

# KNOW YOUR BENEFITS.

From The Robbins Group

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## Health Care Reform: Health Insurance Marketplace FAQs

### What is a Health Insurance Marketplace?

The health insurance marketplace (Marketplace) is a new way to find health coverage that fits your budget and meets your needs. With one application, you can see all your options and enroll.

When you use the Marketplace, you'll fill out an application and find out whether you can get lower costs on your monthly premiums for private insurance plans. You'll also find out if you qualify for lower out-of-pocket costs.

The Marketplace will also tell you if you qualify for free or low-cost coverage available through Medicaid or the Children's Health Insurance Program (CHIP).

Open enrollment starts Oct. 1, 2013.  
Coverage starts as early as Jan. 1, 2014.

The Marketplace is sometimes known as a health insurance exchange.

Insurance plans in the Marketplace are offered by private companies, and they all cover the same core set of benefits, known as essential health benefits. No plan can turn you away or charge you more because you have an illness or medical condition, and plans can't charge women more than men.

The Marketplace simplifies your search for health coverage by gathering the options available for your area in one place. With one application you can compare plans based on price, benefits, quality and other features important to you before you make a choice. You can also get help online, by phone, by chat or in person.

In the Marketplace, information about prices and benefits is written in simple language. You get a clear picture of what premiums you'd pay and what benefits and protections you'd get before you enroll. Compare plans based on what's important to

**The Marketplace simplifies your search for health coverage by gathering the options available for your area in one place.**

you, and choose the combination of price and coverage that fits your needs and budget.

### What does Marketplace health insurance cover?

All private health insurance plans offered in the Marketplace will offer the same set of essential health benefits.

These benefits include at least the following items and services:

- Ambulatory patient services (outpatient care you get without being admitted to a hospital)
- Emergency services
- Hospitalization
- Maternity and newborn care (care before and after your baby is born)
- Mental health and substance use disorder services, including behavioral health treatment (this includes counseling and psychotherapy)
- Prescription drugs

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- Rehabilitative and habilitative services and devices (services and devices to help people with injuries, disabilities or chronic conditions gain or recover mental and physical skills)
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services

## **Am I eligible for coverage in the Marketplace?**

Most people will be eligible for health coverage through the Marketplace. To be eligible for health coverage through the Marketplace, you:

- Must live in the United States
- Must be a U.S. citizen or national (or be lawfully present)
- Can't be currently incarcerated

## **What if I am a U.S. citizen living outside the United States?**

U.S. citizens living in a foreign country are not required to get health insurance coverage under the Affordable Care Act. If you're uninsured and living abroad, you don't have to pay the fee that other uninsured U.S. citizens may have to pay.

Generally, health insurance coverage in the Marketplace covers health care provided by doctors, hospitals and medical services within the United States. If you're living

abroad, it's important to know this before you consider buying Marketplace insurance.

## **What if I am a resident of a U.S. territory?**

U.S. territories can decide whether to create their own Marketplaces or expand Medicaid coverage. Residents of a U.S. territory aren't eligible to apply for health insurance using the federal or state Marketplace.

Check with your territory's government offices to learn about these options.

## **What is the Marketplace in my state?**

Some states will run their own Marketplaces, some will partner with the federal government to help run their Marketplaces and some will let the federal government operate Marketplaces for them. You can view a map at the end of this document to see state-by-state Marketplace decisions.

However, no matter where you live, you'll be able to use the Marketplace to apply for coverage, compare your options and enroll.

## **How do I apply for Marketplace coverage?**

When open enrollment begins Oct. 1, 2013, you can go to the Marketplace and see the health coverage options available to you. Then you can compare plans side by side and choose a plan that meets your needs and fits your budget.

## **Can I keep my own doctor?**

That depends of the plan or network you are in. Most health insurance plans offered in the Marketplace have networks of hospitals, doctors, specialists, pharmacies and other health care providers. Networks include health care providers that the plan contracts with to take care of the plan's members. Depending on the type of policy you buy, care may be covered only when you get it from a network provider.

When comparing plans in the Marketplace, you will see a link to a list of providers in each plan's network. If staying with your current doctor is important to you, check to see whether he or she is included before choosing a plan.

## **What if I have a pre-existing health condition?**

Being sick doesn't keep you from getting coverage. An insurance company can't turn you down or charge you more because of your condition.

