

Affordable Care Act Fact Sheet: Buying Individual Insurance

Background: Some people with MS have health insurance that they buy on their own. You may have individual insurance if you are self-employed, covered through a high risk pool, disabled and waiting to enroll in Medicare, or are not eligible for job-based coverage for some other reason. If you have or need individual coverage, you will benefit from the Affordable Care Act in various ways, and you can get help at no cost when you start reviewing your options through the new Health Insurance Marketplace, the new web-based market for health insurance plans opened in October 2013 for coverage that takes effect in January 2014.

What has changed? The Affordable Care Act made several changes in the individual insurance marketplace designed to provide better, more affordable coverage. Below you will find key provisions affecting the individual insurance market:

- ***Limits due to Pre-Existing Condition prohibited.*** Starting in January 2014, health plans will be prohibited from restricting coverage or charging you more because you have a pre-existing condition. If you have coverage now that is restricted or more expensive because of your pre-existing condition, these limits or higher fees will be eliminated.

How does the Individual market work? There are important considerations if you plan to replace your existing individual insurance in order to maximize the benefit of the new law.

- ***Replacing individual insurance.*** You may use the Marketplace to replace individual insurance you currently have. In the Marketplace, you can find out whether you can get lower costs on monthly premiums and reduce your out-of-pocket-costs. You can compare plans based on price, benefits, and other features important to you.
 - **Cancelling Existing Policy.** Check with your insurance company before cancelling your policy. You may have to wait until the end of your policy year before you can cancel.
 - **Buying Outside the Marketplace or Exchange:** You can choose to buy individual insurance outside the Marketplace—directly from an insurance company or with the help of an agent or broker. But you won't have access to lower costs on your monthly premiums or out-of-pocket costs outside the Marketplace.
 - **Beware of tax penalty:** Not all plans you buy outside the Marketplace meet the health care law's requirements for minimum essential coverage. That means if you buy one of these plans you could still wind up having to pay the fee that people without insurance coverage may face for 2014 and beyond. Insurance plans must tell you whether they provide minimum essential coverage.
 - **Affordability: Tax Credits.** Premium tax credits are available to individuals and families with incomes between 100% of the federal poverty line (\$23,550 for a

family of four) and 400% of the federal poverty line (\$94,200 for a family of four) who purchase coverage in the health insurance marketplace in their state. Premium tax credits are also available to lawfully residing immigrants with incomes below 100% of the poverty line who are not eligible for Medicaid because of their immigration status. You will find out how much of a credit you will receive when you apply for coverage through the Marketplace. Premium tax credits can be applied directly to your monthly premiums, so you get the lower costs immediately, or you can get a refund after filing your annual income taxes.

➤ ***When you can change plans***

- If your current plan ends before March 31, 2014, you can use the Marketplace during open enrollment to replace your individual insurance. Starting October 1, 2013, you can enroll for coverage that starts as soon as January 1, 2014.
- You may qualify for a special enrollment period in the Marketplace when your plan ends because you're losing your coverage. For example, if you lose your job and job-based coverage, you may shop for coverage through the Marketplace and enroll any time –even between open enrollment periods. The start date of your coverage will be based on when you enroll.
- Your insurance company may need to provide documentation to the Marketplace that your plan has ended.

➤ ***Individual and Job-Based Coverage.*** If you are eligible for job-based coverage that meets new standards for cost and coverage (called 'minimal essential coverage') but do not choose to enroll in it, you may buy a policy through the Marketplace.

- If you choose to turn down an offer of employer coverage and buy your own, **your employer does not have to help you pay for it** and you may not be able to get lower costs on monthly premiums or out-of-pocket costs. Your employer, or tools provided through the Marketplace will help you determine whether the plan meets these standards. *(See Fact Sheet on Changes to Job-Based Coverage for more information.)*