



## Commonly Asked Question & Answers:



### ***Is it true that everyone has to have health coverage starting in 2014?***

Yes, it is true. ACA's Individual Mandate goes into effect on January 1, 2014, which requires each American Citizen to have or purchase at least minimum value health insurance. If you choose not to purchase or obtain health insurance through your employer or other means, you will be required to pay a penalty on your annual tax returns.

The good news is that Exchanges will be established to help individuals purchase health insurance, and many Americans will be eligible for a premium subsidy, which will reduce your premiums.

### ***What is an Exchange?***

An exchange is an internet/web-based portal that people can go to for the purpose of purchasing health insurance. You will start to hear a lot about them in TV, radio and print advertising, starting this summer. Why did the government think they were necessary? Because ACA requires every American to have or purchase health insurance beginning January 1, 2014 (the Individual Mandate), or pay a penalty on your tax return if you don't.

### ***What is Covered California?***

Covered California is California's state Exchange. This is the only place where individuals will be allowed to purchase health insurance with a premium subsidy. Covered California opens for enrollment on October 1, 2013. Health insurance purchased through Covered California will not be effective until at least January 1, 2014. The cut-off to purchase coverage in Covered California for a January 1, 2014 effective date is, as far as we know, December 15, 2013.

### ***Is there a chance I can be declined coverage?***

No, starting January 1, 2014, there will be no declining of individual medical insurance. Everyone applying for coverage will be accepted on a "guarantee issue" basis. However, you may or may not be eligible for a premium subsidy. Prices will be determined by your age, your geographic area and the plan that you choose.

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

Beginning in 2014, there will be no pre-existing conditions waiting periods for individuals applying for coverage. Group plan pre-existing condition exclusion or waiting periods, however, will be eliminated with plan renewal dates in 2014, so if you are under a group plan, your pre-existing conditions exclusion

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provisions may remain in effect until your plan renewal date in 2014. New individuals applying for coverage in 2014, however, will not be subject to pre-existing waiting periods.

In the past you may have had to wait 6 months or longer for coverage for a particular pre-existing condition to be covered under your health plan. These waiting periods will all be eliminated in 2014.

### ***What is a premium subsidy/How do premium subsidies work?***

A premium subsidy will be available to help you pay for health coverage if you are within the income guidelines established under ACA. A premium subsidy is a tax credit that will be paid directly from the IRS to the insurance company you choose. In other words, if your premium amount is \$562 but you have a \$256 premium subsidy, the federal government will automatically (after verification and approval) pay your insurance carrier the \$256 per month. You will pay the difference, or in this example, you would pay only \$306 per month.

Premium subsidies will be available to individuals and families that fall generally between 133% and 400% of the Federal Poverty Level (FPL), or in California, between 138% and 400% of the FPL. This means that individuals making between an estimated \$18,000 per year (\$15,415 in California) and \$44,680 per year will be eligible for a premium subsidy, and families of 4 can make up to about a maximum \$92,200 per year in household income and be potentially eligible for a premium subsidy. Individuals and families under the 133% level will be eligible for a Medicaid program (138% - Medi-Cal in California). Individuals and families above the 400% of FPL will not be eligible for a premium subsidy.

You can only receive premium subsidies in the state or federal exchanges. In California, you will only be eligible to receive a premium subsidy in Covered California products.

At the end of the year, the tax credits may be adjusted if your income is different than you anticipated. *This means that you will want to notify Covered California or your agent if your income changes.* You don't want to get stuck owing additional taxes at the end of the year because you over-estimated your premium subsidy amount.

It is important to remember what that ***if your employer offers you or your dependents (now defined as dependent children to age 26) health insurance coverage that meets the minimum standards (at least a 60% benefit) and is affordable by new government standards, you WILL NOT be eligible for a premium subsidy (reduction in cost, a subsidy paid on your behalf by the government to your insurance carrier) in the Exchange.***

### ***Will I qualify for a premium subsidy?***

You may qualify for a premium subsidy if you fall between the FPL guidelines of 133% (138% in California) and 400% and if you are a citizen of the United States (legal resident of California for Covered California), and if you are NOT OFFERED coverage by your employer. ***If you are offered coverage and the coverage is considered affordable*** (by government standards of not more than 9.5% of household income, for which employers can use one of 3 safe harbors to calculate) and the coverage meets

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Minimum Value requirements (a plan that is valued to cover at least 60% of medical expenses), **you will not be eligible for a premium subsidy**. If you have insurance offered by your employer, you will be advised in your Notice of Exchange whether your employer meets the qualification of minimum value and affordability. **If your Exchange Notice (which you will receive in September, 2013) says the plan is affordable and meets minimum value, you will not be eligible for a premium subsidy**. Employers will be reporting this information to the federal government and the federal government will verify your citizenship, income levels, etc., before you will be deemed eligible for a premium subsidy.