## **How much will Marketplace health insurance cost?**



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All insurance plans available through the Marketplace will be offered by private insurance companies. They will decide which plans to offer and how much each will cost. All Marketplace plans must be approved by state insurance departments and certified by the Marketplace. Prices are approved by state insurance departments as required by state law.

Starting in October, when you use the Marketplace to compare plans you'll see prices for all plans available to you. Prices will show any cost savings you may be eligible for based on your income. These lower costs are available only in the Marketplace.

### **What range of prices and plans will be available?**

Some Marketplace health plans will have lower monthly premiums and may charge you more out-of-pocket costs when you need care. Some will be higher-premium plans that cover more of your costs when you need care. Others will fall in between. All plans will cover the same essential health benefits.

### **How can I get lower costs on Marketplace coverage?**

When you use the Marketplace you may be able to get lower costs on monthly premiums or out-of-pocket costs, or get free or low-cost coverage.

You can save money in the Marketplace in three ways. All of them depend on your income and family size.

1. You may be able to lower costs on your monthly premiums when you enroll in a private health insurance plan.

2. You may qualify for lower out-of-pocket costs for copayments, coinsurance and deductibles.
3. You or your child may get free or low-cost coverage through Medicaid or CHIP.

When you fill out your Marketplace application, you'll find out how much you can save. Most people who apply will qualify for lower costs of some kind.

### **Will I qualify for lower costs on monthly premiums?**

When you get health insurance coverage in the Marketplace, you may be able to get lower costs on monthly premiums, and therefore lower the costs of your coverage. You'll see the amount of savings you're eligible for when you fill out your Marketplace application. Prices shown for insurance plans will reflect the lower costs.

These lower costs are accomplished with a tax credit called the Advance Premium Tax Credit. The tax credit can be applied directly to your monthly premiums, so you get the lower costs immediately.

The amount you save depends on your family size and how much money your family earns. In general, people at the following income levels will qualify to save in 2014. The lower your income, the higher your savings will be. (The amounts below are based on 2013 numbers and are likely to be slightly higher in 2014.)

- Up to \$45,960 for individuals
- Up to \$62,040 for a family of 2
- Up to \$78,120 for a family of 3
- Up to \$94,200 for a family of 4
- Up to \$110,280 for a family of 5
- Up to \$126,360 for a family of 6
- Up to \$142,440 for a family of 7
- Up to \$158,520 for a family of 8

You may also be able to get lower out-of-pocket costs, depending on your income and family size.



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## **How do I estimate income?**

When you apply for lower costs in the Marketplace, you'll need to estimate your household income for 2014.

For most people, you can use your household's adjusted gross income for this estimate. If you know your 2013 adjusted gross income, use that and take into account any changes you expect in 2014.

Another way to estimate your income is to add up the following items for all the people in your household, based on what you think they'll receive in 2014:

- Wages
- Salaries
- Tips
- Net income from any self-employment or business
- Unemployment compensation
- Social Security payments

Other kinds of income to include when estimating your 2014 income are rental income, interest, dividends, capital gains, annuities, alimony, and some retirement and pensions.

## **What is modified adjusted gross income?**

When you fill out the Marketplace application, a number called "modified adjusted gross income" (MAGI) will be used.

MAGI is generally your household's adjusted gross income plus any tax-exempt Social

Security, interest and foreign income you have. It's used to determine your eligibility for lower costs on Marketplace coverage, and for Medicaid and CHIP.

You don't have to figure out this income yourself. The math will be done for you when you apply through the Marketplace or your state agency.

For Medicaid, it also matters if you've had a change in household income since your last tax return. When you apply you'll need to tell us your household income now and also estimate the amount for 2014, taking into account changes that you know about.

## **What's the difference between Marketplace health plans and other private plans?**

Starting in 2014, no matter how you buy your health insurance—through the Marketplace, directly from an insurance company or with the help of an agent or broker—all plans for individuals and small groups must cover the same set of essential health benefits. They include doctor's visits, hospital stays, preventive services, prescription drugs, mental health and other categories of coverage.

Plans will not be able to charge you more or refuse to cover you if you have a pre-existing condition. Most plans must also offer the consumer rights and protections provided under the health care law.

Only Marketplace plans offer lower costs based on income. When you apply for Marketplace coverage, you'll find out whether you qualify for lower costs on your premiums or out-of-pocket costs.

