



# UNDERSTANDING LOWER COSTS

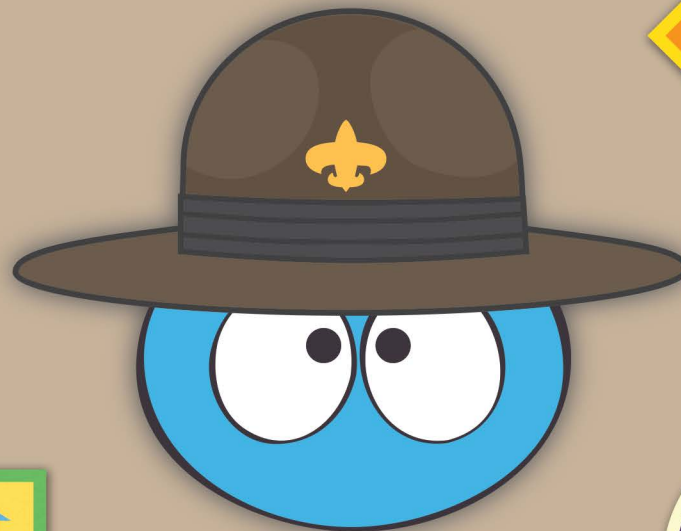
INSURANCE DOES  
NOT COVER 60%  
OF EXPENSES

MEDICAID

MEDICARE

PREMIUMS   
9.5% OF INCOME

LOWER  
PREMIUMS



Let's say you qualify to get insurance on the Web-based **public health insurance marketplace**. The next question is: what type of coverage can you afford? After all, **Healthcare Reform** is designed to help more Americans find affordable health insurance.

One way Health Reform is doing this is by offering lower costs on your healthcare. There are two types of these **lower costs** or **government subsidies**. One provides lower **monthly premiums**. The other provides lower **out-of-pocket costs**, like co-pays, deductibles and other things you pay for with your own money.

## How do you know if you qualify for a subsidy?

If you are...	Are you eligible for a lower cost on a public marketplace?
Currently on <b>Medicare</b>	No. (You're already receiving lower costs through this program.)
Currently on <b>Medicaid</b>	No. (You're already receiving lower costs through this program.)
Currently in the <b>Children's Health Insurance Program (CHIP)</b>	No. (You're already receiving lower costs through this program.)
Currently on military coverage	No. (You're already receiving lower costs through this program.)
Eligible for insurance through your employer that would cover more than 60% of your healthcare expenses and your yearly premium is less than 9.5% of your yearly income. *	No. (If the insurance you could get through your employer covers at least 60% of your average healthcare expenses and your yearly premium is less than 9.5% of your yearly income, then you are NOT eligible for a lower cost.)
Eligible for insurance through your employer that would cover less than 60% of your healthcare expenses and your yearly premium is more than 9.5% of your yearly income. *	Possibly. (As long as your income falls between 100 and 400% of the Federal Poverty Level and you are not eligible for the government programs listed above.)
Making between 100% and 400% of the federal poverty level* (For example, if you're single and have an income between \$11,490 and \$45,960, or if you're a family of 4 with an income between \$23,550 and \$94,200)	Possibly. (As long as you aren't eligible for the government programs listed above, or if you could get insurance through your employer that covers more than 60% of your healthcare expenses and your yearly premium is less than 9.5% of your income.)

\* If you're not sure if your health insurance meets these standards, ask your HR representative to help you do the math.

## Additional Resources

Still having trouble figuring out if you qualify for a lower cost?  
The table below may help.



### Quick Check Chart

		Number of People in Your Household					
		1	2	3	4	5	6
Private Marketplace Plans	You may qualify for <b>lower premiums on a Marketplace insurance plan</b> if your yearly income is between:	\$11,490- \$45,960	\$15,510- \$62,040	\$19,530- \$78,120	\$23,550- \$94,200	\$27,570- \$110,280	\$31,590- \$126,360
	You may qualify for <b>lower premiums AND lower out-of-pocket costs for Marketplace Insurance</b> if your yearly income is between:	\$11,490- \$28,725	\$15,510- \$38,775	\$19,530- \$48,825	\$23,550- \$58,875	\$27,570- \$68,925	\$31,590- \$78,975
Medicaid Coverage	If your state <b>is</b> expanding Medicaid in 2014: You may qualify for <b>Medicaid coverage</b> if your yearly income is below:	\$16,105	\$21,707	\$27,310	\$32,913	\$38,516	\$44,119
	If your state <b>isn't</b> expanding Medicaid in 2014: You may not qualify for any <b>Marketplace savings programs</b> if your yearly income is below:	\$11,490	\$15,510	\$19,530	\$23,550	\$27,570	\$31,590

