



HEALTH CARE REFORM ANSWERS & ADVICE

OBAMACARE INSURANCE BASICS

MORRIS & REYNOLDS HAS CERTIFIED OBAMACARE EXPERTS AVAILABLE TO HELP YOU



INDIVIDUAL MANDATE

American's healthcare reform laws include an individual mandate that requires most U.S. Citizens and legal residents to have coverage starting January 1, 2014. In most cases, individuals who don't buy coverage or who go three consecutive months or longer without carrying coverage will be charged a penalty by the IRS on their taxes. The sections that follow will assist you in understanding some of the new laws basics.

The agents and underwriters here at Morris & Reynolds Insurance can also explain the new laws and your options, including those from the Federal Exchange Marketplace, as well as those available directly from all leading health insurers. Whether you need answers about coverage options or subsidies, quotes or help applying for insurance, with claims, providers, or anything else in the future, we are happy to help. Contact us at any time with your questions; **305.238.1000**.

GUARANTEED AVAILABILITY

A wonderful benefit of the law is that health insurers can no longer refuse to provide coverage based on an existing medical condition, nor ask health related questions, when you apply for coverage. With few exceptions, all health insurers must accept anyone who applies for coverage and do so without health questions or exams. Once coverage begins pre-existing conditions are covered.

INSURANCE EXCHANGE MARKETPLACE

The Exchange Marketplace is an on-line tool that agents use to access the available insurers, quote coverage, and confirm whether federal financial assistance will apply to you and apply for insurance.

PLATINUM, GOLD, SILVER & BRONZE

The new law requires that insurers offer standardized plans that use metallic designations, **bronze, silver, gold, and platinum**, for ease of comparison shopping. Each of the tiers; bronze, silver, gold and platinum, offer different combinations of copayments, coinsurance, and deductibles.

For example, bronze plans will lower premiums by having higher out-of-pocket costs, when you have claims while plans in the other levels will have higher premiums and lower out-of-pocket costs.

The Bronze Plan / 60%

The **Bronze Plan** is **intended to have the lowest premium of the four new categories of plans but charge the highest out-of-pocket costs for healthcare services** (claims). For people without group insurance from an employer or other group, **the Bronze plan is the minimum health insurance plan. Once enrolled, this will satisfy the Affordable Care Act's mandate for people to purchase health insurance.**

Bronze Plans are designed so that insurance companies pay **60%** of covered healthcare expenses with the remaining 40% to be paid by consumers. Your expenses will be in the form of out-of-pocket fees over and above the cost of the plan's monthly premium. Out-of-pocket expenses for individuals is expected to be capped at \$6,350 annually starting in 2014.

The actual out-of-pocket expenses of any single plan may be more or less than this ratio but should remain within the range. Those people whose out-of-pocket limits reach the annual maximum could see their share of healthcare costs fall until a new calendar year begins and the annual limit reset.

Out-of-pocket expenses include fees that you pay such as deductibles, copayments or coinsurance. Different plans might calculate the 40/60 split in different ways so it's important to review how each plan works. A person with frequent medical expenses may want a lower deductible while a healthy person may want a larger deductible.

Our agents and underwriters can provide you with all of the details on each *metal* plan as well as quotes to meet your unique needs. Call us at 305.238.1000 or visit us at: www.morrisandreynolds.com/health-reform/ to learn more about the metal plans and your options as well as to obtain free quotes and comparison shop 24x7x365.

ESSENTIAL HEALTH BENEFITS



All plans will offer the same essential health benefits (such as doctor visits, hospital care, prescriptions, and maternity care) and include certain preventive services for no charge or cost to you.

