



MAKING COVERAGE AFFORDABLE

Affordable Health Care for America Act makes insurance premiums more affordable and reduces out-of-pocket expenses for lower and middle income individuals and families.

It provides sliding-scale affordability credits for individuals and families with incomes above the Medicaid thresholds but below 400 percent 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 150 percent of poverty.

AFFORDABILITY CREDITS

- **Affordability Credits:** Effective 2013, sliding scale affordability credits are provided to individuals and families up to 400 percent of poverty that are not otherwise provided coverage through Medicaid, employer sponsored insurance, or other acceptable coverage. 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).
- **Limits on Premiums:** The sliding-scale credits limit individual family spending on premiums for the essential benefit package to no more than 1.5 percent of income for those with the lowest income and phasing up to no more than 12 percent of income for those at 400 percent of poverty.
- **Out-of-pocket expenses:** The affordability credits also subsidize cost sharing on a sliding-scale basis, phasing out at 400 percent of poverty, to ensure that covered benefits are accessible when care is needed.
- 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 prevent bankruptcy by limiting exposure to catastrophic costs with a cap on total out-of-pocket spending for covered benefits that cannot exceed \$5,000 for an individual and \$10,000 for a family. For lower-income households, the out-of-pocket cap ranges from \$500 for an individual and \$1,000 for a family at the lowest income tier to a \$5,000 and \$10,000 cap at higher income tiers.

MEDICAID (SEE SEPARATE MEDICAID FACT SHEET FOR DETAILS)

- To ensure that low-income individuals and families get the benefits they need, effective 2013, individuals and families with income at or below 150 percent of poverty (\$16,245 for an individual in 2009) will be eligible for Medicaid, regardless of the state in which they live.
 - In some states, individuals and families with incomes above 150 percent of poverty will also be eligible for Medicaid rather than for affordability credits through the Health Insurance Exchange.
 - Individuals and families who are eligible for Medicaid will not have to pay premiums to enroll and are subject to only nominal cost-sharing requirements.