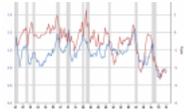


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## Wonkblog

# Everything you need to know about life under Obamacare

BY SARAH KLIFF AND EZRA KLEIN January 1 at 9:28 am



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### What is Obamacare?



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Obamacare's 2013 tally: Six million signed up for coverage

"Obamacare" is what we've all apparently decided to call the Patient Protection and Affordable Care Act, a set of health reforms passed by the Congress and signed into law by President Obama in March 2010.

The law itself touches on everything from how hospitals are reimbursed for care to whether chain restaurants post calorie counts on their menus. But, generally, by "Obamacare" most people mean the provisions of the law that relate to the efforts to insure about 30 million Americans through subsidized private insurance or government-provided Medicaid.

**When is Obamacare?**

Now! Obamacare's insurance marketplaces -- where people who don't get health insurance through Medicaid, Medicare or their employers will go to buy it -- began open enrollment in October. But anyone signing up for coverage over the past three months, whether through private plans or Medicaid, has enrolled in insurance that starts in 2014 (i.e, today).

**Is Obamacare available in every state?**

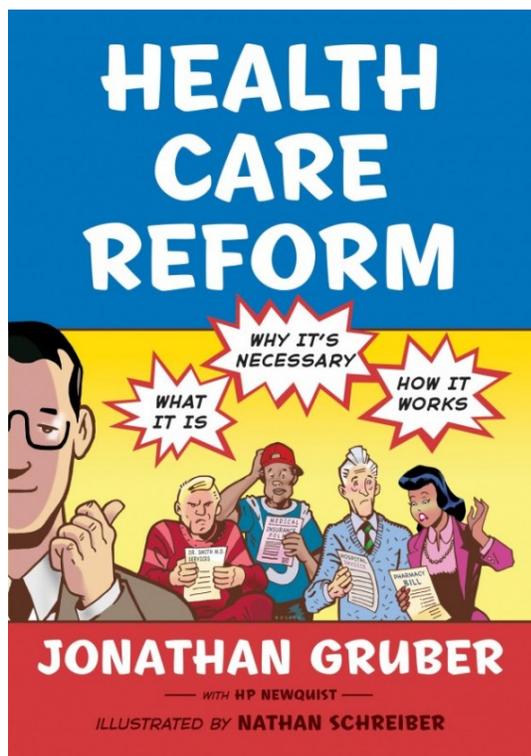
Some of it is, some of it isn't. The insurance marketplaces, and the subsidies that go along with them, will be available in every state and the District of Columbia. But the Medicaid expansion, which serves people making less than 133 percent of [the federal poverty level](#) (\$31,322 for a family of four), was made optional by the Supreme Court. As of now, [only 26 states](#) are participating in the program.

What makes this particularly troublesome for the law (and, more to the point, for the uninsured) is that there are no subsidies for private insurance for people making less than the poverty level. So if you're poor and in a state that hasn't accepted the Medicaid expansion, you're out of luck.

**This is a lot to read. Can't you do it in cartoon form?**

Er, no. But the [Kaiser Family Foundation](#) can.

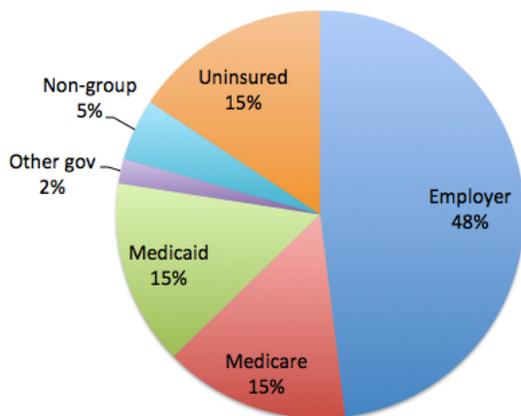
**Ack, sorry, I meant "graphic novel" form. I'm too old for cartoons.**



[Sure.](#)

Actually, I like reading stuff. So who gets insurance through the program?

