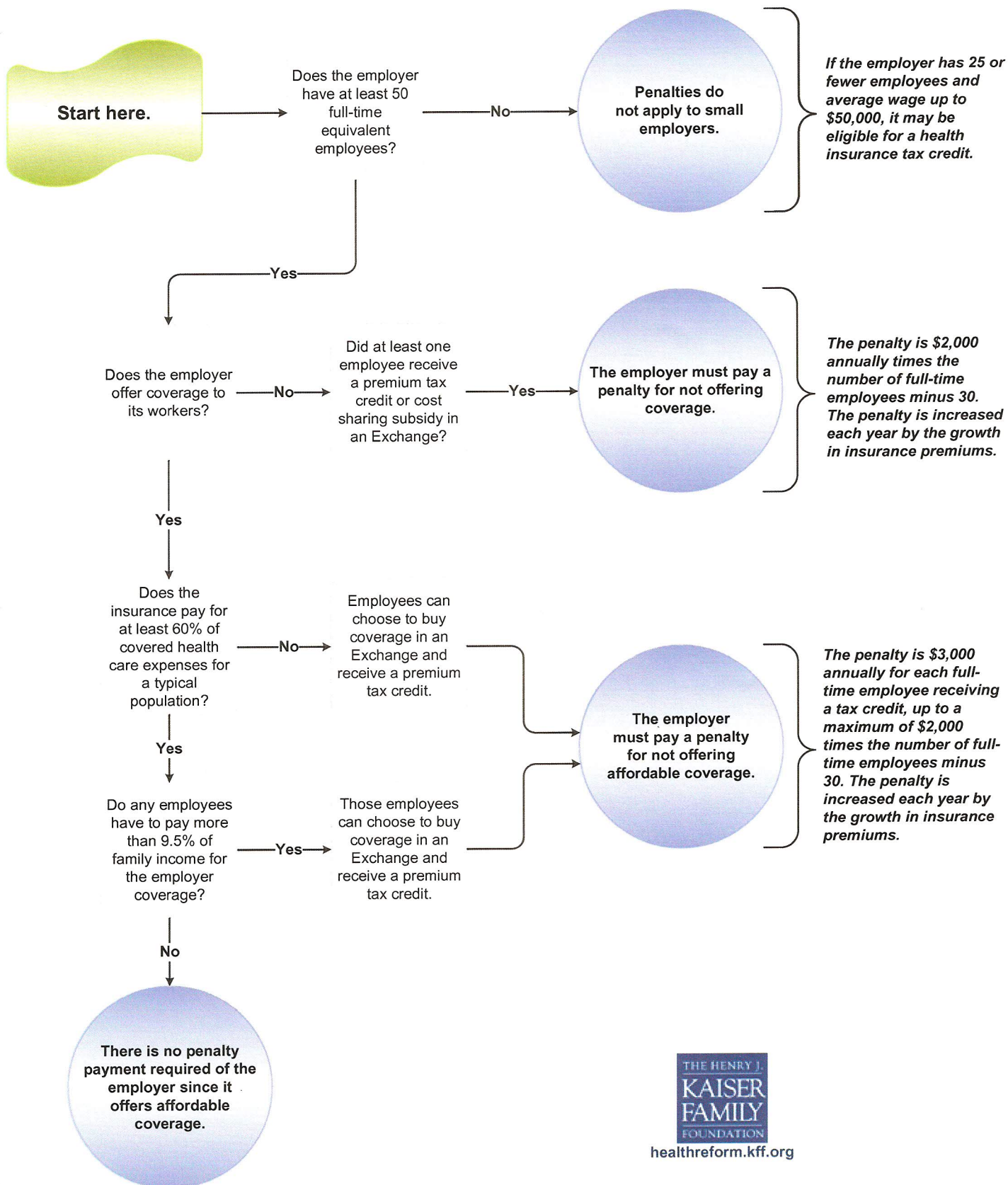
