HEALTH COVERAGE UNDER THE AFFORDABLE CARE ACT (ACA)

How to Get Coverage Beginning in 2014

START

- Is employer coverage available?
  - YES
  - Is family income less than or equal to 133% of the Federal Poverty Level (FPL)?
    - YES
    - Has state opted for the ACA Medicaid expansion?
      - YES
      - Family is eligible for coverage through Medicaid.
      - NO
      - Family is guaranteed access to insurance through an exchange and is eligible for a tax credit.
    - NO
    - Is family income less than or equal to 133% of the FPL?
      - YES
      - Does the employer plan cover at least 60% of health expenses on average?
        - YES
        - Does the employee pay more than 9.5% of income for the premium in the employer plan?
          - YES
          - Employee can choose coverage in the employer plan or buy unsubsidized insurance through an exchange or in the nongroup market.
          - NO
          - Employee is eligible for coverage through Medicaid.
        - NO
        - Is family income between the FPL and 4x the FPL?
          - YES
          - Family is guaranteed access to unsubsidized insurance through an exchange or the nongroup market.
          - NO
          - Is family income between the FPL and 4x the FPL?
            - YES
            - Employee can choose coverage in the employer plan or buy insurance through an exchange and be eligible for a tax credit.
            - NO

KEY FACTS

- The FPL in 2012 is $11,170 for a single individual and $23,050 for a family of 4.
- In 2012 employees paid $951 on average towards the cost of single coverage in an employer plan and $4,316 for a family of 4.

NOTES

- Some states may have higher income eligibility levels for Medicaid.
- In general, individuals who are currently eligible for Medicaid in their state of residence (who are mostly parents and children today) will continue to be eligible for Medicaid after ACA implementation. Those below 133% of the FPL, who will be newly eligible for Medicaid after implementation are mostly adults without dependent children.
- In some cases, children may be eligible for public coverage through Medicaid or the Children’s Health Insurance Program (CHIP) while their parents are covered through an employer or an exchange.
- Undocumented immigrants are ineligible for Medicaid and may not purchase coverage in an exchange or receive a tax credit.
- In general, people are required to obtain coverage or pay a penalty, but those whose health insurance premiums exceed 8% of family income (after tax credits or employer contributions are taken into account) will not be penalized if they choose not to purchase coverage.
- Final regulations specifying how dependents of workers with employer coverage available are treated have not yet been issued. Draft rules indicate that the affordability of employer coverage (i.e., whether it costs more than 9.5% of income) will be based on the required premium for a single worker rather than family coverage.
- Small businesses may choose to buy insurance through newly created Small Business Health Options Program (SHOP) exchanges or directly from insurers.

Source: Kaiser Family Foundation (http://www.kff.org) analysis.
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