Where Americans get health coverage



Here's the biggest thing to know about Obamacare: Most people will never notice it.

If you get health insurance through your employer or the government -- as 80 percent of Americans do -- it's very unlikely that you'll interact with Obamacare's coverage expansion at all. (There are other provisions in Obamacare, like some of the efforts to improve care quality or cut health-care costs, that could affect you. But that's not the core of the law or the part that's starting Wednesday.)

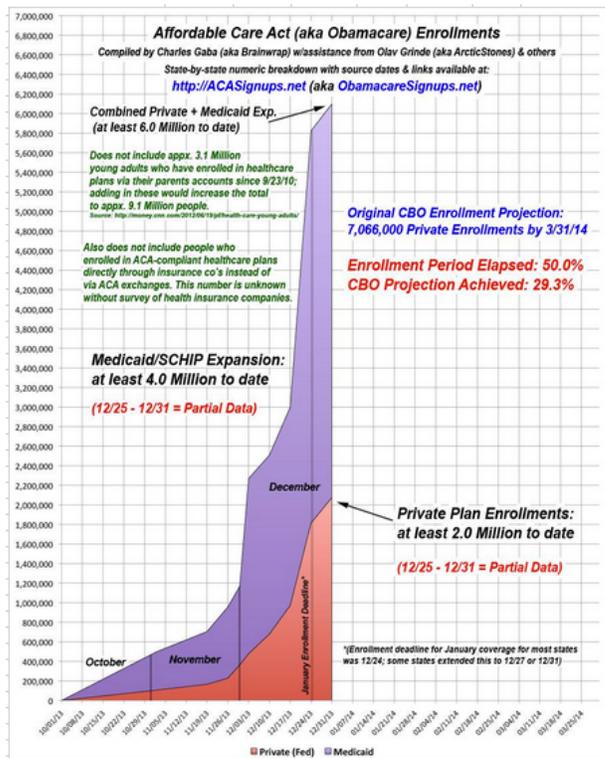
Obamacare mostly matters most for the 20 percent of Americans who are either uninsured or get insurance on the individual (or "non-group") market. Anyone in those groups can get insurance through Obamacare. Those who make more than [the federal poverty level](#) but less than four times that amount (\$94,200 for a family of four), can buy subsidized insurance on the marketplaces. Those making less than 133 percent of

the poverty line, and living in a state that has accepted the Medicaid expansion, can get Medicaid.

The Congressional Budget Office [expects](#) that the Affordable Care Act will cover about 14 million of the uninsured in 2014 and 25 million by the end of the decade. That still leaves about 30 million people uninsured. More on them [here](#).

### How many people have Obamacare right now?

At least 6 million people have signed up, or been found eligible, for the health law's two main coverage programs. A lot of them signed up in December, which you can see in [this chart](#).



We know that at least [2.1 million people](#) enrolled in private health-insurance plans that start this month -- and there could be more, since HealthCare.gov hasn't published any sign-up information since the end of November. An additional 3.9 million have been found eligible for Medicaid, meaning they have an income below 133 percent of the federal poverty level (about \$15,000 for an individual).

One important caveat here: In order to access private health-insurance benefits, shoppers need to pay their first month's premium. For people who live in the [36 states](#) on the federal exchange, that payment is due by Jan. 10. In states running their own marketplaces, the deadlines vary -- or may have already passed.

#### If I already have health insurance, do I have to care about this?

Probably not. The truth of Obamacare is that it mostly affects the uninsured and people who don't have employer-based or government-based health insurance. That's a relatively small fraction of the population, even though we often talk about the law as if it affects everyone.

#### Are there death panels?

No.

### But I wanted death panels.



Thanos wants death panels.

Sorry.

