

February 2014

# The Affordable Care Act:

## Health Insurance Marketplace



BlueCross BlueShield  
of Texas

### How does the Health Insurance Marketplace work?

Individuals can review insurance plans available in their area. Individuals can visit the Marketplace online, but they can also apply for coverage over the phone or by using a paper application. Health insurance plans in the Marketplace will offer comprehensive coverage, from doctors to medications to hospital visits. Individuals can compare all of their insurance options based on price, benefits and other features that may be important to them.

### What if a person can't afford health insurance?

Individuals may be able to get a new tax credit and other cost-sharing assistance that lowers their monthly premium. Depending on their situation, they may even be eligible for a \$0 premium plan. Individuals will be able to see what their premium, deductibles and out-of-pocket costs will be before making a decision to enroll.

### What coverage options will be available on the Marketplace?

All plans on the Marketplace will have to include the package of essential health benefits (EHBs) — 10 categories of benefits considered essential to good health. Where the plans differ is in how the costs of the benefits are applied.

Marketplace plans will be divided into four different levels — **Bronze, Silver, Gold** and **Platinum**. A Bronze plan will typically have lower monthly payments, but higher out-of-pocket costs when someone receives medical care. A Platinum plan, on the other hand, will typically have the highest out-of-pocket monthly payments, but will have the lowest costs when someone receives medical care.

<b>Bronze</b>	<ul style="list-style-type: none"><li>• Lower monthly payments</li><li>• Higher out-of-pocket costs when you receive medical care</li></ul>
<b>Silver</b>	<ul style="list-style-type: none"><li>• Higher monthly payment than a Bronze plan</li><li>• Lower out-of-pocket costs than a Bronze plan when you receive medical care</li><li>• Silver plans eligible for cost-sharing assistance based on income</li></ul>
<b>Gold</b>	<ul style="list-style-type: none"><li>• Higher monthly payment than a Silver plan</li><li>• Lower out-of-pocket costs than a Silver plan when you receive medical care</li></ul>
<b>Platinum</b>	<ul style="list-style-type: none"><li>• Highest monthly payments</li><li>• Lowest out-of-pocket costs when you receive medical care</li></ul>

**NOTE:** Catastrophic coverage will be available on the Marketplace for individuals under age 30, or for individuals who received certification for lack of affordable coverage or financial hardship. The federal premium tax credit cannot be used to purchase catastrophic coverage. These plans are expected to have lower premiums and higher deductibles, protect against high out-of-pocket costs and cover recommended preventive services without cost sharing.

### A New Way to Buy Health Insurance

There is a new way to buy health insurance. The Health Insurance Marketplace is designed to help individuals find health insurance that fits their needs. Enrollment began on Oct. 1, 2013; the open enrollment period for 2014 continues through March 31, 2014. Individuals and their families can explore health insurance plans from insurance companies available in their area. They can also apply for Blue Cross and Blue Shield of Texas Marketplace plans directly through [bcbstx.com](http://bcbstx.com).

### What if a person's situation changes during the year? What do they do?

The Marketplace will provide special enrollment periods for people who have life changes or other situations. These include losing minimum essential coverage; gaining a dependent or becoming a dependent through marriage, birth, adoption or placement for adoption; becoming a citizen, national or lawfully present individual; or becoming newly eligible for a premium tax credit or cost-sharing assistance.

When one of these situations occurs, the individual has 60 days to go back to the Marketplace to enroll in or change plans.

### How will someone know if they're eligible for the premium tax credit and cost-sharing assistance?

The federal premium tax credit is available for eligible individuals who purchase individual coverage on the Marketplace and whose 2013 household income is between \$11,490 and \$45,960 (\$23,550 and \$94,200 for a family of four). The tax credit amount is based on the premium for the second lowest-cost Silver plan in the Marketplace, although individuals would be permitted to select any metallic level plan.

Additional cost-sharing reductions are available for those Silver enrollees whose household income ranges anywhere from \$11,490 to \$28,725 (\$23,550 to \$58,875 for a family of four).

### What are the major features of the Qualified Health Plans available on the Marketplace?

- Qualified health plans (QHPs) have been certified by the Marketplace to meet EHB and actuarial value criteria outlined in the Affordable Care Act (ACA).
- A person can't be denied coverage because of a pre-existing illness or health condition. Health plans available on the Marketplace will include 10 categories of EHBs. The Marketplace plans will also limit what a person pays out of pocket.
- Health insurance companies offering coverage to individuals and small employers can vary premiums based on age, tobacco use, family demographics and geographic area. For example, a 64-year-old won't pay more than three times for a premium what a 21-year-old will pay for the same individual coverage. Tobacco users won't pay more than 50 percent above what non-tobacco users will pay for a premium.

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### What will the Marketplace do?

- **Plan management:** Consumers and small businesses will be able to review information and choose among QHPs, which have been certified by the Marketplace to meet EHB and other criteria outlined in the Affordable Care Act (ACA).
- **Consumer assistance:** Marketplace-certified agents/brokers, navigators, call centers, online assistance tools, certified application counselors and in-person assisters, in addition to other assistance aids, will help consumers and small businesses apply for coverage in the Marketplace.
- **Eligibility:** Applicant information is collected and verified to determine eligibility for enrollment, premium tax credits, cost-sharing reductions, as well as the Children's Health Insurance Program (CHIP) and Medicaid.
- **Enrollment:** Consumers and small employers can choose and enroll in a QHP, taking into consideration their eligibility for financial assistance. Consumers and small employers will also be able to enroll in Marketplace coverage directly with QHP issuers, by visiting the health insurer's website.
- **Financial management:** The Marketplace will oversee QHP issuers, will be required to keep accurate accounting of all financial activities, and must submit a report annually to the secretary of the U.S. Department of Health and Human Services about such accounting.