



The Patient Protection and Affordable Care Act

Making Coverage Affordable

The Patient Protection and Affordable Care Act will lower costs, improve choices and competition and offer assistance to ensure that Americans can afford health insurance.

Cap on Total Out-of-pocket Spending

✓ Out-of-Pocket Limit

- The Patient Protection and Affordable Care Act will put a cap on what insurance companies can require individuals to pay in out-of-pocket expenses, such as co-pays and deductibles.
- The Patient Protection and Affordable Care Act also will eliminate lifetime limits on how much insurance companies cover if you get sick and restrict annual coverage limits.

Assistance with Health Care Costs

✓ Premium Assistance Tax Credits

- Effective 2014, premium assistance tax credits will limit the amount an individual spends on their health care premium for the essential benefits package from two percent at 100 percent of the Federal Poverty Level (FPL) to 9.8 percent of income at 300-400 percent of the FPL. The amount of the credit is tied to the premium of the second-lowest cost (silver) plan in each area.

✓ Cost-sharing Reductions

- Provides credits to reduce the amount of cost-sharing for lower-income individuals. Their annual out-of-pocket limits would be a fraction of the standard amount: one-third for those with income below 200 percent of the FPL, 50 percent for those with income from 200 to 300 percent of the FPL, and two-thirds for those with income from 300 to 400 percent of the FPL.

✓ Lower Premiums

- The Patient Protection and Affordable Care Act will also require premium rate reviews to track any arbitrary premium increases and crack down on excessive insurance overhead by applying standards to how much insurance companies can spend on non-medical costs, such as bureaucracy and advertising.
- State-based Exchanges will help eligible individuals and small employers compare and purchase health care coverage at competitive prices online.

Access to Medicaid Benefits

✓ Expansion for Lowest-income Individuals

- To ensure that low-income individuals and families receive the benefits they need, effective 2014, individuals and families with income at or below 133 percent of poverty (\$14,403 for an individual in 2009) will be eligible for Medicaid, regardless of the state in which they live.
- Individuals and families who are eligible for Medicaid will not have to pay premiums to enroll and are subject to only nominal cost-sharing requirements.