

INDIVIDUAL HEALTH INSURANCE GUIDE

Introduction

On November 15th, 2014, the second annual **Open Enrollment** Period for Individual Health Insurance begins. The Affordable Care Act (ACA) requires all US citizens and legal residents purchase a qualified health plan each year or pay a tax penalty. The annual Open Enrollment period (Nov. 15 thru Feb. 15, 2015) provides everyone with the opportunity to purchase the plan they want from the **Health Insurance Marketplace** on a Guarantee Issue basis without any Pre-Existing Condition limitations.

What is the Health Insurance Marketplace?

It is where you purchase your insurance form through licensed and certified agents who represent all the market carriers and are certified to help you enroll into HealthCare.gov, which is the Federal Marketplace. The new individual health insurance market provides the following advantages:



- ✓ **You pick** the carrier, network and price you want
- ✓ You may qualify for premium assistance through government **subsidies**
- ✓ You can change plans each Open Enrollment with **no underwriting or pre-existing condition restrictions**
- ✓ You can only enroll off of the Open Enrollment period, which is called a **Special Enrollment Period (SEP)**, if you have a qualifying event (loss of other qualified coverage, etc.)
- ✓ In Ohio the only place to receive a subsidy is through the **Federal Marketplace**
- ✓ At **Simplifi Benefit Solutions Agency**, we can help you enroll into any marketplace plan by calling **Nick at 614-635-8678 or 614-425-2500** and you visit us online at: www.simplifihrsolutions.com.

Advantages of Individual Health Insurance

	Traditional Employer Insurance	Individual Health Insurance
Keep your plan when you change jobs		
You choose the network		
Premium subsidies available		
Coverage for pre-existing medical conditions		
Coverage for essential health benefits		
Average cost (2013)		
Employee	\$5,884/year	\$3,080 /year
Family	\$16,351/year	\$6,674/year
<small>Source: Kaiser 2013 Annual Employee Health Benefits Survey</small>		
How is the plan paid for?	Your employer purchases the plan. You reimburse your employer via your paycheck.	You purchase the plan. Your employer reimburses you via your paycheck.

* Source: Zane Benefits – The Ultimate Guide To Individual Health Insurance

What Plan Should I Choose?

In the past, it's been hard to understand the coverage levels of plans. That's no longer the case. As of 2014, individual health plans will be categorized in four standardized levels of coverage.

	 Platinum	 Gold	 Silver	 Bronze
Monthly Cost	\$\$\$\$	\$\$\$	\$\$	\$
Cost When You Get Care	\$	\$\$	\$\$\$	\$\$\$\$
Good Option If You...	Plan to use a lot of medical care services	Want to save on the monthly premium, while keeping your out-of-pocket costs low	Need to balance your monthly cost with your out-of-pocket costs	Don't plan on needing a lot of medical care services

* There is also a Catastrophic level of coverage for people under the age of 30

* Source: Zane Benefits – The Ultimate Guide To Individual Health Insurance

What Are Premium Subsidies?

As of 2014, the federal government is providing **enormous discounts** on individual health insurance to most individuals and families.



The discounts, called “premium subsidies,” **will help you buy individual or family health insurance at an affordable price** through the state health insurance marketplaces.

Who Qualifies for a Premium Subsidy?

- ✓ Individuals and Families who earn up to 400% of FPL may be eligible.
- ✓ Your subsidy will cap the cost of health insurance between 2% and 9.5% of your annual income
- ✓ You may not be eligible for a subsidy if you are eligible for a qualified Employer Group Plan, COBRA, parents plan (under age 26), Medicaid, Medicare, etc. (consult with an agent for details)
- ✓ Subsidy amounts are based on household size and a Modified Adjusted Gross Income. In 2013 the following individuals and families qualified:

Household Size	100% of FPL (2013)	400% of FPL (2013)	Max Amount You'll Pay (a range)
1	\$11,490	\$45,960	\$0 - \$363.85 / month
2	\$15,510	\$62,040	\$0 - \$491.15 / month
3	\$19,530	\$78,120	\$0 - \$618.45 / month
4	\$23,550	\$94,200	\$0 - \$745.75 / month
5	\$27,570	\$110,280	\$0 - \$873.05 / month
6	\$31,590	\$126,360	\$0 - \$1,000.35 / month
7	\$35,610	\$142,440	\$0 - \$1,127.65 / month
8	\$39,630	\$158,520	\$0 - \$1,254.95 / month

Example

Family Size	Annual Income	Estimated Annual Cost of Health Insurance (without subsidy)	Annual Premium Subsidy	Actual Cost of Health Insurance
4	\$31,900	\$12,300	\$11,100	\$1,200 (\$100 / month)
4	\$88,800	\$12,300	\$3,900	\$8,400 (\$700 / month)
1	\$27,000	\$4,548	\$2,460	\$2,100 (\$175 / month)

Appendix: Health Insurance Terms

Premium: The amount you pay to the insurance company for your plan, usually monthly.

Deductible: The amount you will pay for covered care before your health insurance begins to pay. For example, you may have to pay \$500 out-of-pocket for covered services before the insurance company pays. This would be a \$500 deductible.

Co-payment: A set dollar amount you pay to your health care provider for a covered service. For example, you may pay a \$30 co-pay for each covered visit to a primary care doctor. Or, you may pay a \$15 co-pay for each pharmacy item.

Co-insurance: The percentage of allowed charges for covered services that you're required to pay. For example, the health insurance may cover 80% of charges for a covered hospitalization, leaving you responsible for the other 20%. This 20% is known as the coinsurance. If the plan has a deductible, you pay the coinsurance for covered services after the deductible is met.

Premium Subsidies: For plans starting January 1, 2014 and beyond, premium subsidies will be available to eligible individuals, for plans purchased through the individual health insurance marketplaces. Households with income between 100% and 400% of FPL who purchase coverage

through a state (individual) health insurance exchange are eligible for a premium subsidy to reduce the cost of the premium. To be eligible, you cannot be offered affordable, qualified health insurance through their employer.

Network of Providers: Health plans will typically provide access to a provider network – a group of doctors, clinics, hospitals, and other medical sites. If you seek care outside of this network of providers, your insurance may not pay for the services or pay a lower amount.

Metallic Tiers of Coverage: There are four basic levels of plan coverage: platinum, gold, silver, and bronze. As the metal category increases in value, so does the percent of medical expenses that a health plan will cover.

Out-of-Pocket Maximum: The maximum amount of money you will pay for covered services during a benefit period. This financial responsibility can vary from plan to plan but can include copayments, deductibles, and coinsurance.

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