### How much are the premiums?

That varies a lot, depending on three factors: your age, your income and where you live. Insurers are allowed to charge older shoppers three times as much as younger buyers. That means a 25-year-old will pay a much lower premium than a 55-year-old for exactly the same plan, mostly because the insurer expects the 25-year-old to have far lower health-care costs. Insurers can also factor in the cost of providing care in a particular place, allowing for the widespread variation in health-care prices. It tends to be cheaper to provide health insurance in urban areas, where there are lots of doctors nearby, than in rural areas, for example, where specialists can be more difficult to come by.

The last important factor is subsidies, which most people who earn less than 400 percent of the poverty level (about \$45,000 for an individual) can use to purchase coverage. You can get a sense of what subsidy you might qualify for by using this Kaiser Family Foundation calculator. Analysts have estimated that [as many as 7 million](#) people will not have to pay a premium; their subsidy will cover the entire cost of the monthly payment.

### What does Obamacare cover?

All insurance under Obamacare has to cover [a set of health benefits](#) that the administration has defined as “essential.” They are: “ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.”

The bottom line is that if you get sick, the insurance you get through Obamacare is almost certainly going to cover you.

### **How much will I pay out of pocket?**

Depends. Out-of-pockets costs in Medicaid are almost nothing. In the insurance marketplaces, however, there are four levels of insurance coverage: bronze, silver, gold and platinum. Those levels correspond to the amount of health costs they'll cover for the average applicant: 60 percent for bronze, 70 percent for silver, 80 percent for gold, 90 percent for platinum (there's also a bare-bones "catastrophic" option available to applicants under age 30). The lower your level of coverage, the more you'll pay out of pocket.

But the law also has secondary out-of-pocket protections, including [limits on out-of-pocket costs for lower-income families](#). The Kaiser Family Foundation's [subsidy calculator](#) will tell you if you qualify.

### **Please help me understand these metal tiers -- and while we're at it, the difference between co-pays and co-insurance.**

We have a [whole other explainer](#) that will give you the nuts and bolts of understanding what, exactly, you're purchasing when you buy Obamacare. It also includes a video of a pretty great fox jumping around in the snow, so, its definitely worth checking out.

### **How many options do I have to choose from?**

Since both Medicaid and the insurance marketplaces are different in different states, it depends on where you live. Entering your information at [HealthCare.gov](#) will give you the quickest overview.

### **What if I have a pre-existing condition?**

Starting today, it doesn't matter. Really! One of the really big changes that the new health law makes to the insurance marketplaces is eliminating the relevance of pre-existing conditions altogether. This is true for both plans sold on the new marketplaces and those sold outside it. This means that insurers won't be allowed to ask you about your health or charge you more because of it.

### **What if I'm young and really, really healthy?**

Congratulations! You're in the prime of your life – and may have heard that you're getting ripped off by the health-care law. Here's the deal: The health-care law limits the amount that insurers can charge really old people, and that might lead them to bump up the rates for younger people. A lot of this will depend on where you live.

This chart from the Kaiser Family Foundation, which shows the premiums for a 25-year-old who earns \$25,000, might help you out:

**Figure 4: 2014 Monthly Premium for a Single 25-Year-Old  
at 250 Percent of Poverty (\$28,725 per year)**

State	Largest City	Rating Area of Largest City	Second-Lowest-Cost Silver Plan Before Subsidies	Second-Lowest-Cost Silver Plan After Subsidies	Lowest Cost Bronze Plan Before Subsidies	Lowest Cost Bronze Plan After Subsidies
CA	Los Angeles	15	\$200	\$193	\$147	\$140
CO	Denver	3	\$196	\$193	\$146	\$142
CT	Hartford	2	\$258	\$193	\$182	\$117
DC	Washington DC	n/a	\$180	\$180	\$124	\$124
IN	Indianapolis	10	\$232	\$193	\$196	\$157
MD	Baltimore	1	\$179	\$179	\$115	\$115
ME	Portland	1	\$232	\$193	\$185	\$146
MT	Billings	1	\$203	\$193	\$162	\$152
NE	Omaha	1	\$213	\$193	\$155	\$135
NM	Albuquerque	1	\$167	\$167	\$122	\$122
NY	New York City	4	\$390	\$193	\$308	\$111
OH	Cleveland	11	\$196	\$193	\$139	\$136
OR	Portland	1	\$158	\$158	\$130	\$130
RI	Providence	n/a	\$230	\$193	\$165	\$127
SD	Sioux Falls	2	\$207	\$193	\$188	\$173
VA	Richmond	7	\$199	\$193	\$134	\$127
VT	Burlington	n/a	\$413	\$193	\$336	\$116
WA	Seattle	1	\$222	\$193	\$167	\$138