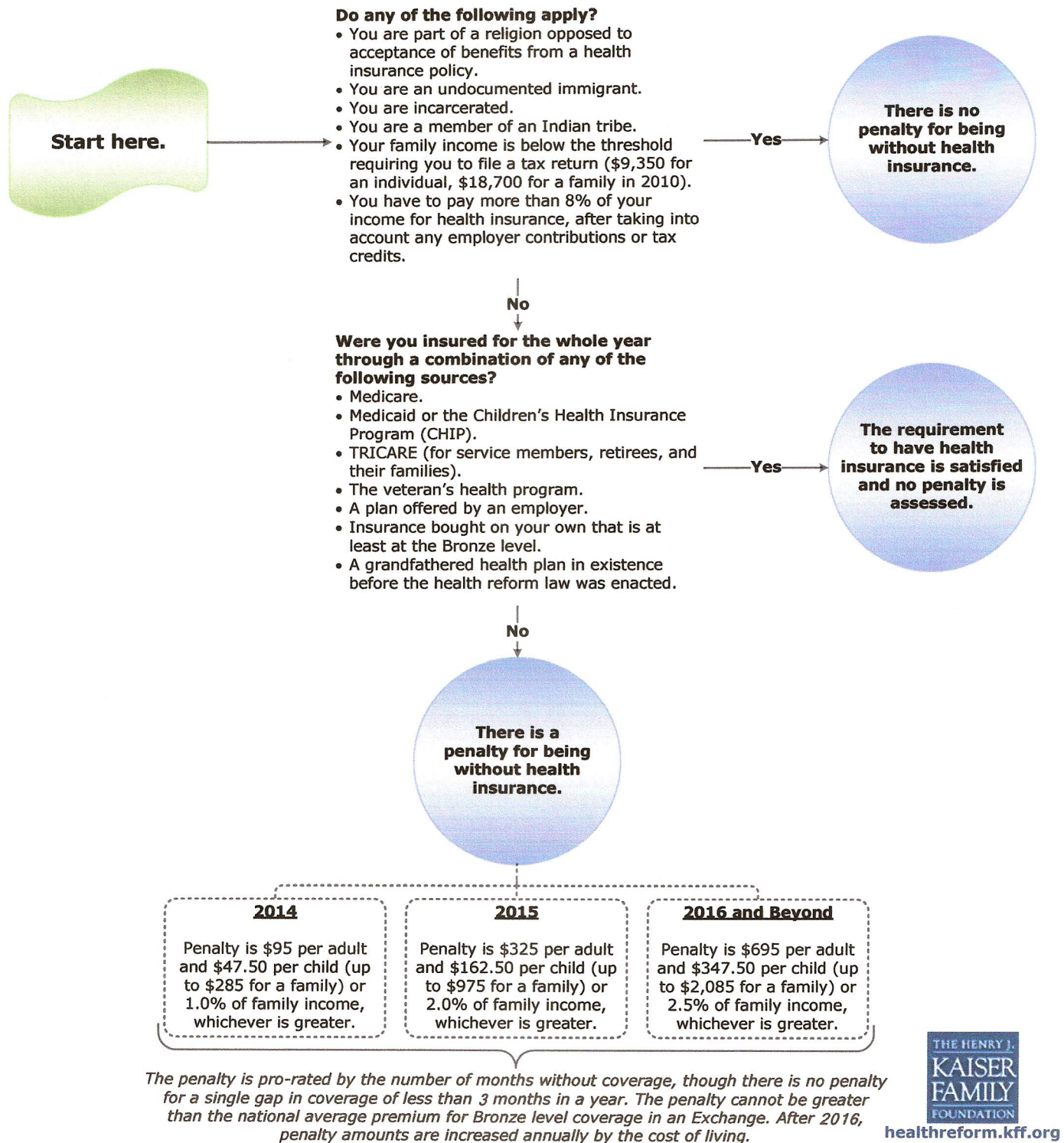


