

The Salt Lake Tribune

What consumers need to know about the Affordable Care Act

Many Utahns want to know how it will affect their choices, the family budget.

BY JENNIFER NAPIER-PEARCE | THE SALT LAKE TRIBUNE

PUBLISHED: SEPTEMBER 10, 2013 09:35AM

UPDATED: SEPTEMBER 10, 2013 09:37AM

Angie Jackson pays cash to see a doctor every six months for high blood pressure medication and otherwise is a “home remedy kind of gal.” She works full-time as a customer-service representative, earning \$10 an hour, but as a new hire, she’s not eligible yet for her company’s \$190-a-month health plan and says she couldn’t afford it anyway. Still, she’s unabashedly skeptical about health care reform.

“I am scared to death to go with Obamacare,” she said. “I do not have health insurance and I am 51, but I think the government is sticking its nose where it does not belong when comes to insurance.”

Jackson’s suspicions about the Affordable Care Act (ACA) stem from a strong free-market philosophy, but also from a knowledge gap about the nuts and bolts of the program.

“We’ve all heard stories about socialized medicine. Is that what it’s going to be? Are we going to have to wait in line? Can I see my doctor?” Jackson asked. “I want to find out more about it.”

Like ACA or not, many consumers are confused about how health reform will affect their health care choices as well as the family budget. As the Oct. 1 open-enrollment period approaches, insurance broker Bret Harding said his phone has been “ringing off the hook” for the past couple of weeks with clients wondering how ACA will affect them.

“We’re getting calls and online requests from people who have looked at the government website and are still not sure,” Harding said. “These are smart people, and they’re still wanting to know which [health plan] will best meet their needs.”

So, setting aside the political debate, here’s an attempt to answer some of the basics of the ACA:

Who is affected by the ACA? •

The short answer is everyone, because the law puts new standards in place for the private insurance industry. Almost all plans will cover a minimum level of care with an emphasis on prevention and wellness (immunizations, annual checkups and the like). Denying coverage based on pre-existing conditions will be a thing of the past.

And everyone will have to sign up for an insurance plan or face a tax penalty.

It’s big change, to be sure, but come Jan. 1, 2014, most people won’t feel it. Those with Medicaid, Medicare and military coverage will stay on their plans. For the vast majority of Utahns who already have insurance through an employer, they will just stay with their work-based plan.

Other workers may have more of a choice to make. Starting Oct. 1, part-time employees, seasonal workers, the unemployed and sole proprietors who may have been priced out of the private nongroup insurance market will be able to shop on the federally-run individual marketplace. Whether they qualify for a subsidy will depend on their income. Workers who have employer-based plans can shop on the marketplace, too, but according to healthcare.gov, “If you choose a Marketplace plan instead, your employer does not need to make a contribution to your premiums.”

Do I have to have health insurance? •

For most of us, the answer is yes. You may recall that last year the Supreme Court upheld the “individual mandate,” which requires everyone to have health insurance or face a tax penalty. But again, more than 80 percent of Americans already have insurance through Medicaid, Medicare, employer-based insurance, private insurance policies or other sources. Only those who would have to pay more than 9.5 percent of their income on health insurance, those whose income falls below income-tax thresholds and ex-pats are exempt from the mandate tax.

If you can afford insurance, but choose not to buy, you’ll have to pay. In 2014, the tax will be \$95 or 1 percent of income for an individual and \$285 for a family. By 2016, the penalty for an individual will be \$695 or 2.5 percent of income while a family could face a \$2,085 tax or 2.5 percent of income, whichever is greater.



Chris Detrick | The Salt Lake Tribune Angie Jackson poses for a portrait at her home in Sandy Saturday August 31, 2013.

And the penalty will be prorated for the months when you don't have coverage. For instance, if you apply Jan. 16 and you won't have coverage until March 1, you'll have to pay the penalty for two months.

I need a health plan. Where do I start? •

Well, it depends. If you're not on an employer plan and are looking for coverage for yourself or your family, you can go through the individual marketplace run by the federal government. Visit healthcare.gov, where Utah consumers will be able to compare the costs and benefits of 99 plans provided through six insurers starting Oct. 1. You can also call the help line at (800) 318-2596.

If you're looking for a health plan to cover employees of your small business, you can shop at the state-run exchange called Avenue H. There are 70 plans available on avenueh.com or call (877) 213-1993 (although that phone number will change in October).

Because of Utah's unique bifurcated approach to health reform, it may take a couple of tries to find where you need to go, said Patty Conner, director of Avenue H, but don't give up.

"I think we're going to confuse people because we're splitting the marketplace," Conner said, but, on the plus side, "You'll be able to come in through multiple doors."

You can also shop in the commercial marketplace through an insurance agent, but be sure you're looking at Qualified Health Plans (QHPs), plans that meet ACA standards, to avoid the tax penalty.

