**The Affordable Care Act**

**INDIVIDUAL MANDATE**

* Require U.S. citizens and legal residents to have qualifying health coverage. Those without coverage pay a tax penalty of the greater of $695 per year up to a maximum of three times that amount ($2,085) per family or 2.5% of household income.
* For tax years 2014 and later, for eligible small businesses that purchase coverage through the state Exchange, provide a tax credit of up to 50% of the employer’s contribution toward the employee’s health insurance premium if the employer contributes at least 50% of the total premium cost. The credit will be available for two years. The full credit will be available to employers with 10 or fewer employees and average annual wages of less than $25,000.

**EMPLOYER MANDATE**

* Assess employers with 50 or more full-time employees that do not offer coverage a fee of $2,000 per full-time employee, excluding the first 30 employees from the assessment

**MEDICAID EXPANSION and SUBSIDIES**

* Expand Medicaid to all non-Medicare eligible individuals under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% of the federal poverty line (FPL) based on modified adjusted gross income (as under current law undocumented immigrants are not eligible for Medicaid).
* Provide premium credits to eligible individuals and families with incomes between 100-400% FPL to purchase insurance through the Exchanges. Individuals are required to pay the following % of income towards premium of “bronze” or “silver” plan before subsidies kick in.

Up to 133% of Federal Poverty Line (FPL):  2% of income

133-150% FPL: 3 – 4% of income

150-200% FPL: 4 – 6.3% of income

200-250% FPL: 6.3 – 8.05% of income

250-300% FPL: 8.05 – 9.5% of income

300-400% FPL: 9.5% of income

**HEALTH INSURANCE EXCHANGES**

* Create state-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges, administered by a governmental agency or non-profit organization, through which individuals and small businesses with up to 100 employees can purchase qualified coverage. Permit states to allow businesses with more than 100 employees to purchase coverage in the SHOP Exchange beginning in 2017. States may form regional Exchanges or allow more than one Exchange to operate in a state as long as each Exchange serves a distinct geographic area. (Funding available to states to establish Exchanges within one year of enactment and until January 1, 2015)
* Exchanges must have four benefit categories of plans plus a separate catastrophic plan to be offered through the Exchange, and in the individual and small group markets: Bronze, Silver, Gold, Platinum with increasing benefits and pricetag.

**PRE-EXISTING CONDITIONS**

Health insurers can no longer charge more or deny **coverage** to you or your **child**because of a **pre**-**existing** health **condition** like asthma, diabetes, or cancer. They cannot limit benefits for that **condition** either.

**COVERAGE OF DEPENDENT CHILDREN**

The Affordable Care Act requires plans and issuers that offer dependent child coverage to make the coverage available until a child reaches the age of **26**.

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