

Health Care Reform Quick Reference

The Patient Protection and Affordable Care Act (ACA), signed into law by President Obama on March 23, 2010, includes several key features being phased in beginning in 2010.

1. Enacts a Patients Bill of Rights including the provisions below
 - Insurance companies cannot turn down patients with pre-existing conditions
 - Insurance companies cannot cancel coverage if the consumer made an honest mistake
 - No lifetime cap on medical costs, nor annual cap on benefits
 - Insurance companies must justify premium increases and limit administrative costs
 - Young people to age 26 can be covered by their parent's insurance
 - Free preventive care for many services
2. Delineates a set of essential health benefits that must be offered
 - Ambulatory patient services
 - Prescription drugs
 - Emergency services
 - Rehabilitative and facilitative services and devices
 - Hospitalization
 - Laboratory services
 - Maternity and newborn care
 - Preventive and wellness services and chronic disease management
 - Mental health and substance use services
 - Pediatric services, including oral and vision care
3. Provides expanded health coverage beginning January 2014
 - Health exchanges set up by state or federal government to offer insurance
 - Medicaid will be expanded to include those who live in households up to 138% of the Federal Poverty Level (FPL), or approximately \$32,500 for a family of four, using household Modified Adjusted Gross Income (MAGI)
 - Advance Premium Tax Credits (APTC) will be made available for those between 138% and 400% of FPL using MAGI (approximately \$32,500 - \$94,000 for a family of four)
 - In addition to tax credits, Cost Sharing Reductions (CSR) will be made available for those between 138% and 250% of FPL using MAGI (approximately \$32,500 - \$59,000)
 - Almost all Americans who can afford health insurance will be required to have insurance
 - Undocumented residents are not included in the requirement or eligible for services
4. Provides support for small business
 - Businesses with fewer than 50 employees are exempt from the requirement to pay a fee if they don't offer affordable health insurance
 - Tax credits up to 50% to offset insurance cost for businesses with fewer than 25 employees
 - Businesses with up to 100 employees can buy insurance through Covered California

MAGI Medi-Cal

In January 2014, Medi-Cal eligibility will be expanded to include the non-disabled, non-elderly, childless adult population up to 138% FPL – a population estimated as 1.4 million statewide. Household income will be calculated using Modified Adjusted Gross Income (MAGI), based on the household's income tax returns with certain adjustments. The household is generally defined as the tax filing unit, including anyone claimed as a dependent.

- Income will be determined based on the household's MAGI income
- There is no asset test for MAGI households
- Undocumented individuals are not included

Non-MAGI Medi-Cal

The non-MAGI Medi-Cal population will include the elderly, disabled, long-term care, and individuals deemed eligible for Medi-Cal as a result of other programs such as CalWORKs or foster care. Non-MAGI are still subject to the asset test. Undocumented individuals remain eligible for emergency and restricted-scope Medi-Cal.

Covered California / Exchange Health Coverage

Covered California is the state's health benefit exchange under the health reform law. Beginning January 2014, Covered California will provide Exchange health coverage to households above 138% of FPL, with subsidies available up to 400% FPL. Covered California will focus on Exchange coverage. While counties remain responsible for Medi-Cal including the new MAGI Medi-Cal population.

Covered California will offer four different health plan levels throughout the State— platinum, gold, silver or bronze – that provide a range of premiums and benefit levels, with the customer share of health care costs ranging from 10% to 40%. Subsidies are available for low income households - Premium Tax Credits (APTC) for households under 400% of FPL and Cost Sharing Reductions (CSR) for those under 250% of FPL.

Key Terms

- ACA – Patient Protection and Affordable Care Act of 2010
- APTC – Advance Premium Tax Credits for families between 138% and 400% of FPL who buy coverage through Covered California
- Assisters – Community organizations that help families and individuals obtain coverage through Covered California
- CalHEERS – California Healthcare Eligibility, Enrollment, and Retention System, an automated system to support Covered California health coverage enrollment and ongoing management. It will interface with existing county automated eligibility systems.
- Covered California – California's health benefit exchange marketplace (CoveredCA.com)
- CSR – Cost Sharing Reductions available to households between 100% and 250% of FPL
- FPL – Federal Poverty Level (\$11,490 for a single person, \$23,550 for a family of 4).
- MAGI – Modified Adjusted Gross Income, based on tax filing household, and used to determine eligibility for coverage and subsidies.

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