Can I keep my doctor? •

Yes, if you subscribe to a health plan that your doctor accepts. That's where smart shopping comes in. Remember, ACA does not create a government insurance plan, just an exchange place for private insurers to sell their plans. You've got to do some homework to find out if your doctor is part of a plan's provider list. On Oct. 1, Avenue H will have a searchable provider list for its participating small-employer plans. At this point, it's unclear if that will be an option on healthcare.gov, but you can also find providers through an insurance company's website.

As I'm shopping for a health insurance plan, what else should I look for? •

First, think about your health needs. Are you generally healthy and just need emergency coverage, or do you require regular doctor visits? What about prescriptions? If you have consistent medication needs, look for plans that cover those. Information about the prescription formularies of various plans should be available starting Oct. 1.

You'll also want to familiarize yourself with insurance jargon. Make sure you understand terms such as copays (short for copayment, the amount you pay when you see a doctor), coinsurance (health plans where insurance pays part of the cost for specific care and you pay the rest) and deductibles (the amount of money you have to pay per year before your insurance kicks in). Keep in mind that under ACA, preventive care is covered automatically and free of charge, so you won't need to worry about copays or deductibles for that.

And again, make sure the plan covers the doctors you want to see. "Even with a healthy family, you'll want to see if your children's pediatrician or the hospital you prefer are on the list," said Tanji Northrup, assistant commissioner of the Utah Insurance Department.

How much will this cost me? •

Prices for specific policies aren't public yet, but in general, your cost all depends on the plan you choose and the number of family members you cover. Through both Avenue H and the healthcare.gov individual marketplace, four levels of plans will be available: bronze, silver, gold and platinum.

Each offers the same essential benefits, but the monthly premiums will differ and so will the out-of-pocket expenses. For instance, on a gold plan you'll pay more per month, but less when you visit the doctor. Monthly premiums will also be calculated based on factors such as your age, where you live and whether you use tobacco.

How is this more affordable? •

With silver plans or higher, tax subsidies will be available, but only to those earning between 100 percent and 400 percent of the federal poverty line. That means between \$11,000 and \$44,000 for individuals and between \$33,000 and \$92,000 for a family of four. Most families should get a tax credit of \$5,548 for health insurance, according to estimates by the Kaiser Family Foundation.

Some have warned of much higher premiums under ACA, a so-called rate shock, but a new study disputes that. The Rand Corp. estimates there won't be much of a change for businesses with fewer than 100 employees, with average annual premiums costing \$5,837 under ACA and \$6,192 without it.

When will my coverage start? •

In the healthcare.gov individual marketplace, your start date depends on when you sign up. Again, the open-enrollment period begins Oct. 1 and lasts through next March. But "the effective date is based on when you complete your application on the [healthcare.gov] exchange," Northrup said. "If you want coverage on Jan. 1, you need to sign up by Dec. 15."

Avenue H is open every month for small businesses to join. Enrollment ends on the 15th of each month for coverage the beginning the first of the following month. Large employers will continue to set their own enrollment periods.

I'm still confused. Where can I get some help with all of this? •

Insurance agents and brokers who have completed ACA certification can help and will be listed on both AvenueH.com and healthcare.gov by Oct. 1.

You can also turn to a "navigator," someone who has been trained specifically to help the public with the application process. You can find a navigator through United Way's 211 help line or at various community centers and libraries.

But at the end of the day, the choice will be yours, said Jason Stevenson, spokesman for the Utah Health Policy Project.

"[Navigators] can give suggestions based on medical history, but you've really got to press the button and do it," Stevenson said. "You do have to make your own choice."

jnpearce@sltrib.com

Twitter: @jnpearce

—

Health insurance checklist

Whether through your employer, an insurance agent or an exchange (healthcare.gov for individuals, AvenueH.com for small businesses), what you need to know before buying a health plan:

Social Security numbers for everyone you want on your insurance policy.

Gross salary for you or your family.

A list of doctors and providers you want. Note the copayments for in-network providers and for those out-of-network.

A list of medicines your family needs. Check the drug formulary for any plan you're considering and note copays for each prescription.

A summary of benefits for any health plan you're considering. Look for services you need, such as infertility treatment or gastric-bypass surgery.

Know how much you can afford for monthly premiums.

Until Oct. 1, use the calculator at kff.org to get an estimate of how much you can spend on a health plan and what kind of subsidies you could be eligible for.

Source: WebMD

—

Trib Talk: How do I choose a plan?

The Affordable Care Act opens up a range of options for consumers shopping for health insurance. On Tuesday, Sept. 10, at 11 a.m., a panel of experts discuss how health reform will affect you. Send questions to the hashtag #TribTalk on Twitter and Google+ or the comments section at sltrib.com.

—

Save the date

On Oct. 9 at 7 p.m., The Salt Lake Tribune and KCPW will co-sponsor a town hall meeting on the Affordable Care Act at the Salt Lake City Main Library auditorium, 210 E. 400 South, Salt Lake City. Jennifer Napier-Pearce will moderate a discussion with a panel of experts who also will address questions.

—

What do you want to know about the Affordable Care Act?

Help shape our coverage by sending an email to healthreform@sltrib.com.