Source: Kaiser Family Foundation analysis of exchange rate filings. See methods section for detailed source information.

### What if I live in Guam?

Things, unfortunately, [do not look pretty](#).

### How much information will I have to share with the government?

You'll have to tell them some basics: name, age, address, income and the size of your family. You will have to tell them whether you use tobacco (the law includes a premium surcharge for smokers). You won't have to share information about your health status or doctor.

### Where do I go to buy it?

[www.HealthCare.gov](http://www.HealthCare.gov). But if you're in one of the [14 states](#) running their own exchanges, you'll get bounced to your own state marketplace.

### But aren't there a bunch of glitches?



I guess the wait screen isn't scary enough anymore? (Karen Bleier/Getty Images)

There definitely have been problems with the site. HealthCare.gov had a pretty terrible rollout; Health and Human Services Secretary Kathleen Sebelius has described it as a "debacle." On the first day, just six people managed to get signed up. And all the way through November, there were lots and lots of problems if you were trying to pick an insurance plan -- and, after you did pick a plan, getting your information to the plan you selected.

Since December though, HealthCare.gov has worked better and the pace of enrollment has increased. Many shoppers who got stuck in October started having more success in recent weeks.

#### **Does it work now?**

In most cases it does. Lots of people can sit down at their computers, go to HealthCare.gov and smoothly enroll in a plan. There are still some shoppers, though, who are having trouble buying insurance coverage. Some are stuck trying to get their identity verified; others are trying to make sure the insurer they picked has their information. The odds of success are definitely higher than they were in October, but the site still does not work perfectly for all those attempting to sign up for coverage.

#### **Can I buy coverage that will start right away?**

You cannot. If you purchase coverage today -- or any day through Jan. 15 -- the plan will start on Feb. 1. If you buy later in the month, your coverage won't start until March. This will be true for the rest of the open-enrollment period, too: You need to purchase before the 15th of a month for your health-insurance coverage to start the next month. December was an exception: Because the rollout of HealthCare.gov had gone so miserably, the federal government gave shoppers until Dec. 24 to purchase coverage that starts on Jan. 1.

