



AN AMERICAN SOLUTION QUALITY AFFORDABLE HEALTH CARE

HEALTH REFORM AT A GLANCE: MAKING COVERAGE AFFORDABLE

The bill makes insurance premiums more affordable and reduces cost sharing for individuals and families otherwise unable to confront the high cost of health care.

It provides sliding-scale affordability credits for individuals and families with incomes above the Medicaid thresholds but below 400% of poverty. It also protects individuals and families from catastrophic costs with a cap on total out-of-pocket spending. In addition, it broadens Medicaid coverage to include individuals and families with incomes below 133% of poverty.

AFFORDABILITY:

AFFORDABILITY CREDITS

- Effective 2013, sliding scale affordability credits are provided to individuals and families between 133% to 400% of poverty. That means the credits phase out completely for an individual with \$43,320 in income and a family of four with \$88,200 in income (2009).
- Premiums: The sliding scale credits limit individual family spending on premiums for the essential benefit package to no more than 1.5% of income for those with the lowest income and phasing up to no more than 11% of income for those at 400% of poverty.
- Cost sharing: The affordability credits also subsidize cost sharing on a sliding scale basis, phasing out at 400% of poverty, ensuring that covered benefits are accessible.
- The Health Insurance Exchange administers the affordability credits in relationship with other federal and state entities, such as local Social Security offices and Medicaid agencies.

CAP ON TOTAL OUT-OF-POCKET SPENDING

- The essential benefit package, and all other benefit options, limit exposure to catastrophic costs with a cap on total out of pocket spending for covered benefits.

MEDICAID (SEE SEPARATE MEDICAID FACT SHEET FOR DETAILS)

- Effective 2013, individuals with family income at or below 133% of poverty (\$14,400 for an individual in 2009) are eligible for Medicaid.
- State Medicaid programs would continue to cover those individuals with incomes above 133% of poverty, using the eligibility rules states now have in place.