

Update on the Affordable Care Act (AKA Obama Care) – August 2013

When to Enroll - The first open enrollment will start on October 1, 2013, and will continue until March 31, 2014. After that, open enrollment will occur each fall between October 15th and December 7th. There will be no enrollment into individual insurance outside of open enrollment except for certain qualifying events such as losing other coverage, birth, divorce, and death.

Free or low-cost health insurance - Individuals and families making less than 138% of the Federal Poverty Level will be eligible for Medi-Cal in California. There is no longer an asset test so people can hold onto their retirement plans and other property and still qualify for free or reduced medical care.

Premium Tax Credits/Subsidies– Individuals and families making between 138% and 400% of the Federal Poverty Level will be eligible for tax credit only if they purchase coverage through the Exchange. Eligibility in 2014 will be based on 2012 Income. Each subsequent year, the eligibility will be based on income in the calendar year two years prior. For example, as long as coverage is purchased through the Exchange, an individual making no more than \$44,680 in 2012 will qualify for a tax credit as will a family of 4 making no more than \$92,200. Individual tax credits will be applied immediately to the insurance premium. Income based cost-sharing subsidies may also be available to reduce the health care costs an individual or family may pay for expenses such as copayments. For those who make over 400% of the Federal Poverty Level, there is no tax credit or subsidy. They will be able to purchase any of the same products outside the Exchange on a guaranteed issue bases. **Know your 2012 income** and keep your records handy. This information will help to determine if you are eligible for a tax credit or subsidy.

Grandfathered Plans - Can I keep my current Plan? You may be able to keep it if you purchased your plan prior to March 23, 2010, and you have not made substantial changes to your policy. Unless you have spoken to us, don't make any changes to your plan until the Fall if you don't need to do so. If your plan is not grandfathered, you may need to enroll in a new plan at the end of the year.

Rates/Premiums - Will my rates go up? Rates have not yet been announced, but it is reasonable to expect an increase. Hopefully, we will know more by August or September.

Doctors - Will I be able to keep my doctor? We don't know yet as the networks are not available at this time. Hopefully, we will know more by late August or September.

No Current Medical Coverage - If you don't currently have medical coverage, we highly recommend you speak to us now, even if that means changing to a new plan toward the end of the year. Don't lose sight of the big picture; medical costs can devastate you financially and drive you to make decisions which are detrimental to your health.

Why enroll through a broker? - Brokers will go through a certified training program to be eligible to enroll clients in the Exchange. The premiums will be the same inside and outside of the Exchange, with or without a broker, so take advantage of our experience and let us help you select the plan which best fits your needs.

Mitchell and Mitchell Insurance Agency is here to help you make good choices! Ask for Norma, Carl or Gary at 415-883-2525.