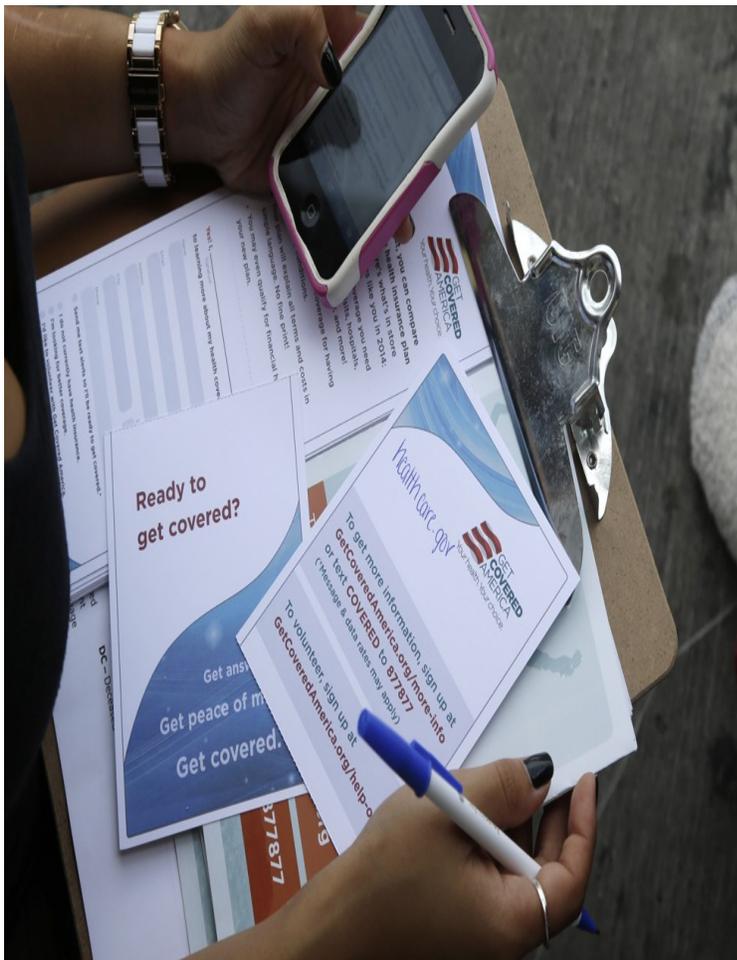
#### **Who can help me buy health insurance?**

If you don't want to just sign up on your own, there are people who can help guide you through the process. You could go to the insurance brokers who sell health plans right now, typically receiving a commission for their work. The health-care law funds some new positions to provide similar help. Dubbed "navigators," these are people whose whole job is to explain the enrollment process. They do not receive a commission from the health plan for enrolling someone in coverage.

#### **Too much text!**

Video interlude! Here's a two-minute Obamacare explainer for those who might need to jet at this point (although you really don't want to miss everything that comes next).

### How hard is it to sign up?



Maygan Rollins, a field organizer with EnrollAmerica, canvasses in Miami. (Lynne Sladky/AP)

Right before HealthCare.gov launched, federal officials had found that in the very best scenario, people would be able to buy coverage in just seven minutes. That's not typically the case: Many shoppers say it takes about 45 minutes or an hour to purchase coverage -- and that's with the Web site working well. Much of the time, it seems, gets spent deciding which plan to sign up for. And if the site isn't working well, it could take significantly longer, depending on the obstacles you encounter.

### How long do I have to sign up?

Finally, a simple question! You can buy health coverage on the marketplaces from Oct. 1 to March 31. After that open-enrollment period, you're out of luck for buying a plan in 2014. There are exceptions for people who experience a life-changing circumstance, such as moving to a new state or losing a job.

### **I think I signed up already! How do I know that I'm all set to go?**

The best thing to do is check directly with the insurance company you picked, to see if it got your information -- and pay it your first month's premium, too. In October and November, there were about 15,000 cases in which HealthCare.gov didn't send enrollment data to insurance companies. That meant some plans would have no idea someone had signed up. Although that problem diminished dramatically in December, affecting fewer than 1 percent of enrollments, the Obama administration still recommends contacting your health plan to double-check your status.

### **That sounds all well and good, but I'm in the emergency room right now and don't have an insurance card. Help!**



Oh no! We hope you're okay. If you do have sometime on your hands in the waiting room, it's still worth calling your insurance company, if that is an option, to see if it can give you a subscriber number over the phone. If not, it's still possible that it will cover the cost of your visit retroactively -- if you pay your premium by the Jan. 10 deadline. That means, theoretically, that you would foot the bill upfront and later be reimbursed by your carrier. But since emergency bills can be quite hefty, in non-emergency situations the best course of action is trying to confirm coverage with your plan before going to the doctor's office.

### **What if I don't want to buy insurance?**

First off: Nobody will come knocking down your door demanding that you purchase a health plan. But if you decide not to purchase coverage, you will have to pay a \$95 tax penalty. This would be deducted from your 2015 tax return.

