should expect to pay at least part of your healthcare coverage.

**While various options are available, you likely will be required to pay part of your healthcare costs in 2014.**

If you haven't had insurance before, or it has been awhile since you've had coverage, it's a good idea to learn about the different costs. In addition to paying all or a portion of the health insurance premium, you will contribute to the cost of your care in a couple of ways:

- **Out-of-pocket costs:** The new health law limits the amount people have to spend out of their own pockets for covered healthcare services annually, including co-payments and deductibles. These will be based on a sliding scale: those with lower and middle incomes will pay less than those with higher incomes. For example, annual out-of-pocket costs for low- and middle-income people who purchase plans through Covered California will be capped at about \$6,350 for individuals and about \$12,800 for a family of four, before cost-sharing subsidies.
- **Co-payment:** A fixed percentage or dollar amount you pay to your provider for covered healthcare services. You may pay differing co-pay amounts when you visit the doctor, get certain tests, or are hospitalized.
- **Deductible:** Similar to auto insurance plans, this is the fixed amount you pay before your health insurance coverage kicks in. Deductibles can range from a few hundred to a few thousand dollars per year, per person.

**Typical Health Insurance Out-of-Pocket Costs**

	<b>Co-Payment</b>	<b>Deductible</b>
<b>Who do you pay?</b>	Your doctor, pharmacy, hospital or other providers	Your doctor, pharmacy, hospital or other providers
<b>When do you pay?</b>	Every visit	Until you reach a certain pre-established limit
<b>Other</b>	Paid in addition to any deductible	Starts fresh at the calendar year—no rollover

Source: Covered California

# 3

Covered  
California™  
can help you  
find the best  
plan for you  
and your  
family.

**Covered California, [www.coveredca.com](http://www.coveredca.com), is a new online insurance marketplace where individuals and small businesses can compare and choose health plans.**

You also can see if you qualify for financial assistance. You can start signing up for coverage starting Oct. 1, 2013, and be covered under your new plan starting Jan. 1, 2014.

**If you need help selecting a plan,** Covered California has some tools that might be useful for you:



An online calculator to estimate the cost of insurance and to show how the sliding-scale financial assistance works, based on income.



Multi-language call centers to help answer questions for those enrolling in a plan. There will be representatives who speak English and Spanish and a mix of California's most common languages, including Chinese and Vietnamese. Help will also be available for people who speak other languages.



Navigators and in-person assisters, located throughout California, to help people with the enrollment process.

# 4

There will be plans for a variety of budgets.

**Choose your plan based on what you need and can afford.**

The four basic coverage levels are platinum, gold, silver and bronze. As the metal category decreases in value (platinum highest, bronze lowest) so does the percent of medical expenses that are covered. **If you pay a higher monthly premium for your plan, you will generally pay less when you receive a medical service.** A lower monthly premium will generally require higher out-of-pocket costs when you receive care. Catastrophic plans, which are less expensive and provide minimal coverage, may be available to people under age 30.

The cost of monthly premiums will vary based on age, region, income, household size and type of medical coverage sought. On average, people will have a choice of five health plans. People in most rural areas, will have a choice of two or three plans.

For example, the statewide average monthly premium rate for California consumers is \$321, based on the average rates of the three lowest priced Silver Plans across all regions. The example below shows what the average monthly premium would be for a 40 year-old single person living in the following counties, based on the average of the three lowest priced Silver Plans:

- Alameda County: \$346
- Los Angeles (North) County: \$242
- Los Angeles (South) County: \$253
- Sacramento County: \$337
- San Diego County: \$298
- San Francisco County: \$351

Source: Covered California, Health Plans & Rates for 2014: Making the Individual Market in California Affordable, May 23, 2013.

**Four Basic Coverage Levels**



Source: Covered California

**Ten Essential Health Benefits**

No matter what plan you choose, you will be able to get the benefits listed at the right.

If you would like help understanding which health coverage to buy at what cost, Covered California will have representatives available on the phone, online and in person, starting in the fall of 2013.

