

# Health Care Reform

## State Health Insurance Exchanges



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### State Health Insurance Exchanges

The Health Insurance Marketplace helps uninsured people find health coverage. When you fill out the Marketplace application online the website will tell you if you qualify for:

- **Private health insurance plans.** The site will tell you whether you qualify for lower costs based on your household size and income. Plans cover essential health benefits, pre-existing conditions, and preventive care. If you don't qualify for lower costs, you can still use the Marketplace to buy insurance at the standard price.
- **Medicaid and the Children's Health Insurance Program (CHIP).** These programs provide coverage to millions of families with limited income. If it looks like you qualify, the exchange will share information with your state agency and they'll contact you. Many but not all states have expanded Medicaid in 2014 to cover more people.

### No Matter What State You Live in, You Can Use the Marketplace

Some states operate their own Marketplace. In some states, the Marketplace is run by the federal government.

Most people must have health coverage in 2016 or pay a fee. If you don't have coverage in 2016, you'll have to pay a penalty of \$695 per adult, \$347.50 per child, or 2.5% of your income (whichever is higher). The fee increases every year. Some people may qualify for an exemption to this fee.

You're considered covered if you have Medicare, Medicaid, CHIP, any job-based plan, any plan you bought yourself, COBRA, retiree coverage, TRICARE, VA health coverage, or some other kinds of health coverage.

State Health Insurance Exchanges are supposed to be the first step in locating affordable health plans and obtaining the maximum premium assistance credit.

If you're eligible for job-based insurance, you can consider switching to a Marketplace plan. But you won't qualify for lower costs based on your income unless the job-based insurance is unaffordable or doesn't meet minimum requirements. You also may lose any contribution your employer makes to your premiums.

If you have Medicare, you're considered covered and don't have to make any changes. You can't use the Marketplace to buy a supplemental or dental plan.

### What is Covered?

All private health insurance plans offered in the Marketplace offer the same set of essential health benefits. The essential health benefits include at least the following items and services:

- Ambulatory patient services (outpatient care you get without being admitted to a hospital).
- Emergency services.
- Hospitalization (such as surgery).
- Maternity and newborn care (care before and after your baby is born).
- Mental health and substance use disorder services, including behavioral health treatment (this includes counseling and psychotherapy).
- Prescription drugs.
- Rehabilitative and habilitative services and devices (services and devices to help people with injuries, disabilities, or chronic conditions gain or recover mental and physical skills).
- Laboratory services.
- Preventive and wellness services and chronic disease management.
- Pediatric services.



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**Questions?** Call 24 hours a day, 7 days a week:

- Phone: 1-800-318-2596 (TTY: 1-855-889-4325), or
- Online: [www.healthcare.gov](http://www.healthcare.gov)

### How to Apply for Marketplace Coverage

You can apply for health coverage in the Marketplace one of four ways.

- Paper application.
- Online.
- By phone.
- In person with an assister.

#### Paper Application

You can fill out a paper application and mail it in. You'll find out whether you're eligible for lower costs on private insurance, Medicaid, or the Children's Health Insurance Program (CHIP). Once you get your eligibility notice, you can either go online to compare, choose, and enroll in a plan or contact the call center. A customer service representative will help you.

If you or someone on your application are eligible for Medicaid or CHIP, a representative will contact you to enroll.

To get a paper application, download the application form and instructions from [www.healthcare.gov](http://www.healthcare.gov).

#### Apply Online

When you apply online, you'll follow a four-step process.

- 1) **Set up an account.** Start by going to the Marketplace page at [www.healthcare.gov](http://www.healthcare.gov). First you'll provide some basic information. Then choose a user name, password, and security questions for added protection.
- 2) **Fill out the online application.** You'll provide information about you and your family, like income, household members, current health coverage information, and more. This will help the Marketplace find options that meet your needs. Important: If your household files more than one tax return, call the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) before you start an application. Representatives can

provide directions to make sure your application is processed correctly.

- 3) **Compare your options.** You'll be able to see all the options you qualify for, including private insurance plans and free and low-cost coverage through Medicaid and the Children's Health Insurance Program (CHIP). The Marketplace will tell you if you qualify for lower costs on your monthly premiums and out-of-pocket costs on private insurance. You'll see details on costs and benefits to help you choose a plan that's right for you.
- 4) **Enroll.** After you choose a plan, you can enroll online and decide how you pay your premiums to your insurance company. You must pay your premium by the date the insurer provides before your coverage can begin. If you or a member of your family qualifies for Medicaid or CHIP, a representative will contact you to enroll.

#### Apply by Phone or With an In-Person Assister

To apply by phone, call 1-800-318-2596, 24 hours a day, 7 days a week (TTY: 1-855-889-4325). A customer service representative will work with you to complete the application and enrollment process.

### Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 70½.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.

This brochure contains general information for taxpayers and should not be relied upon as the only source of authority. Taxpayers should seek professional tax advice for more information.

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