Here are some examples of amounts of premium subsidies. Note that these premium estimates are based on Silver Level plans. You can apply the premium subsidies to other plan levels, however.

**Sample Income and Premium Subsidy Chart (Silver Plan)**

<b>Number in Household</b>	3	1	1	1	2	4	4
<b>Annual Income</b>	\$37,000	\$28,000	\$46,000	\$34,000	\$56,000	\$76,000	\$91,000
<b>Age of First Adult</b>	29	26	30	45	33	45	53
<b>Age of Spouse</b>					31	41	52
<b>Number of children under 21</b>	2					2	1
<b>Number of children 21-25</b>							1
<b>Est. Silver Premium without subsidy</b>	\$550	\$236	\$261	\$332	\$542	\$924	\$1,274
<b>Est. Amount of Premium Subsidy/Tax Credit</b>	\$370	\$53	\$0	\$66	\$99	\$322	\$554
<b>Est. Premium Amount after Tax Credit</b>	\$179	\$183	\$261	\$266	\$443	\$602	\$720

Based on Covered California Website costs, July, 2013

**Lower Income Individuals and Families May Qualify for Out-of-Pocket Assistance**

In addition to standard premium subsidies mentioned above, if you are lower income, you may also qualify for Out-Of-Pocket assistance. Your premiums will be shown automatically at the Silver Level

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(more information below) for initial calculations of a possible premium subsidy. Basically, Silver Plans are plans that are valued at around 70% of the overall costs of benefits. However, if your income falls between levels described below, you may be eligible for a sliding scale, increased benefit schedule, which will mean you pay much less out-of-pocket. The increased benefit schedules apply to Silver Plans, but, depending on your income, you may receive gold (80% range) or even platinum (90% range) level benefits at the Silver price, meaning your benefits cost you less overall.

- In California, our limits are less than the federal limits. Medi-Cal will also be available to lower income families.
- **Individuals making \$15,415 to \$27,935 qualify for help in paying for OOP costs like deductibles and co-pays, plus tax credits (subsidies)**
- **Individuals making \$27,936 to \$44,680 will qualify for a tax credit (premium subsidy)**
- **Family of 4 making less than \$31,810 will be eligible for Medi-Cal (free gov't program)**
- **Family of 4 making \$31,810 to \$57,635 qualify for help in paying for OOP costs like deductibles and co-pays, plus tax credits (subsidies)**
- **Family of 4 making \$57,636 to \$92,200 will qualify for tax credits (subsidies)**
- **Individuals making over \$44,680 will not qualify for government assistance. Not income eligible for subsidies.**

#### Plan Benefits With and Without Out-of-Pocket Assistance

Standard Benefits for a Silver Plan are valued at approximately 70% of total benefits and have a \$2,000 deductible, no-cost preventive care (at least 1 yearly visit), a \$45 co-pay for primary care visits, \$65 co-pay for specialists, \$90 urgent care co-pay, \$19 Generic Rx co-pay, \$45 lab testing co-pay, \$65 x-ray co-pay, \$250 ER co-pay, 20% co-insurance for hospitalization and outpatient surgery, \$250 imaging (MRI, CT or PET scan) co-pay, and a separate \$250 deductible for brand name prescriptions (non-preferred). The Out-of-Pocket Maximum is \$6,350 for individuals and \$12,700 for families.

However, if your income is below \$28,725, you may be eligible for a higher benefit schedule, with lower overall out-of-pocket costs. Refer to the chart below to see the differences by income (based on adjusted gross income):

**Standard Benefit Designs By Income**

Coverage Category	94% Silver	87% Silver	73% Silver
Eligibility based on income and premium assistance	Covers 94% Average Annual Cost	Covers 87% Average Annual Cost	Covers 73% of Average Annual Cost
Single Income Ranges	\$15,415 to \$17,235	\$17,236 to \$22,980	\$22,981 to \$28,725
Annual Wellness Exam	\$0	\$0	\$0

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PCP Visit	\$3	\$15	\$40
Specialist Visit	\$5	\$20	\$50
Lab Tests	\$3	\$15	\$40
X-Rays & Diagnostics	\$5	\$20	\$50
Imaging	10%	15%	20%
Generic Drugs	\$3	\$5	\$19
Annual OOP Max			
Individual	\$2,250 Individual	\$2,250 Individual	\$5,200 Individual
Family	\$4,500 Family	\$4,500 Family	\$10,400 Family

***How do I get enrolled?***

You can enroll for Covered California (or any other state or federal exchange) with the assistance of a broker/agent (such as Advanced Benefit Consulting and The Health Exchange Depot agents) that are licensed as an insurance agent, plus certified by their state or the federal exchange’s certification process, or you can enroll with an assister or navigator, or you can use the exchange’s call center. Note that agents (as well as navigators/assisters) will not receive training and cannot be certified until September, 2013. All agents at Advanced Benefit Consulting will be trained and expect to be certified in September, 2013 (before the exchanges open).