### **How will the government know if I have health insurance?**

You'll have to tell them, via the taxes that you file for 2014. Starting then, the Internal Revenue Service will send out a form on which you'll fill in the type of health plan you purchased (or, if you didn't purchase coverage, noting that fact). Employers might hand out pre-populated versions of these forms to make things a little bit easier.

### Will the government send gunmen to track me down if I'm not insured?



Creepy Uncle Sam will not come find you if you don't have health insurance.  
(YouTube)

While this is a popular Obamacare myth, it is, in fact, untrue: The federal government is actually [really limited](#) in the action it can take to collect the tax penalty for not purchasing health coverage. It can't send agents to your door, nor can it put a lien on your house. The most it can do is take the fine out of your tax refund -- or, if you're not getting a refund this year, put it on your tab for next year's refund.

### What if I can't find an affordable plan? Do I still have to buy something?

Nope -- although it's the government, not you, that gets to decide what counts as "affordable." The health-care law says that if you can't find a plan that costs less than 8 percent of your income, then you're exempt from the requirement to purchase health insurance. This will, obviously, depend a lot on an individual's circumstances and not the sticker price of the plans sold on the new marketplaces.

### What if I don't want to buy insurance yet but think I might want to buy it later?

Open enrollment lasts until March 31, so you have until then to weigh your options. After that, you can't buy insurance until the next open-enrollment period, which starts on Oct. 7, 2014.

### What if I get insurance through Obamacare and then I get a job that pays more money?

Well, go out and have a celebratory drink! And then celebrate more by ... filling out some paperwork! If your income changes, you're supposed to go back online and report that shift. Any federal help you get purchasing health-insurance coverage will probably be adjusted to reflect your new income. The other option here is not to report your new income, although the government will figure it out when you file taxes the next year -- and then look to recoup the tax credits you were not supposed to receive.

### Was the individual mandate delayed?

Well, define "delayed." There is still an individual mandate that applies to most Americans, requiring all of us to carry insurance coverage. But in late December, the Obama administration announced a new exemption to that policy: Anyone who currently buys their own coverage, and had trouble buying a new plan through Healthcare.gov, [will not have to pay the tax penalty](#). They will qualify for a "hardship exemption."

How big, exactly, this universe of people is is difficult to pin down. We know that millions of Americans had their policies canceled because they didn't meet the health law's new standards. The White House estimates that about 500,000 of those people hadn't yet

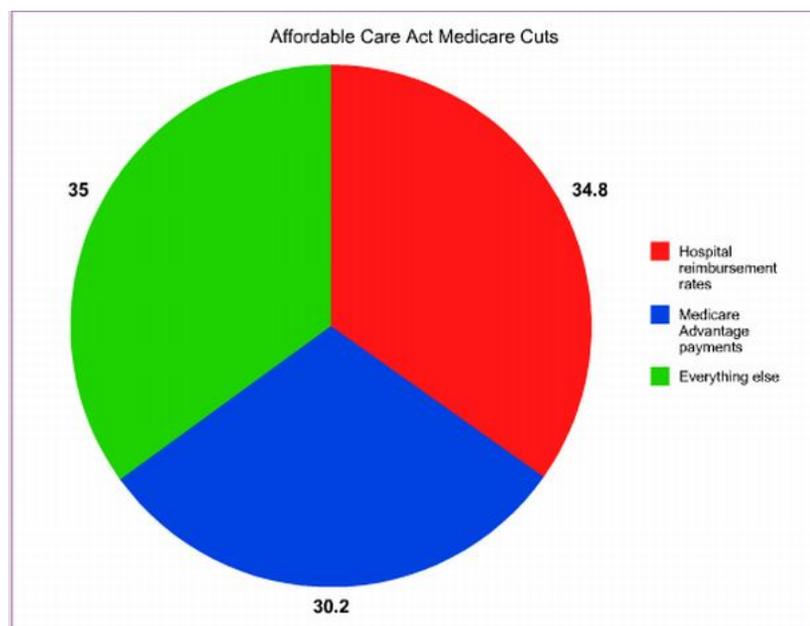
gotten coverage by mid-December. We don't know how many ended up signing up for plans that begin today -- and how many will pursue this exemption.