Hospitalization	Rehabilitative & Habilitative Services and Devices*	Ambulatory Patient Services**
Mental Health and Substance Abuse Services	Maternity and Newborn Care	Prescription Drugs
Preventive and Wellness Services & Chronic Disease Management	Pediatric Services, Including Dental and Vision Care	Emergency Services
Laboratory Services	<p>*These services included for those with developmental disabilities and encompass relearning lost skills or gaining new ones</p> <p>**Care you receive at a doctor's office or other medical facility, without a need for being admitted to a hospital or other health facility</p>	

# 5

You could face a tax penalty if you don't have health insurance.

**If you don't buy coverage, or go without it for three months, you may be charged a tax penalty by the government.**

In the first year, the penalty is \$95 per person or 1 percent of income, whichever is greater. The penalty rises to \$695 per person or 2.5 percent of income in 2016. Even children are subject to penalties—half the amount of adults—if they are not covered by health insurance.

Some people won't have to pay a penalty. They are people who have very low incomes (in 2012, \$9,750 for a single person and \$27,100 for a married couple with two children), people who qualify for religious reasons, undocumented immigrants, Native Americans and those who are in prison.

Businesses with 50 or more full-time-equivalent employees may be subject to a penalty beginning in 2015 if they do not offer adequate health insurance to full-time equivalent employees and their dependents.

**Additional Resources** | For more information on the Affordable Care Act and what it means for Californians, here are additional resources:

- **Covered California, [www.coveredca.com](http://www.coveredca.com)**: The statewide health insurance marketplace where individuals and small-business owners can get more information to compare and choose health plans. Phone number: 1-888-975-1142.
- **HealthCare.gov**: Key features of the Affordable Care Act from the official site of the U.S. federal government, managed by the U.S. Department of Health and Human Services.
- **California Department of Managed Healthcare (DMHC), [www.dmhc.ca.gov](http://www.dmhc.ca.gov)**: If you have a problem with your health plan, you have a right to file a complaint against it. The DMHC oversees HMOs and other health plans statewide. Contact the Help Center: 1-888-466-2219.

# WANT TO LEARN MORE? WE CAN HELP.

Californians for Patient Care has been a voice for patients since 2004. As a nonprofit organization, we promote equitable access to high-quality, affordable care for all Californians. Visit our website, [www.calpatientcare.org](http://www.calpatientcare.org), for updates on how Obamacare impacts Californians.

Our online consumer directory, [MyHealthResource.org](http://MyHealthResource.org), provides the most comprehensive listing of local healthcare services and other safety-net resources throughout California.

[MyHealthResource.org](http://MyHealthResource.org) has more than 5,200 listings of free clinics and low-cost clinics and other health and safety-net programs. The directory includes providers, community clinics and health centers offering primary health, dental, vision and mental health care, as well as information about prescription assistance, children's, women's, senior and veteran's care programs, and more.

## GET PREPARED

Here's what information or items you will need to get started.

**Make a list of questions that are important to you in a new health plan. For instance:**

- Can I stay with my current doctor or hospital?
- What are my medical needs next year?

**Start gathering basic information about your household income. For example:**

- Social Security number(s) for you and your family.
- A copy of your most recent tax return.

**Set your budget. Know what you can afford to spend monthly.**

- Gather average monthly expenses for non-medical items, like rent/mortgage, groceries and auto/transportation.
- Gather average monthly expenses for prescriptions and other healthcare services.

**Learn what health plans you may qualify for today.**

- If you work, find out if your employer offers health insurance.
- You may already be eligible for various programs, including Medi-Cal.



*This free guide is brought to you courtesy of Californians for Patient Care in partnership with:*

Averaging 72,000 encounters per year, SCFHC serves approximately 30,000 patients who are members of the diverse South Central Community. SCFHC offers primary health care services, child health services, prenatal care, radiology, mammography, and dental services, and counsels community members on insurance eligibility, and leading causes of disease.

