

NEW HEALTH CARE COVERAGE OPTIONS

— MORE SUBSIDIES FOR MORE FAMILIES —



OVERVIEW OF NEW OPTIONS

Families all across the country are shopping for affordable health insurance during open enrollment and there are a few new things to consider for 2023, including a recently finalized rule that will allow more families access to financial assistance when shopping for health care plans in the marketplace using [Healthcare.gov](https://www.healthcare.gov).

In the past, a family's eligibility for premium subsidies — in the form of tax credits — depended on whether the employer-based insurance they were offered was affordable at the cost to cover only the employee, no matter how much more expensive premiums would be to cover the whole family. Now, if the employer-based coverage offered will cost more than 9.12% of the household income to cover all family members, the employer-based coverage will be considered "unaffordable" and the employee's family members will be newly eligible for premium tax credits to help cover their costs.

WHAT NEW OPTIONS COULD LOOK LIKE: MORGAN & JACKIE

Morgan and Jackie are married with two children and have a total household income of \$45,000. Jackie's employer doesn't offer health insurance, but Morgan's employer offers coverage for Morgan as well as a coverage option for Morgan's family.

The employer plan that covers Morgan through self-only coverage has an annual premium of \$1,500, with a \$2,000 deductible. The family coverage plan option from Morgan's employer has an annual premium of \$7,000 with a \$5,000 deductible.

Morgan's self-only coverage is considered affordable, because the premium Morgan would pay, \$1,500, is less than 9.12% of \$45,000. In previous years, this would have meant that the costs of coverage for the whole family would be considered "affordable" too, even though the family would spend more than 15% of their income on health insurance coverage alone, and Morgan and Jackie would not be eligible for premium tax credits to help cover the costs. Morgan and Jackie would have had to make a difficult choice between paying large, unaffordable portions of their income to insure their whole family or leave some members of the family without coverage.

However, Morgan and Jackie now have new options! Since the cost of the premium to cover the whole family is \$7,000, and that cost is more than 9.12% of their total household income, Jackie and their children are eligible for premium tax credits to help cover the costs of a coverage plan through [HealthCare.gov](https://www.healthcare.gov).

As they begin to shop for health coverage for their family, Morgan and Jackie keep in mind three primary considerations: 1) the cost of the annual premiums, 2) the cost of the annual deductibles, coverage of any services before having to meet the deductible, and the cost-sharing to get care (e.g. copays or coinsurance), and 3) their current doctors and medications.

In addition to the employer-based plan available to Morgan, they find two plan options on [Healthcare.gov](https://www.healthcare.gov) that cover Jackie and the children's current doctors and medications and that are newly affordable for their family using their premium tax credits. The first plan is a bronze metal plan, which now offers a \$0 annual premium for Jackie and their children with a \$14,000 deductible.

INSURANCE OPTIONS FOR MORGAN & JACKIE

Plan Options:	Morgan's Self-Coverage Through Employer Plan	Jackie & Children's Coverage Through Employer Plan	Jackie & Children In Bronze Plan With Premium Tax Credit Subsidies	Jackie and Children in Silver Plan With Premium Tax Credit & Cost-Sharing Subsidies
Premium:	\$1,500	\$7,000	\$0	\$90
Deductible:	\$2,000	\$5,000	\$14,000	\$1,300
Total:	\$3,500*	\$12,000*	\$14,000*	\$1,390*
			New Plan Option	New Plan Option

* Family costs may be less if you don't meet your deductible

The second marketplace plan option is a silver metal plan. With the premium tax credit now available, the annual premium for Jackie and their children in this plan is \$90 and the deductible is \$6,000. However, their family is also eligible for cost-sharing subsidies in silver plans because their household income is less than 200% of the federal poverty level (a measure the government uses to determine affordability). With this help, that silver plan now has a deductible of \$1,300. See the cost comparison chart above.

Morgan and Jackie want to make sure everyone in their household has coverage, so they compare the costs of covering the whole family through the employer plan — as they would have done in previous years — to the costs of covering Morgan through the employer plan and Jackie and the children through each of the two new coverage options on Healthcare.gov. While this might mean that their family will pay two separate premiums and deductibles on two separate plans (one for Morgan and one for the rest of the family), it also might provide sizable financial savings. See the cost comparison chart below.