\*Table adapted from <https://www.healthcare.gov/how-can-i-save-money-on-marketplace-coverage/>

Also, if you didn't qualify for Medicaid before Health Reform, you might want to check again. New rules with the Affordable Care Act have changed the requirements for Medicaid in some states.<sup>1</sup> Visit [healthcare.gov](http://healthcare.gov) and click "Do I Qualify For Medicaid?" or you'll be notified when you fill out your marketplace application.

### Estimate Your Marketplace Price With These Tools:

- Kaiser Family Foundation Subsidy Calculator: <http://kff.org/interactive/subsidy-calculator/>
- Price Examples and Estimates from Healthcare.Gov (subject to change): <https://www.healthcare.gov/find-premium-estimates/>

<sup>1</sup> Alaska and Hawaii have different rules and requirements to qualify for Medicaid. For more information, please visit: <https://www.healthcare.gov/how-can-i-save-money-on-marketplace-coverage-ak-hi/>.



## Tip!

**Even if you don't qualify for lower costs, marketplace health plans can help lower the total cost you pay out-of-pocket. Marketplace health plans compete on cost and quality, which helps keep costs down.**

## Key Terms

### Lower Cost:

Government Subsidy

Under Health Reform, you could receive lower costs on your healthcare expenses given by the government when you purchase a plan through a public marketplace. There are two types of these lower costs or government subsidies.

One provides lower monthly premiums. The other provides lower out-of-pocket costs, like co-pays, co-insurance or deductibles. You may qualify for one or both types of lower costs.

### Lower Premiums:

Tax Credit, Premium Subsidy

A discount on your yearly health insurance premium.

### Lower Out-of-Pocket Costs:

Cost-Sharing Subsidy

A discount on your out-of-pocket healthcare costs — things like co-pays, co-insurance or deductibles.

**Medicare:** A government program that helps pay for the healthcare expenses of people age 65 or

older, and of people under age 65 with certain disabilities, end stage renal disease or Lou Gehrig's Disease.

**Medicaid:** A government program that helps pay for the healthcare expenses for people of all ages with low income and limited resources.

### Children's Health Insurance Program (CHIP):

A government program that helps pay for the healthcare expenses of children in families with incomes that are slightly too high to qualify for Medicaid.

**Co-pay:** A small, set fee you pay at the time you receive healthcare services.

**Co-insurance:** How you and your health plan split the cost of your care once you've met your deductible.

**Deductible:** The amount you have to pay out of your own pocket towards healthcare services before your health plan starts to pay for covered services.

# POP QUIZ

1. **There are two types of lower costs available on public marketplaces. One provides lower monthly premiums. The other provides lower out-of-pocket costs.**
  - A. True
  - B. False
2. **There are two types of government subsidies in the public markets. One is for discounts on monthly premiums and the other is for discounts on prescription drugs.**
  - A. True
  - B. False
3. **If your employer offers health insurance, you will never be eligible for a subsidy/lower cost on a public marketplace.**
  - A. True
  - B. False
4. **If you are currently on Medicare, Medicaid, the Children's Health Insurance Program (CHIP) or military coverage, you are not eligible for a lower cost on a public marketplace.**
  - A. True
  - B. False
5. **If you are single and your yearly income is \$15,000, you might be eligible for a monthly discount on premiums and out-of-pocket costs.**
  - A. True
  - B. False

How did you do?

1. A. 2. B. 3. B. 4. A. 5. A.



## PLAY ON THE GO

Have you mastered the Challenge?  
Log in now! You can play as many times as you'd like.

Shopping for healthcare made simple. **GAME ON!**

