

Marketplace Health Insurance Financial Help

The Affordable Care Act includes provisions to lower premiums and out-of-pocket costs for people with low to moderate household incomes. Two types of financial help are available:

- **Premium tax credits**--to help people pay the monthly cost of having a health insurance plan purchased through the Health Insurance Marketplace.
- **Cost-sharing reductions**--to decrease the charges individuals enrolled in a health insurance plan must pay when receiving health care services.

Premium tax credits for health insurance marketplace coverage in 2015 are based on family size and household income from 100% to 400% of the Federal Poverty Level. In states that have expanded Medicaid, the premium tax credit eligibility ranges from 138% to 400% of the Federal Poverty Level. For more information about the federal poverty level go to: <https://www.healthcare.gov/glossary/federal-poverty-level-FPL/>. For more information about state Medicaid expansion, go to <http://www.commonwealthfund.org/interactive-s-and-data/maps-and-data/medicaid-expansion-map> .

A calculator found at <http://kff.org/interactive/subsidy-calculator/> can be used to *estimate* the amount of financial help an individual or family may be eligible to receive if health insurance coverage is purchased through the Health Insurance Marketplace.

More information is available at: www.healthcare.gov and www.marylandhealthconnection.gov.

Note: Other words for financial help are: *subsidy* and *financial assistance*.

Cost-sharing reductions decrease the out-of-pocket charges, such as deductibles, copayments, and coinsurance, an enrolled individual or family must pay for medical services covered by the health insurance plan. People with household incomes up to 250% of the Federal Poverty Level and enrolled in a Health Insurance Marketplace Silver Plan qualify for cost-sharing reductions. For more information about cost-sharing, visit: <https://www.healthcare.gov/lower-costs/save-on-out-of-pocket-costs/>.

Financial help, through a premium tax credit and cost-sharing reduction, can make health insurance more affordable for individuals and families who purchase plans through the Health Insurance Marketplace. This financial help is part of a “shared responsibility” with both individuals and government paying costs.

Sources:

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www.cbpp.org/files/Cost-Sharing-Reductions-Webinar-6-19-13.pdf

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