

The Affordable Care Act

WHAT IS COVERED CALIFORNIA?

Covered California is our state's new health insurance marketplace, the place to go for affordable health care coverage.

Soon after the passage of the Affordable Care Act of 2010, the State of California became the first state in the nation to enact legislation to establish a health insurance marketplace. Although originally known as the California Health Benefit Exchange, the state adopted "Covered California" as the business name for California's health insurance marketplace through which individuals and small businesses can access affordable health insurance plans.

Consumers can use Covered California to learn about and buy health insurance and to determine if they qualify for federal premium assistance that can lower the cost of insurance up to 90 percent. Covered California is a leader in "active purchasing," which means it negotiated the prices with health plans, ensuring that consumers get the best prices possible for quality health insurance. This is a tremendous benefit to consumers because it enables consumers to do apples-to-apples comparisons of a number of plans based on price, not services.

Beginning in 2013, Covered California will help individuals compare health insurance plans and choose the plan that works best for their needs and budget. Covered California will also allow individuals to understand whether they qualify for insurance affordability programs, such as premium assistance and advanced premium tax credits. Small businesses will be able to purchase competitively priced health insurance plans, offer their employees the ability to choose from an array of plans, and some small businesses may qualify for federal tax credits.

WHAT INSURANCE IS OFFERED BY COVERED CALIFORNIA?

To ensure that the vision, mission, and values are met, Covered California will work with private health insurance plans. These plans will compete to ensure they are offering the best possible prices for Californians.

It will be easy to shop online, in person, by mail or by phone to find health insurance that is a good fit for individuals and families. The Marketplace refers to all these shopping options.

Covered California offers four groups of health insurance plans: Platinum, Gold, Silver and Bronze, plus a minimum coverage plan. The Platinum, Gold, Silver and Bronze plans each offer a different level of coverage, from high to low.

Within each level, the benefits are always the same, even if the plans are offered by different health insurance companies. For example, a Silver plan offered by health insurance company "A" provides the same coverage as Silver plan offered by health insurance company "B." This makes it easy for consumers to compare plans. Consumers can look at cost, the network of hospitals and physicians and other providers, and then pick the plan that is right for them.

Covered California has two marketplaces:

- **Individual market** – Serves California residents that are individuals and families
- **SHOP market** – Serves small businesses in California with 1 – 50 eligible employees

WHEN CAN CONSUMERS ENROLL THROUGH COVERED CALIFORNIA'S INDIVIDUAL MARKET?

Open enrollment is the period of time when consumers may select a health plan and enroll. Open enrollment usually happens once a year and allows all eligible consumers to enroll in or make changes to their insurance coverage.

The first individual market open enrollment period will begin on October 1st, 2013 and will end on March 31st, 2014. Beginning in year two and every year thereafter, open enrollment will begin on October 15th, 2014 and end on December 7th, 2014.

In addition to open enrollment, certain qualifying conditions such as marriage, birth of a child or loss of a job may qualify an individual to obtain coverage during the special enrollment window available during the other months of the year.

WHAT IS COVERED CALIFORNIA'S SHOP MARKET?

Covered California is the marketplace where both small businesses and their employees can buy affordable, quality health insurance. The Small Business Health Options Program, known as SHOP, gives employers in California a single portal where employers can research and compare different health insurance plans from competing health insurance companies. Information about prices and benefits is presented in clear terms so employers do not have to guess about coverage and costs. It helps employers make “apples-to-apples” comparisons between health insurance plans.

With coverage starting in 2014, small businesses with 1-50 eligible employees will be able to purchase competitively priced health insurance plans with the SHOP. The business must have at least one employee, other than the owner, who receives a W-2 tax form at the end of the year; elect to offer, at a minimum, all full-time employees' coverage in a Covered California SHOP plan; and have the majority of their employees employed in California. Employers are not mandated to offer SHOP to employees, nor are employees required to sign up. In 2015, businesses with 1 to 100 eligible employees will have access to health insurance in SHOP, with coverage beginning in 2016.

WHEN CAN BUSINESSES ENROLL THROUGH COVERED CALIFORNIA'S SHOP MARKET?

The effective date for businesses to have coverage is January 1st, 2014. Once SHOP opens in fall of 2013, employees can begin shopping for a plan.

Qualified employers can enroll according to their policy's renewal date or at another date they choose. Once enrolled, the employer's coverage and premiums are set for 12 months.

Are you eligible for a premium tax credit commonly known as a subsidy?

DETERMINING ELIGIBILITY FOR COST SHARING REDUCTIONS (CSR)

Consumers with income up to 250 percent of FPL receive both premium assistance and cost-sharing reductions. The premium assistance credit is based on the second-lowest cost Silver plan. To receive a cost-sharing reduction the individual must be enrolled in any Silver plan.

With the addition of cost-sharing reductions the percentage of covered expenses goes up. In essence, the benefit coverage becomes more comprehensive. The row titled, —eligible for improved benefits in the chart below illustrates how this works: **Income Ranges Related to FPL**

100%	150%	150%	200%	200%	250%	250%	400%	
Individual	\$11,490	\$17,235	\$17,235	\$22,980	\$22,980	\$28,725	\$28,725	\$45,960
2 in family	\$15,510	\$23,265	\$23,265	\$31,020	\$31,020	\$38,775	\$38,775	\$62,040
3 in family	\$19,530	\$29,295	\$29,295	\$39,060	\$39,060	\$48,825	\$48,825	\$78,120
4 in family	\$23,550	\$35,325	\$35,325	\$47,100	\$47,100	\$58,875	\$58,875	\$94,200
% of income consumer pays in premiums to enroll in coverage	2-4%		4-6%		6-8%		8-9.5%	
Eligible for improved benefits	Yes 94% coverage		Yes 87% coverage		Yes 73% coverage		No — standard 70% coverage	