## **What do I do if my employer offers health insurance through the SHOP Marketplace?**

If your employer will offer health insurance through the Small Business Health Options Program (SHOP), you'll have the option of using the SHOP website to enroll in the coverage selected by your employer. Your employer will give you the information you need to enroll.

You do not have to enroll in the health insurance offered by your employer. You can choose to buy other coverage instead.

But if you buy a plan through the individual Marketplace, you may not qualify for lower costs on your monthly premiums or out-of-pocket costs. It will depend in part on your income and in part on whether the insurance your employer offers meets certain standards for cost and coverage. Your employer should provide information to help determine whether the plan it offers meets those standards.

If you choose a plan other than your employer's, your employer does not have to contribute to your premiums.



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## **What if I currently have COBRA coverage?**

If you have COBRA continuation health coverage, you can keep it or decide to buy a Marketplace insurance plan instead at any time starting Jan. 1, 2014.

Starting in 2014, you may change from COBRA coverage to Marketplace health insurance coverage any time.

Losing your COBRA coverage qualifies you to buy health insurance in the Marketplace, even if it's not during open enrollment. This is true whether the coverage runs out or you choose to end it. At any time during the year you can visit the Marketplace to find your options, compare plans and enroll.

When you get health insurance through the Marketplace, you may qualify for lower costs on your monthly premiums or out-of-pocket costs based on your income.

This is not the case with COBRA coverage or insurance you buy outside the Marketplace.

## **What if someone doesn't have health coverage in 2014?**

If a person can afford it but doesn't have health insurance coverage in 2014, he or she may have to pay a fee. That person must also pay for all of his or her care.

The fee in 2014 is 1 percent of your yearly income or \$95 per person for the year, whichever is higher. The fee increases every year. In 2016 it is 2.5 percent of income or \$695 per person, whichever is higher.

In 2014 the fee for uninsured children is \$47.50 per child. The most a family would have to pay in 2014 is \$285.

It's important to remember that a person who pays the fee won't get any health insurance coverage. He or she will still be responsible for 100 percent of the cost of his or her medical care.

After open enrollment ends on March 31, 2014, the individual won't be able to get health coverage through the Marketplace until the next annual enrollment period, unless he or she has a qualifying life event.

## **Who doesn't have to pay the fee?**

Uninsured people won't have to pay a fee if they:

- Are uninsured for fewer than three months of the year
- Earn very little income and coverage is considered unaffordable
- Are not required to file a tax return because their income is too low
- Would qualify under the new income limits for Medicaid, but their state has chosen not to expand Medicaid eligibility
- Are members of a federally recognized American Indian tribe
- Participate in a health care sharing ministry
- Are members of a recognized religious sect with religious objections to health insurance

If you don't qualify for these situations, you can apply for an exemption asking not to pay a fee. You do this in the Marketplace.

## **What kinds of health insurance don't qualify as coverage?**

Health plans that don't meet minimum essential coverage don't qualify as coverage in 2014. If you have only these types of coverage, you may have to pay the fee. Examples include:

- Coverage only for vision care or dental care
- Workers' compensation



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- Coverage only for a specific disease or condition
- Plans that offer only discounts on medical services

## **What kinds of health insurance have minimum essential coverage?**

To avoid the fee in 2014 you need insurance that qualifies as minimum essential coverage. If you're covered by any of the following in 2014, you're considered covered and don't have to pay a penalty:

- Any Marketplace plan, or any individual insurance plan you already have
- Any employer plan (including COBRA), with or without "grandfathered" status. This includes retiree plans.
- Medicare
- Medicaid
- CHIP
- TRICARE (for veterans and veteran families)
- Veterans health care programs
- Peace Corps Volunteer plans

Other plans may also qualify. Ask your health coverage provider.

## **Can I buy a "catastrophic" plan?**

People under 30 and some people with limited incomes may buy what is called a

"catastrophic" health plan. It protects you from very high medical costs.

A catastrophic plan generally requires you to pay all of your medical costs up to a certain amount, usually several thousand dollars. Costs for essential health benefits over that are generally paid by the insurance company.

These policies usually have lower premiums than a comprehensive plan, but cover you only if you need a lot of care. They basically protect you from worst-case scenarios.

When you fill out a Marketplace application you'll see catastrophic plans listed as options if you qualify for them. If you don't qualify for a catastrophic plan, you won't see them as an option.