Penalties for Employers Not Offering Affordable Coverage Under the Affordable Care Act Beginning in 2014



The Requirement to Buy Coverage Under the Affordable Care Act Beginning in 2014

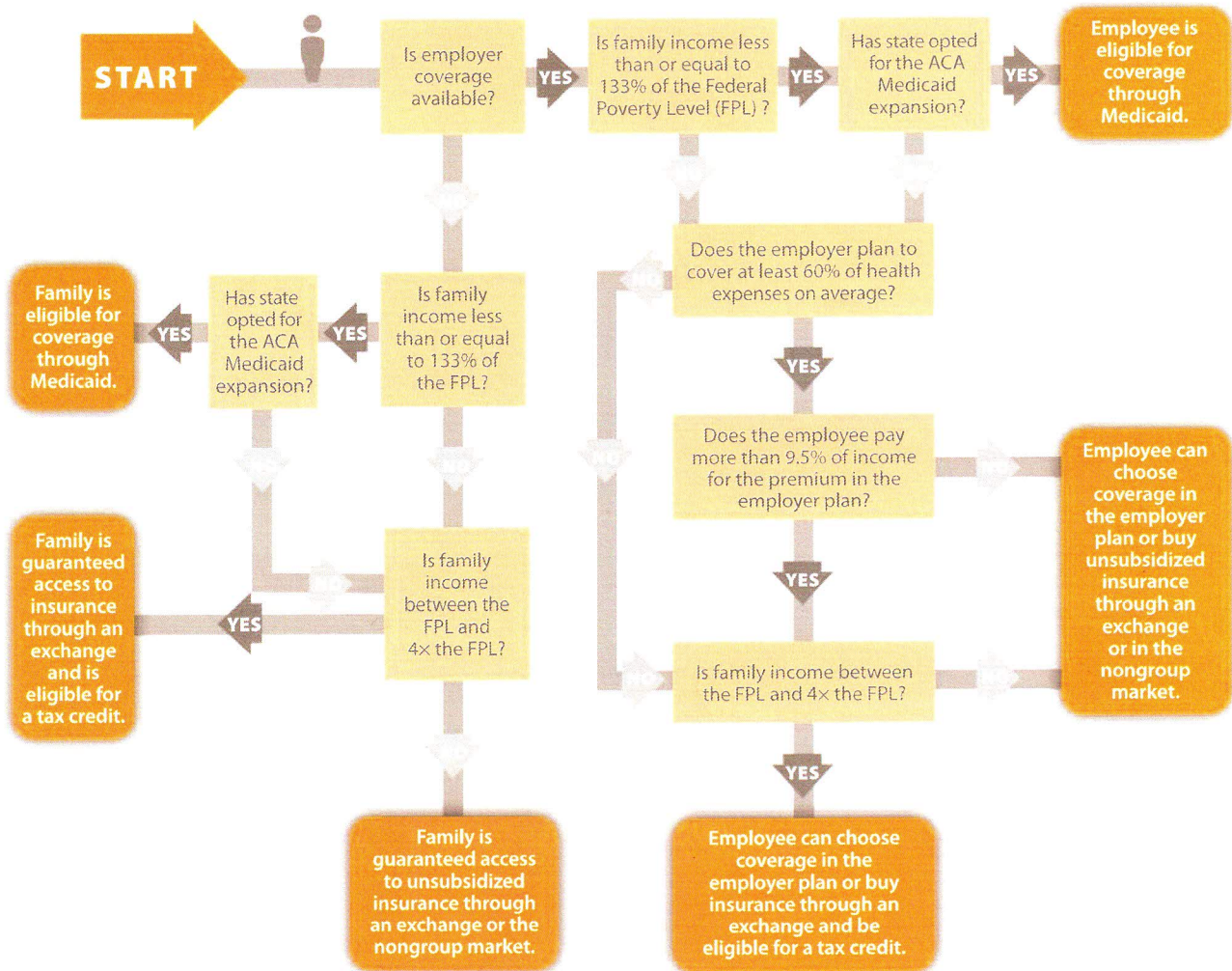


Key Facts:

- Premiums for health insurance bought through Exchanges would vary by age. The Congressional Budget Office estimates that the national average annual premium in an Exchange in 2016 would be \$4,500-\$5,000 for an individual and \$12,000-\$12,500 for a family for Bronze coverage (the lowest of the four tiers of coverage that will be available).
- In 2010 employees paid \$899 on average towards the cost of individual coverage in an employer plan and \$3,997 for a family of four.
- A Kaiser Family Foundation subsidy calculator illustrating premiums and tax credits for people in different circumstances is available at <http://healthreform.kff.org/subsidycalculator.aspx>.

HEALTH COVERAGE UNDER THE AFFORDABLE CARE ACT (ACA)

How to Get Coverage Beginning in 2014



KEY FACTS

- The FPL in 2012 is \$11 170 for a single individual and \$23 050 for a family of 4.
- In 2012 employees paid \$951 on average towards the cost of single coverage in an employer plan and \$4316 for a family of 4.

NOTES

- Some states may have higher income eligibility levels for Medicaid.
- In general, individuals who are currently eligible for Medicaid in their state of residence (who are mostly parents and children today) will continue to be eligible for Medicaid after ACA implementation. Those below 133% of the FPL who will be newly eligible for Medicaid after implementation are mostly adults without dependent children.
- For a discussion of the tax credit that may be available for insurance purchased through an exchange, please see Levitt L. "The Middle Class Tax Break Hardly Anyone Is Talking About." *The JAMA Forum*. <http://tinyurl.com/chogalp>. August 2, 2012.
- In some cases, children may be eligible for public coverage through Medicaid or the Children's Health Insurance Program (CHIP) while their parents are covered through an employer or an exchange.

- Undocumented immigrants are ineligible for Medicaid and may not purchase coverage in an exchange or receive a tax credit.
- In general, people are required to obtain coverage or pay a penalty, but those whose health insurance premiums exceed 8% of family income (after tax credits or employer contributions are taken into account) will not be penalized if they choose not to purchase coverage.
- Final regulations specifying how dependents of workers with employer coverage available are treated have not yet been issued. Draft rules indicate that the affordability of employer coverage (ie, whether it costs more than 9.5% of income) will be based on the required premium for a single worker rather than family coverage.
- Small businesses may choose to buy insurance through newly created Small Business Health Options Program (SHOP) exchanges or directly from insurers.

Source: Kaiser Family Foundation (<http://www.kff.org>) analysis.

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