The Affordable Care Act Finally Unrolls the Carpet

How you can find health insurance coverage for 2014

August 15, 2013 By Benjamin Ryan

Welcome to the revolution. Since Congress passed the Affordable Care Act (ACA, a.k.a. "Obamacare") in March 2010 and the Supreme Court validated most of the law in June 2012, the federal and state governments have been steadily laying the groundwork for a massive expansion of health insurance coverage. A signature goal is to greatly reduce the number of uninsured Americans, which in 2011 was a staggering 48.6 million, or 15.7 percent of the population.

The law requires all eligible Americans to obtain health coverage. Those who do not are subject to either a $95 fee or 1 percent of their annual income, whichever is larger. These fees will increase in the coming years. There are various exceptions.

The ACA is particularly game-changing for people living with the hepatitis C virus (HCV), since they are estimated to lack health coverage at a disproportionately high rate.

Also, because the ACA requires marketplace health plans to provide coverage of certain preventative health screenings at no cost to the consumer, hepatitis C screening now will be available for free. This will hopefully help to diagnose some of the estimated 75 percent of people with hep C who are unaware of their infection.

"I'm very encouraged and optimistic that this will be the greatest expansion of care and treatment for people with hepatitis C that we've seen," Ryan Clary, director of public policy and programs at the National Viral Hepatitis Roundtable, says of the ACA's new programs.

As of October 1, the open enrollment period for the long-awaited Medicaid expansion and the new insurance marketplace private health plans has begun. Coverage will start as early as January 1, 2014 for those who apply by December 15. For people with smaller incomes, subsidies are available to help pay the monthly premium costs for the marketplace plans available in each individual state. And for those who live in states that have decided to expand Medicaid (the Supreme Court gave states the option not to), most state residents who make less than 138 percent of Federal Poverty Level will qualify for the expanded system.

So here's a primer of what's in store. Be sure to click on the hyperlinks for more infiormation on certain topics or to link to web pages that can help you start the process of enrolling.

Note, however, that the ACA does not extend these insurance benefits to undocumented immigrants.

What if I'm already covered through my employer?

You can keep your same health plan. However, you may switch to an insurance marketplace plan if you like. For more information, click here and read the information below.

Where to Begin:

A good place to learn about your options and to begin the application process, is this web site. It will ask you various key questions and will give you a sense of what your options are for health coverage. It will also link you to information on your state's expanded Medicaid program and available marketplace plans.

What's your income? Do you qualify for Medicaid or private insurance?

Income is defined as your expected "modified adjusted gross income" in 2014. This is the last number on the first page of your 1040 federal tax return (a figure that factors in certain deductions such as business expenses), minus deductions such as IRA contribution deductions, or student loan or tuition deductions. You'll have to estimate what you expect to make in 2014.

If your modified adjusted gross income is less than 138 percent of Federal Poverty Level (FPL)—in 2013, that's $15,856 for an individual and $26,951 for a family of three—then you most likely will qualify for the expanded Medicaid coverage. (See this chart for 2013 FPL figures by family size, and then multiply the first column by 1.38. The 2014 figures, which will probably be somewhat higher, haven't been released yet.) However, you can only access expanded Medicaid if you live in one of the 25 states, including the District of Columbia, that have decided to expand Medicaid coverage. The states that haven't are largely those with Republican governors; Pennsylvania and Florida have not yet decided whether to expand.

If you live in a state that has not expanded its Medicaid program and you are otherwise eligible with an income less than 138 percent FPL, you are exempt from the fee charged to those who do not obtain insurance in 2014.

Anyone younger than 65 who does not have access to insurance through Medicaid, Medicare or his or her employer may purchase one of various private health plans made available through the new health insurance marketplace system (sometimes known as "insurance exchanges"). To visit your state's marketplace website, click here.

How much will this cost me?

Medicaid:

Cost sharing in expanded Medicaid programs will vary state by state. Monthly premium charges are unlikely, and any out-of-pocket costs cannot exceed 5 percent of your annual family income. For the expanded Medicaid program's list of preferred drugs, they can charge you up to $4 and for non-preferred up to $8. An outpatient visit to the doctor can cost up to $4 for those making less than 100 percent FPL and up to 10 percent of the cost Medicaid pays for the visit for those with incomes above 100 percent FPL. However, those with incomes below 100 percent of FPL cannot be denied services for their failure to pay.

Marketplace Plans:

Insurance marketplace plans are priced on a "medaled" tier system, with each representing an average percentage of medical expenses the consumer will be responsible for through cost sharing: bronze (60 percent average cost sharing), silver (70 percent), gold (80 percent) and platinum (90 percent). The lower tiers have smaller monthly premiums but have higher cost sharing per service or treatment. Meanwhile the top tiers have higher premiums and less cost sharing. So, in general, those people who have higher health expenses will likely pay less money overall if they choose a higher-tiered plan, and someone who rarely or never uses his or her health insurance would probably save the most with a bronze plan. A major exception is the fact that silver plans qualify some people for assistance with cost sharing expenses. Each plan will have an annual out-of-pocket expense cap.

If your adjusted gross income for 2014 is between 100 and 400 percent of FPL ($11,490 to $45,960 for an individual and $19,530 to $78,120 for a family of three), there will be tax credits available to subsidize your monthly premium in any of the plan tiers. You can have this credit paid directly to the plan to lower your monthly premiums, or you can receive the money in a lump sum when you file your 2014 taxes. However, if you select to have the credit paid directly to the plan and your 2014 income ends up being higher than what you estimated when you started the plan, you may wind up owing money back. To receive a rough estimate of your premium costs, factoring in a potential tax credit, use this calculator. For more information about this tax credit, click here.

For those with incomes up to 250 percent of FPL, marketplace plans must lower the cost for certain essential health benefits. For those in this income bracket who opt for the silver plan, there also will be subsidies available to reduce the expense of any cost sharing.

Can I be charged more for having hep C or for other lifestyle factors?

Your health status will not change the cost of your marketplace insurance premium. Smoking, however, may subject you to a very substantial surcharge—up to a 50 percent increase in the premium cost. Some states may have prohibited the surcharge. (For information about quitting smoking, click here.) Plans can also charge higher premiums based on family size, age and location, but not for your sex.

Will I be rejected for coverage because I have hepatitis C?

No. Starting January 1, 2014, it will be illegal for any insurer, including Medicaid, to deny coverage to anyone because of a pre-existing medical condition, or to cancel your insurance for any health problem that may arise.

Will my plan pay for hep C treatments?

Each plan will have to cover at least one drug in each therapeutic class. Right now, only two protease inhibitors are approved for hepatitis C treatment, in addition to the traditional backbone of interferon and ribavirin. Time will tell how coverage for the new treatments on the horizon will work out, and whether insurers may require people with hep C to use older, less expensive treatments that have lower cure rates. Advocacy groups are gearing up to fight for full coverage.

The expanded Medicaid programs will operate their drug formularies the same as with traditional Medicaid programs. How this works out may vary from state to state, but in general the current hep C therapies are covered at little or no cost.

This is all so complicated. How can I get help deciding which option is right for me?

The ACA provides funding to train people who will help you in selecting a health plan. Click here for assistance, or check your state's insurance marketplace website for more information.

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