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Covered California

Covered California is the name of California's health insurance marketplace (also known as an Exchange) which allows consumers to shop, compare, and purchase health insurance all in one place. Covered California is the only place where consumers can be screened and approved for state and federal premium tax credits and cost-sharing subsidies. Those credits can then be applied towards the overall cost of a health insurance plan purchased on the Exchange. For individuals and families with lower incomes, the Exchange will screen for Medi-Cal eligibility before screening for tax credits and cost-sharing subsidies.

Who can purchase insurance on Covered California?

- A person must be either a U.S. Citizen, or lawfully present in the U.S.
- A California resident
- Currently not incarcerated

When can a person purchase insurance on Covered California?

- Each year there will be an **open enrollment period** during which consumers can purchase insurance on Covered California. Please visit <https://www.coveredca.com> for this year's open enrollment dates. **Outside of the open enrollment period** consumers may only purchase insurance on Covered California if they experience a qualifying life event which will activate a Special Enrollment Period, (SEP). Qualifying events include marriage, birth of a child, loss of health coverage due to change of job or divorce or other reason. For a complete list of qualifying life events, please visit: <https://www.coveredca.com/individuals-and-families/getting-covered/special-enrollment/qualifying-life-events/>. Consumers have **60 days** from the qualifying event to enroll in a health plan on Covered California.
Pregnancy is NOT a qualifying event.
- Consumers who have purchased a plan on Covered California and decide that they do not like their plan or find that they need to increase their coverage will not be able to change plans unless they qualify for an SEP or until the following open enrollment period. Onset of an illness does not activate a SEP.
- If covered by COBRA a consumer can choose to drop COBRA and purchase a plan in Covered California **only** during the open enrollment. Outside of open enrollment, voluntarily dropping COBRA will not open up a SEP. Only the exhaustion of COBRA benefits will activate a SEP.

What is the mandate?

- The ACA includes a mandate, or requirement, that requires most people, with a few exceptions, to be insured or pay a tax penalty. The federal penalty, also known as an Individual Responsibility Payment, was eliminated in 2019. In January 2020, California adopted a new state individual health care mandate that requires most people to be insured or pay a state tax penalty, there are some exceptions. For more information visit: <https://www.ftb.ca.gov/about-ftb/newsroom/health-care-mandate/personal.html>

- People who have medical coverage through Medi-Cal, Medicare, employer-sponsored insurance, individual insurance that includes the minimum essential benefits (MEC) or who receive services through the Veterans Healthcare programs **have met** the mandate.

What is the Individual Shared Responsibility Payment? (AKA Tax Penalty)

- Individuals who could buy “affordable” health insurance (meaning it would cost less than 9.56% of their annual income) but who choose not to, may have to pay a state tax penalty. This is known as an Individual Shared Responsibility Payment.

When purchasing insurance on Covered California, who is eligible to receive tax credits?

- Household’s whose income is over 139% of the Federal Poverty Level *may* be eligible to receive Tax Credits.*
- Any person who meets the immigration requirements can purchase a health insurance policy on Covered California but in order to receive tax credits (if income eligible) a person cannot have access to affordable health insurance from their employer or from a family member’s employer. Affordable insurance is defined as: The employee’s share of the annual premium for self-only coverage is no greater than 9.56% of annual household income.
- Example: *A person earns \$35,000 a year and his/her employer only offers insurance that costs the employee \$3,800 a year; this would exceed the 9.56% affordability rule and this person would be eligible to purchase insurance on Covered California.*

Weird rule alert: The affordability definition does not take into consideration the cost to ensure the entire family. The 9.56% rule applies only to the cost for the individual who is receiving insurance from his or her employer regardless of what it costs to ensure the remaining members of the family.

When purchasing insurance on Covered California who is eligible to receive additional Cost Sharing Subsidies?

- Households whose income is between 139% and 250% of the Federal Poverty Level *may* be eligible to receive additional Cost Sharing Reductions.

What do the plans on Covered California cover?

All plans purchased on the exchange must:

- cover 10 essential health benefits mandated by the federal government as part of the ACA¹
- cover preventive care ²

What do the plans cost?

The cost of a plan is based on:

- the region of the state in which you live
- your age
- your personal choice on the level of coverage

Where can I enroll?

- Individuals may enroll online at www.coveredca.com
- With Certified Enrollment Entities or Certified Enrollment Counselors
<http://hbex.coveredca.com/enrollment-assistance-program/>
- At local county offices

How do I add my newborn to Covered CA?

- Newborns are covered under the mother's Covered CA plan for the first 30 days. You have 60 days to add your newborn on to your Covered CA plan. Covered CA will screen your newborn for potential Medi-Cal eligibility. For more information visit:
<https://www.coveredca.com/marketing-blog/getting-ready-for-a-new-arrival-understanding-health-insurance-for-your-growing-family/>

What if I need help or have trouble accessing services?

Please call:

Health Consumer Center of Los Angeles at 1-800-896-3202 or

Maternal and Child Health Access (MCHA) in Los Angeles at (213) 749-4261

RESOURCES

Purchasing plans on the exchange when you are over 65 - Medicare and Covered California

<http://www.cahealthadvocates.org/news/reform/2013/faq-about-medicare-and-covered-california.html>

Calculating MAGI – Income and Family Household Size

<http://www.healthlaw.org/publications/agmagi#.U5I7avldWPs>

*For current FPL levels visit: www.mchaccess.training_materials.htm

¹ 10 ESSENTIAL HEALTH BENEFITS

- Ambulatory patient services
- Emergency Services
- Hospitalization
- Maternity and newborn care
- Mental health and substance abuse disorder treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventative and wellness services and chronic disease management
- Pediatric services

² PREVENTIVE SERVICES COVERED UNDER THE AFFORDABLE CARE ACT

<http://www.hhs.gov/healthcare/facts/factsheets/2010/07/preventive-services-list.html>