## **What do American Indians and Alaska Natives need to know about the Marketplace?**

If you're a member of a federally recognized tribe and qualify for a health insurance plan in the Marketplace, you have certain protections, such as:

- Monthly special enrollment periods
- No copayments or other cost-sharing if your yearly income is below a certain level—around \$70,650 for a family of 4 in 2013 (\$88,320 for the same family in Alaska). When you fill out a Marketplace application, you'll find out if you qualify for these lower costs.
- If you qualify for Medicaid or CHIP and you're eligible for or have gotten services from the Indian Health Service, tribal health programs or urban Indian health programs, you won't have to pay Medicaid or CHIP premiums, enrollment fees or out-of-pocket costs. Indian trust income isn't counted when determining Medicaid eligibility.

To get special Marketplace protections, you'll need to provide a copy of a document issued by a federally recognized tribe that shows membership in that tribe.

If you're applying for Marketplace coverage, in addition to basic information about household size and income, you'll need to provide information about income from Indian trust land, natural resources and items of cultural significance. This income won't be counted for Medicaid or CHIP eligibility, but may be counted for Marketplace purposes.

## **How can I get ready to enroll in the Marketplace?**



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- [Sign up for email or text updates about the Marketplace.](#) We'll let you know when there's important new information about the Marketplace, and we'll send timely reminders about important dates. You can also visit our Facebook page at [www.facebook.com/healthcare.gov](http://www.facebook.com/healthcare.gov) or follow [@healthcare.gov](https://twitter.com/healthcare.gov) on Twitter.
- [Learn about different types of health coverage.](#) Through the Marketplace, you'll be able to choose a health plan that gives you the right balance of costs and coverage. You can be better prepared if you understand the types of coverage you'll choose from.
- Make a list of questions you have before it's time to choose your health plan.
- Make sure you understand how coverage works, including things like premiums, deductibles, out-of-pocket maximums, copayments, and coinsurance. You'll want to consider these details while you're looking for health insurance.
- Gather basic information about your household income. Most people using the Marketplace will qualify for lower costs on monthly premiums or out-of-pocket costs. To find out how much savings you're eligible for, you'll need income information, like the kind you get on your W-2, current pay stubs or your tax return.
- Set your budget. There will be different types of health plans to meet a variety of needs and budgets. You'll need to figure out how much you want to spend on premiums each month.
- Ask your employer if it plans to offer health insurance in 2014.
- Explore current options. You may be able to get help with getting coverage now through existing programs. Learn more about [health insurance for adults up to age 26](#), and programs for people and children in families with limited incomes including [Medicaid](#) and the [CHIP](#). [Medicare](#) covers people who are 65 and older or who have certain disabilities.
- [Find out which Marketplace will serve you.](#) If your state runs the Marketplace, you'll use its website to compare your options and enroll in coverage. If your state doesn't run the Marketplace, you'll use the federal website, [HealthCare.gov](http://HealthCare.gov).

## How do I get help enrolling in the Marketplace?

In all states, there will be people trained and certified to help you understand your health coverage options and enroll in a plan. Though all will provide similar kinds of help, they will be known by different names, depending on who provides the service and where they are located:

- Navigators
- Application assistors
- Certified application counselors

Insurance agents and brokers can also help you with your application and choices.

When open enrollment starts on Oct. 1, 2013, the Marketplace Help Center will assist you in finding the kind of help that works for you. The Marketplace website walks you step by step through the online health coverage application. It keeps track of where you are and guides you through to the end. If you have to stop your application and come back later, the Marketplace lets you re-start where you left off.

Useful information on each page explains the questions being asked, how much time each step might take and whether you'll need any forms or other documents. If you want live help while you apply, you can call the toll-free support center or chat with someone online.



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## What key dates do I need to know?

There are three key dates you'll want to mark on your calendar:

- **October 1, 2013:** Marketplace open enrollment starts
- **January 1, 2014:** Health coverage can start
- **March 31, 2014:** Open enrollment ends

## How can I stay up to date about the Marketplace?

Here are five ways to connect with the Marketplace for updates:

1. [Sign up for email or text updates:](#) Get updates in your inbox or on your mobile phone.
2. [Twitter:](#) Follow @HealthCareGov
3. [Facebook:](#) Like, share, and respond to our latest posts.
4. [YouTube:](#) Watch and share videos about the Marketplace.
5. [The Health Insurance Blog:](#) Find tips for consumers and small businesses, top things to know about the Marketplace, frequently asked questions and more. Make comments to continue the discussion.

Source: [Healthcare.gov](http://Healthcare.gov)



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