FAQ
Overview of the Affordable Care Act

The Affordable Care Act (ACA) was one of the biggest changes to healthcare in decades. This law makes sure more Americans can get health insurance and stay healthy. It also makes having health insurance a requirement for most people. There are lots of benefits - plus lots of information you need to know in order to understand how the ACA affects you, your staff, your patients, and Magnolia Health.

Below are some questions and answers you may have about the Affordable Care Act, the Health Insurance Marketplaces (also known as Exchanges), and Magnolia Health's involvement in the marketplace.

What is the Affordable Care Act?

The Affordable Care Act (ACA) is a bill passed by the government in 2010 that changed the way our healthcare system works. The ACA makes it possible for more Americans to obtain health insurance coverage and to stay healthy.

What are the benefits that the ACA brings to the U.S. healthcare landscape?

The ACA brings a lot of new enhancements to the way our healthcare system works. Here are some of the main benefits:

- **Coverage for those with pre-existing conditions**

  If someone has a pre-existing condition, such as diabetes, pregnancy, or a history of heart problems, they are able to obtain coverage.

- **No lifetime limits**

  Health insurance coverage won't run out when someone reaches a certain dollar amount limit. This is helpful if someone needs a lot of medical care.

- **Increased coverage for children**

  Dependents can stay on a parent's healthcare plan until they are 26 years old. Some states increased this age limit.

- **Free preventive care for women (that is, these services are not subject to copays, coinsurance, or deductibles)**

  The ACA covers preventive services for women. Some of these services include:

  - Breastfeeding support and supplies
  - Well woman visits
  - FDA-approved birth control methods
  - Gestational diabetes screenings

- **Healthcare coverage at a fair cost**

  The factors that determine the price of an individual's health plan are the consumer's age, where they live, and whether or not they smoke. Everyone has the opportunity for fair coverage.

- **Better benefits and more preventive care**

  Annual checkups and many preventive care services are free. Examples include blood pressure tests, annual wellness exams and colon cancer screenings for adults over 50. There are 10 core categories of health benefits that qualified health plans (QHPs) are required to include. These are called Essential Health Benefits.

- **Continued Medicaid Coverage**

  Some states expanded their Medicaid coverage to include more people.

What does the ACA mean for most people's health insurance coverage?

Previously, individuals were not required to have health insurance. The ACA requires Americans to purchase health insurance if they do not have coverage through Medicaid, Medicare, or their employer. However, there are some exceptions for religious groups and certain financial situations.

If an individual doesn't have coverage, they may be subject to a fine, in the form of a tax penalty. The penalty was relatively small in 2014, but becomes larger in 2015 and 2016.

How is Medicaid affected by the ACA?

Starting in 2014, many states expanded their Medicaid program to cover more people, and they received substantial federal government support to do so.

What is a Health Insurance Marketplace (also known as an Exchange)?

Every state has a marketplace for consumers to shop for health insurance. These are called Health Insurance Marketplaces (HIM), also known as Health Exchanges.

These are simply marketplaces for Americans to buy health insurance. Consumers are able to shop, compare and select the plan which best suits their needs. The Health Insurance Marketplaces allow consumers to do their shopping online, in-person, over the phone, or by mail. Consumers are able to look at information such as the provider network, benefits, premiums, deductible costs, copays, and coinsurance requirements before selecting a plan.

Some states set up their own marketplaces, also known as state-based exchanges (SBEs). Other states had the Federal government set it up for them. When the Federal government sets up a state's marketplace, this is known as a Federally Facilitated Exchange, or FFE.

Who can buy a plan on a Health Insurance Marketplace?

Anyone is able to search online for a healthcare plan on their state's Health Insurance Marketplace. The requirements to get insurance through the Marketplaces are:

- Meet applicable state residency requirements
- Individuals must be U.S. citizens, national or noncitizen who is lawfully present
- Individuals may not be currently incarcerated

If an individual currently receives health insurance coverage through their employer that is considered too expensive, the individual might be eligible to find coverage through their state's marketplace.

How is affordable coverage achieved on the Health Insurance Marketplaces?

One of the ACA's main goals is to make sure everyone can afford health insurance. In some cases, the government may help pay some of a family's monthly premium. This is called a subsidy (or Advanced Premium Tax Credit, APTC).The amount of the subsidy depends on several factors, including:

- Family income
- The size of the family
- How these factors relate to federal poverty guidelines
- The cost of health plans available in the Health Insurance Marketplace

In general, people and/or their families whose income is between 100% and 400% of the Federal Poverty Level (FPL) may receive a subsidy to lower their monthly premiums. The subsidy is higher for those near 100% of the Federal Poverty Level, and the subsidy decreases as their income is closer to 400% of the FPL.

Those families between 100% and 400% of the Federal Poverty Level may also be eligible for reduced deductibles and out-of-pocket expenses. These are known as out-of-pocket payment reductions (or cost-sharing reductions).

If someone doesn't receive a subsidy due to income status, they are still able to shop for a health plan on the Health Insurance Marketplaces.

What is the Federal Poverty Level (FPL)?

This is the measure of income level issued annually by the Department of Health and Human Services. These levels are used to determine eligibility for certain programs and benefits.

How is Magnolia Health participating in the new Health Insurance Marketplaces?

Our Health Insurance Marketplace product is Ambetter from Magnolia Health. Our plans are competitively priced, making them an appealing option to many people.

Our focus has always been to serve people who are in need of medical care but have limited resources. With our mission to provide better health outcomes at lower costs, the health insurance marketplace is a natural fit for Magnolia Health.

When is open enrollment for the Health Insurance Marketplaces?

This year's open enrollment period starts November 15, 2014 and ends February 15, 2015.

More Information

For more information, please visit our website at Ambetter.MagnoliaHealthPlan.com. Additional resources can also be found at:

www.healthcare.gov
http://healthreform.kff.org/