These categories are described as "**essential health benefits**" and starting in 2014, non grandfathered individuals and small group plans will have coverage for at least the following categories:

- **Ambulatory patient services** including outpatient services such as doctor visits.
- **Emergency services** (Emergency Room)
- **Hospitalization** (Medically necessary surgeries and inpatient procedures)
- **Maternity** and newborn care
- **Mental health services**
- **Substance use disorder services** including behavioral health treatment
- **Prescription drug coverage**
- **Rehabilitative and habilitative services** and devices such as relearning to walk after a stroke. Habilitative services involve learning a new skill such as speaking without a speech impediment.
- **Laboratory tests** and services
- **Preventive and wellness services** as well as the management of chronic diseases
- **Pediatric services** (including both oral care and vision care)



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FEDERAL FINANCIAL ASSISTANCE



Starting in October 2013, some American's will be eligible for federal financial assistance (subsidies) to help pay for premiums in 2014. These subsidies are approved by Congress for the first three years of the new law

(2014, 2015 and 2016) and are available only to individuals who buy ACA-compliant coverage through the Exchange Marketplace.

If you qualify, the federal government pays the portion of the premium covered by tax credits and cost sharing (if eligible) **directly to your insurance company**. The insurer you select will then bill you for the premium (minus any premium tax credits you may receive).

Subsidy assistance will be on a sliding scale, based on modified adjusted gross income and family size:

SUBSIDY MAXIMUM

# OF PEOPLE IN HOUSEHOLD	MAXIMUM INCOME TO QUALIFY
1	\$45,960 or below
2	\$62,040 or below
3	\$78,120 or below
4	\$94,200 or below

2013 modified adjusted gross income levels shown are the latest available. Actual assistance will be based on estimated 2014 modified adjusted gross income.

SUBSIDY MAXIMUM

# OF PEOPLE IN HOUSEHOLD	MAXIMUM INCOME TO QUALIFY
5	\$110,280 or below
6	\$126,360 or below
7	\$142,440 or below
8	\$158,520 or below

FAMILY MEMBER LEVEL RATING RULES

New member level rating rules may affect new and renewing individuals. **If you are purchasing coverage for your families, rates are specific to each family member.**

- Rates are determined individually on each person's age on the effective date.
- Dependents can be covered under your client's plan until age 26 whether or not they're in school or living at home.
- Family rates include charges for no more than the three oldest children under age 21 on the same plan; other children under 21 are covered at no additional cost.
- Family members can enroll in separate plans based on their health care needs.

OPEN ENROLLMENT

For 2014, individuals and families can enroll from October 1, 2013 to March 31, 2014. The insurer you select must receive your application by March 31, 2014.

Once you have enrolled, your plan will be effective for one calendar year unless you have a qualifying event.

SPECIAL ENROLLMENTS

After the Initial Open Enrollment, you can apply for coverage during Special Enrollments Periods within 60 days of certain events that change eligibility including:

- Marriage,
- The birth or adoption of a child,
- Divorce, or
- Loss of a job & employer coverage.

PAYMENT WITH APPLICATIONS

Starting October 2013 for January 1st, 2014 effective dates, the first month's premium must be included with an application for individual and family coverage or the application will be delayed or canceled.

CATOSTROPHIC PLANS

Catastrophic plans are available to individuals under age 30. Older individuals may also purchase catastrophic coverage if the Exchange Marketplace certifies that they don't have affordable coverage options or they otherwise qualify for "hardship exemption." These high deductible plan pay no benefits until the **\$6,350.00 deductible** is met — with the exception of preventive services (at zero dollar cost-sharing) and three primary care visits.

MORRIS & REYNOLDS INSURANCE



The Reynolds family has been in the insurance profession since 1910 and has operated its Independent Insurance Agency, Morris & Reynolds Insurance, since 1950.

Morris & Reynolds offers trusted choices from the world's leading insurers for all forms of coverage including Personal Protection, Commercial Coverage, Employee Benefits and Financial Services, as well as care from an award-winning team of professional people.

Please contact us at **305.238.1000** or at www.morrisandreynolds.com.



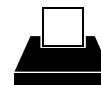
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