For personal, one-one assistance, help with premium subsidy analysis and qualification, plus advice on the right plan and network for your needs, we recommend a professional health insurance agent, as long as they are certified by their exchange (Covered California begins classes of 8 hours in class plus 4 hours online and passage of a certification exam in September, 2013. There are NO certified agents until that time). Professional insurance agents are allowed to give recommendations, where assisters or navigators can ONLY help you fill out the application. Agents and brokers are also licensed in their state to sell insurance products, have many years of experience, have to complete at least 15 hours per year (new agents 25 hours per year) or Continuing Education classes and must carry Errors & Omissions (E&O) coverage. Assisters and navigators have no insurance license, do not have to carry E&O and have only 3 days of training.

It costs no more to have a professional agent help enroll you. Premiums are the same with or without an agent’s help.

For enrollment assistance, contact Nolan Warriner at [nwarriner@advancedbenefitconsulting.com](mailto:nwarriner@advancedbenefitconsulting.com) or 714 693-9754 x 1, or toll free at 866 658-3835 x 1.

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**How much will the premiums be?**

Premiums vary by your age, geographic region, type of plan selected, etc. The best way to see how much your premiums would be is to contact Nolan Warriner at Advanced Benefit Consulting at [nwarriner@advancedbenefitconsulting.com](mailto:nwarriner@advancedbenefitconsulting.com) or 714 693-9754 x 1, or toll free at 866 658-3835 x 1.

Keep in mind, some of you may be eligible for a premium subsidy to reduce your premiums.

**What are the penalties if I don't enroll in health coverage?**

Year	Percentage of Income	Set Dollar Amounts
2014	1%	\$95
2015	2%	\$325
2016	2.5%	\$695

- Penalty is the **greater of** the penalties of \$95 in 2014, \$325 in 2015 or \$695 in 2016, or 1% of income for 2014, 2% of income for 2015, and 2.5% of income for 2016. See above chart.
- Penalty is capped at 3 times the annual flat dollar amount per year
- Penalties for children are \$47.50 per child in 2014.

**What carriers are available within the Exchange/Covered California?**

The major carriers in the individual market for Covered California include

- Anthem-Blue Cross
- Blue Shield
- Health Net
- Kaiser

In addition, there are many smaller, regional carriers , including:

- LA Care Health Plan
- Alameda Alliance for Health
- Molina Health Care
- Sharp Health Plan
- Chinese Community Health Plan
- Valley Health Plan
- Ventura County Health Plan
- Western Health Advantage

**What types of plans are available?**



There will be basically 4 types of plan levels, called Metal Tier Plans. These will be platinum, gold, silver or bronze levels. The chart below summarizes the approximate amount you will pay vs. what the plan will pay, depending on the metal tier you choose.

**Plan By Metal Tier- Cost Summary**

Category	% of expenses paid by health plan	% of expenses paid by the individual
Platinum	90%	10%
Gold	80%	20%
Silver	70%	30%
Bronze	60%	40%

***When will enrollments begin?***

Enrollments will begin October 1, 2013. Effective dates will not begin until January, 2014.

***Where are the Town Hall Enrollment Information Meetings in my area?***

At this time, the only Town Hall Meetings we have scheduled are in Big Bear Lake, CA, Anaheim Hills, CA Yorba Linda, CA. Additional locations/times to be announced. Those dates, locations and times are as follows:

- Hacienda Grill, Big Bear Lake, Monday, August 19, 8:30 to 10 am, 41787 Big Bear Blvd, Big Bear Lake, CA
- Boo Bear’s Den, Monday, September 30, 5:30 to 7 pm, 572 Pine Knott Ave, Big Bear Lake, CA
- East Anaheim Community Center (Anaheim Hills), Monday, October 14, 5:30-7 pm, 8201 E. Santa Ana Canyon Rd, Anaheim (at Roosevelt, across from Target/Anaheim Hills Festival Center off of 91 & Weir Canyon)
- Yorba Linda Community Center, Tuesday, October 15, 5:30 to 7:00 pm, 4501 Casa Loma Ave (at Imperial Hwy), Yorba Linda, CA

These are free events!

First come, first served for space. Advanced registrations will guarantee your space!

***Please watch for updates in our new website, [www.healthexchangedepotca.com](http://www.healthexchangedepotca.com), which is scheduled to be live on or around September 15, 2013. This website will be dedicated to assisting individuals and families understand their obligations and options available under the Affordable Care Act.***

***Disclaimer and Notes:*** Information in this Commonly Asked Questions summary is subject to change. Both the federal government and the State of California continue to make changes, additions, to the laws, regulations, and administrative procedures, etc. We are attempting to gather information which we have summarized to assist you. We do not provide legal or tax advice of any kind. Most or all questions should be answered by October 1, 2013. We encourage you to continue to attend our town hall meetings, watch or website, and contact your representative for the latest information.

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