

# Getting financial help

## FACT SHEET



### Making insurance affordable

**Covered California™ will make it simple and more affordable for you and millions of other Californians to get high-quality health insurance.**

Legal residents of the state of California will be eligible to buy health coverage through a new marketplace established by Covered California. Starting in 2014, there will be several new government programs that offer financial assistance to lower the cost of health insurance.



- 1. Tax credits:** Tax credits will be available to help lower the cost of your monthly health insurance premium.
- 2. Cost-sharing subsidies:** Cost-sharing subsidies reduce the amount of health care expenses an individual or family has to pay at the time of medical care.

### Qualifying for tax credits

Tax credits are available for individuals and families who meet certain income requirements and do not have access to affordable health insurance that meets minimum coverage standards offered through their employer or another government program.

Eligibility for tax credits is based on a standard, called the "federal poverty level," based on family income and size. The size of the tax credit is based on a sliding scale, with those who make less money getting larger financial support to lower the cost of their insurance coverage. Individuals and families who make between 138 percent and 400

percent of the federal poverty level — an individual making up to \$44,680 and family of four earning up to \$92,200 — may be eligible for subsidies and tax credits.

Here are some key facts about tax credits.

- Tax credits lower the cost of your premium.** Tax credits reduce the amount you will pay for insurance.
- Tax credits help low- and middle-income individuals and families.** Tax credits are available to individuals and families who meet certain income requirements.

- Tax credits can be used when you enroll.** Tax credits can be applied to the cost of your health plan when you enroll. You do not need to wait until you file a tax return at the end of the year.

- Tax credits are only available through Covered California.** You must enroll in a health plan through Covered California if you want to use your tax credits.

- Tax credits are paid to your health plan.** These tax credits are paid by the federal government each month directly to the health plan you choose through Covered California.



## Estimating your tax credit

The amount of your tax credit depends on household income and family size. Below are some examples of potential costs to families in California. Later this year, Covered California will make available the exact premium and plan choices, so you can know exactly what your insurance will cost.

Annual Income	Monthly Premium after federal subsidy
\$23,550 - \$35,325	\$39 - \$118
\$35,326 - \$47,100	\$119 - \$247
\$47,101 - \$58,875	\$248 - \$395
\$58,876 - \$94,200	\$396 - \$746

The tax credits are available when you buy insurance so you do not have to pay all of the premium costs up front and wait for reimbursement. The tax credits will be available to everyone who is eligible for them, whether they file taxes or not.

Covered California has a cost-estimate calculator that can help you estimate about how much you will pay per year for insurance coverage and the size of any financial support. Please visit our website at [www.CoveredCA.com](http://www.CoveredCA.com).

## Qualifying for cost-sharing subsidies

While tax credits can help lower monthly premium payments, cost-sharing subsidies protect lower-income people with health insurance from high out-of-pocket costs at the time of service. You may be eligible for subsidies if your income is less than about \$27,936 for a single person and less than about \$57,636 for a family of four in 2012. If you qualify for cost-sharing subsidies, you will pay less for health care expenses, including costs incurred when you receive medical care.

These government financial assistance programs are offered on a sliding scale, based on your annual household income. In other words, the higher your income, the lower the amount of your financial assistance. Whether online, in person or by phone, Covered California can help you learn if you qualify for these programs later this year, when open enrollment begins.



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Covered California is the new online “marketplace” that will make it simple and affordable to purchase high-quality health insurance and get financial assistance to help pay for insurance.