

The Facts About Applying: Health Care Coverage and the Affordable Care Act¹

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Introduction

President Obama signed the Affordable Care Act into law in March 2010, putting in place a set of reforms to health coverage in the United States. For Americans who have health insurance, they do not have to change their current plan under the health care law. However, those who do not have coverage will have the chance to shop for health insurance starting October 1 using the new Health Insurance Marketplace. This publication reviews some common questions about the new health care law and how it will affect citizens.

Who Should Apply for Health Insurance Under the Affordable Care Act?

Children and adults who do **not** currently have health insurance must apply for health insurance under the Affordable Care Act. This includes those who are employed full-time or part-time, children, students, unemployed, and persons who are retired and not yet receiving Medicare. If you **do** have health insurance and want to look at other options, you can do so and visit the Health Insurance Marketplace (<https://www.healthcare.gov/>).



Figure 1. Credits: Fuse

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How Do I Apply for Health Insurance Under the Affordable Care Act?

The government has established the “Health Insurance Marketplace” as a new way for individuals, families, and small businesses (classified as businesses with 50 or fewer full-time employees) to sign up. Beginning on October 1, 2013, the Health Insurance Marketplace will be available to help you review your health insurance choices if you do not have health insurance or if you have insurance but want to look at other options.

To access the Health Insurance Marketplace in your state, go to <http://healthcare.gov> or call 1-800-318-2596 (TTY: 1-855-889-4325). The Health Insurance Marketplace is also sometimes called the Health Insurance Exchange.

When you use the Health Insurance Marketplace, you will fill out an application and see all the health plans available in your area. You will provide information about your household size and income to find out if you can get lower rates on your monthly premiums from private insurance plans. You’ll also learn if you qualify for [lower out-of-pocket costs](#). The marketplace will tell you if you qualify for free or low-cost coverage available through [Medicaid](#) or the [Children’s Health Insurance Program \(CHIP\)](#).

The marketplace simplifies your search for health coverage by gathering the options available in your area in one place. You can compare plans based on price, benefits, and other features important to you before you make a choice. Plans will be [presented in four categories](#)—bronze, silver, gold, and platinum—to make comparing them easier.

What Is the Timeline for Applying for Health Insurance and Receiving Coverage?

The first Health Insurance Marketplace open enrollment begins October 1, 2013 and ends March 31, 2014.

Most people must have health coverage in 2014 or pay a fee. Some people may qualify for an exemption to this fee if they have hardships or other qualifying reasons (see the list below).

Every year there will be an open enrollment period (shorter than this first one) when you can review and change your health insurance. If you have a change in your status relating to your coverage (such as marriage, divorce, or birth

of a child), you will be able to revisit your health insurance outside of the open enrollment period.

If you enroll by December 15, marketplace coverage will begin as early as January 1, 2014. If you lose your employer-provided health insurance at any time, you have two primary options for health insurance coverage: a marketplace plan (even if you lose your job-based coverage after March 31, 2014) or COBRA, which is continuation coverage through your employer.

What Happens If I Do Not Have Health Insurance and I Don’t Apply Through the Marketplace?

If you do not obtain health insurance, you may have to pay a fee with your tax return in 2014. The fee is \$95 per adult, \$47.50 per child, or 1% of your income (whichever is higher).

Uninsured people may not have to pay a fee if they:

- are uninsured for less than three months of the year
- have a very low 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 a member of a [federally recognized Indian tribe](#)
- participate in a health care sharing ministry
- are a member 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 through the Health Insurance Marketplace.

References

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