TOTAL COSTS OF COVERING THE FAMILY (MORGAN + FAMILY COSTS)

Plan Options:	Whole Family in Employer Plan	Morgan in Employer Plan & Family in Bronze Plan With Premium Tax Credits	Morgan in Employer Plan & Family in Silver Plan With Tax Credits and Cost Sharing Subsidies
Premium:	\$7,000	\$1,500	\$1,590
Deductible:	\$7,000	\$16,000	\$3,300
Total Costs:	\$14,000*	\$17,500*	\$4,890*

* Family costs may be less if you don't meet your deductible

Given all of the options, Morgan and Jackie choose the silver plan from Healthcare.gov for Jackie and their children and the self-coverage employer plan for Morgan.

Of course, different families will value each plan according to their own needs. Families at different income levels, with different numbers of people, or with different employer plan costs may also find that they will save more or less money with the newly available tax credits than Morgan and Jackie did, and will make their own cost comparisons.

Talking to a marketplace navigator and using the checklist below can help families make the choice that's right for them and their budgets.



1

Determine the Cost of Employer Coverage for the Employee and Family Members

- First, determine the lowest-cost premium options for self-only and family coverage from your employer for 2023.
- Use the [Employer Coverage Tool worksheet](#) to collect the relevant information to help determine eligibility.

2

Determine Eligibility for Premium Tax Credits

- Visit [HealthCare.gov](#) and complete the brief [cost estimator form](#) to get a rough estimate of how much you'll save on a marketplace plan using premium tax credits (PTCs) to cover the costs of insuring your family members.
- To learn the exact premium costs your family would pay, and whether or not your family is eligible for lower out-of-pocket costs, complete a marketplace application and pick a plan.
 - Keep in mind that your children may be eligible for the Children's Health Insurance Program (CHIP) depending on your income and your state's eligibility rules. [Contact your local enrollment assister](#) for help navigating this option.

3

Compare Plan Options

- Compare the total premiums and out-of-pocket costs (including the plan's deductibles) of each health insurance option. The Summary of Benefits and Coverage for each plan can help you compare costs for services covered under the plan.
- Make sure to check whether your regular providers are included in the plan's network. You may also want to check whether the plan's formulary will cover any medications your family uses.
- For Healthcare.gov marketplace plans and some state-based marketplace plans, insurers must offer standardized plans that cover certain services without having to meet the deductible first.
- When considering whether to enroll the whole family in one plan - through the employer or in a marketplace plan - or to enroll the employee in the employer-based plan and enroll a spouse and children in their own marketplace plan, keep in mind:
 - If the cost of self-only coverage through your employer is affordable, you can still enroll in a marketplace plan with your family, but the tax credits will be available only to those family members whose employer-based coverage is unaffordable.
 - If your family is also eligible for subsidies that lower out-of-pocket costs for a marketplace plan, only those family members for whom employer-based coverage is unaffordable may enroll in the plan to get this help.
 - This option will mean that your family will be covered by two different plans, the employer-based plan that covers you and the marketplace plan that covers your family. This may be less expensive than covering everyone through your employer-based plan.
 - It may be, that even with premium tax credits, buying two different plans - one for you through your employer-based plan and the other for your spouse and children through the market - is more costly than paying the family-coverage premiums through your employer and having one deductible to meet.
- You can ask your [local enrollment assister](#) to help you compare costs for your plan options and choose the most affordable option for your family.

4

Know Your Employer Plan Rules

- Before declining enrollment in your employer plan, find out whether or not you are eligible for marketplace subsidies:
 - If you decide to decline employer-based coverage during the plan's annual open enrollment period, you may not be able to enroll in your employer plan later if you learn that you aren't eligible for marketplace subsidies.
- Before enrolling in a marketplace plan, find out if you can disenroll from your employer plan: Check with your Human Resources department to find out if you can disenroll from the employer plan, if you decide to enroll in a marketplace plan.
 - If you can cancel your employer plan coverage, ask for documentation of the date when your coverage will end.