### **I own a small business. What does this mean for me?**

Not much this year. The law does include a small business exchange that is like HealthCare.gov, except that it's for employers to help workers buy coverage. But the Obama administration announced in November that it would [delay online enrollment until next year](#), in the fall of 2014. Small businesses can still apply for coverage by paper or through a broker, although that's pretty similar to the way they shop for coverage right now.

### **How are the subsidies paid for? Are my taxes going up?**

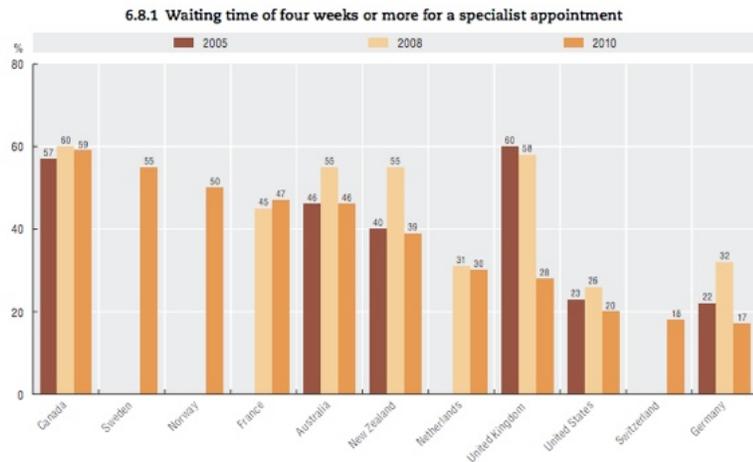
There are essentially two big funding streams for the Affordable Care Act. The first are cuts to Medicare reimbursements. We heard a lot about this during the presidential campaign, when Mitt Romney would talk about the law cutting \$716 billion from Medicare. These are cuts largely to the rates that we pay doctors who see Medicare patients, and also what we pay private insurers that cover those subscribers.



The other big funding source is taxes on different health-care industries such as hospitals, insurance companies and [medical-device makers](#). There's a debate about whether those taxes will get passed on to consumers, but, as it stands, they're not direct taxes on you as an individual.

There is [one tax](#) that is applied to some individuals, which began last year: The Affordable Care Act raised taxes on investment income for people who earn more than \$200,000.

### **I hear that there are long waiting lists in countries with laws like Obamacare. Am I going to have to wait longer for surgeries?**



Source: Commonwealth Fund International Health Policy Surveys.

StatLink <http://dx.doi.org/10.1787/888952526008>

The United States does right now have some of the shortest wait times in the world to see specialty doctors. We tend to have shorter wait times than a few countries with national health-care systems, like Canada and Britain.

We're expanding our health-care system to cover millions more people, making it a little more like a national health-care system. When we hand out all those insurance cards, will people still be able to see their doctor? That's what we're going to learn this month, [as nearly 6 million Americans gain health coverage.](#)

### So are hospitals going to be crazy busy today?

We don't know for sure what will happen, but we do have a few historical examples to look at, such as when Medicare launched in 1965, and the New York Times ran this cartoon to illustrate the looming influx of patients:

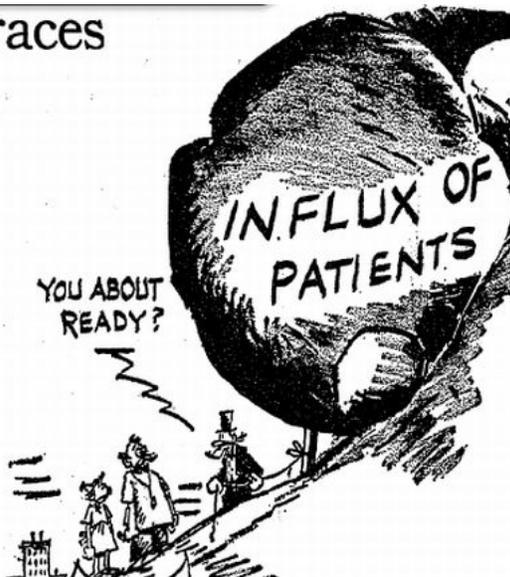
## Medicare Braces For M-Day

By NONA BROWN

Special to The New York Times

WASHINGTON, April 23. — "Don't buy this scarce talk about Medicare—with visions of the elderly lining up to get into hospitals free on July 1. But then, I can't say the hospitals will be prepared for Medicare, either . . . we don't really know yet what the demand will be."

This sentiment was voiced recently by William M. Bucher, a hospital administrator here in Washington. But he might have been speaking for the country as a whole. As the trigger date of July 1, when the hospital element of the Medicare program goes into operation, approaches, many of the people intimately concerned with the program are unsure whether they face chaos, or just bureaucratic confusion.



The long wait times never really materialized in any serious way. "At the end of its third week," the New York Times reported a few months later, "the Medicare program was reported going smoothly, with difficulties in some areas of the South still the only major problem."

In Massachusetts, wait times to see specialists were bad before the state passed a universal-coverage law, and bad afterward. You can read [more](#) on that from Jonathan Cohn. While 6 million is indeed a large number of people -- enough to overwhelm any one emergency room -- it's also a relatively small fraction of Americans, just under 2 percent of the U.S. population.

### I'm 25 and uninsured, but my folks have insurance. What does the law do for me?

For you, Obamacare might be the best deal: The health law allows young adults up to age 26 to stay on their parents' health-insurance plan. About 3 million people have taken up this option so far. So start bugging your mom to fill out the paperwork.

### Where can I go for more information?

The best way to learn about what Obamacare does and doesn't mean for you is to go to [www.HealthCare.gov](http://www.HealthCare.gov) and tool around. If you want a fast and dirty estimate of whether you qualify for financial help, the Kaiser Family Foundation's [subsidy calculator](#) is your best bet. For more of an overview of the law, the Kaiser Family Foundation's [summary](#) is excellent.

## 92 Comments

### Comment

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**Comments Live**



**2jm** wrote:

1/6/2014 12:42 AM EST

I live in the state of Washington and will save \$2012.00 this coming year on my medical insurance. I will have a better plan through Blue Cross with more options and lower co-pays. My sister and her daughter who live in Colorado will pay 0 premium after being uninsured for the last 5 years. Obama care is working for many people and being embraced by those states that opted in. A sad event for those who live in states where Governors declined to implement it.

Like · Reply · Share · Report Abuse



**HeardItAllBefore1** wrote:

1/3/2014 10:44 AM EST

"Here's the biggest thing to know about Obamacare: Most people will never notice it." WRONG. If you or your employer have been paying for insurance, most of you will see your rates go up. PERIOD.

Like Liked by 2 readers · Reply · Share · Report Abuse



**thesafesurfer** wrote:

1/3/2014 5:25 AM EST

5 million people had their insurance canceled as a result of Obamacare in 2013. Only 2 million signed up for coverage between October and the end of the year. Millions are going into 2014 thinking they have insurance when they don't. The Obama administration refuses to publish the numbers of people who enrolled AND paid their premiums. Most transparent administration ever????!!

The Obamacare plans with the lowest deductibles have the fewest doctor and the smallest networks. People who think they are saving money face a rude awakening that they are trading money for massive rationing of care. Studies predict emergency room visits across the country will explode with people who have insurance but can't get a doctor's appointment.

10-20 million will lose their employee supplied plans during 2014 as the January 1, 2015 deadline for employers approaches.

How many identity thefts already occurred on healthcare.gov? How many will occur in the next few months?