



## HEALTH INSURANCE REFORM AT A GLANCE MAKING COVERAGE AFFORDABLE

Health Reform makes insurance premiums more affordable and reduces out-of-pocket expenses for lower and middle income individuals and families.

It provides sliding-scale tax credits for individuals and families with incomes above the Medicaid thresholds but below 400 percent of poverty. It prohibits insurers from limiting their coverage for individuals or families through annual or lifetime limits. It also protects individuals and families either self-insured or insured by their employer with a new plan from catastrophic costs with a cap on total out-of-pocket spending. In addition, it broadens Medicaid coverage to include individuals and families with incomes below 133 percent of poverty.

### PREMIUM ASSISTANCE TAX CREDITS

- **Tax Credits:** Effective 2014, sliding scale tax credits are provided to individuals and families up to 400 percent of poverty that are not otherwise provided coverage through Medicaid, employer sponsored insurance, or other acceptable coverage. That means the credits phase out completely for an individual with \$43,320 in income and a family of four with \$88,200 in income.
- **Limits on Premiums:** The sliding-scale credits limit individual family spending on premiums for the essential benefit package to no more than 2.0 percent of income for those with the lowest income and phasing up to no more than 9.5 percent of income for those at 400 percent of poverty.
- **Out-of-pocket expenses:** The credits also subsidize cost sharing on a sliding-scale basis, phasing out at 400 percent of poverty, to ensure that covered benefits are accessible when care is needed.

### CAP ON TOTAL OUT-OF-POCKET SPENDING

- Protections are included to prevent bankruptcy by limiting exposure to catastrophic costs with a cap on total out-of-pocket spending for covered benefits in new plans that cannot exceed health savings account limits estimated to be \$6,200 for an individual and \$12,300 for a family in 2014. For lower-income households, the out-of-pocket cap ranges from \$2,066 for an individual and \$4,100 for a family at the lowest income tier to a \$6,200 and \$12,300 cap at higher income tiers.

### MEDICAID

- To ensure that low-income individuals and families get the benefits they need, effective 2014, individuals and families with income at or below 133 percent of poverty will be eligible for Medicaid, regardless of the state in which they live.
- Individuals and families who are eligible for Medicaid will not have to pay premiums to enroll and are subject to only nominal cost-sharing requirements.