Why the Affordable Care Act Matters for Women: Understanding the Health Insurance Marketplace

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The Affordable Care Act (ACA) requires most people to have health insurance. This coverage can be obtained through employer-provided insurance or a federal program like Medicare or Medicaid, or it can be purchased individually. Since passage of the law, millions of people have bought individual coverage that meets their health and financial needs as a result of the **health insurance marketplace**.

What is the Health Insurance Marketplace?

The health insurance marketplace was created by the ACA and is an online place to purchase health insurance. A marketplace has been established in every state, and each state has the option of running its own marketplace or using the federal marketplace, HealthCare.gov. These online sites help people more easily compare health plans based on price, benefits, quality and other important features. Plans sold in the marketplace are categorized as bronze, silver, gold or platinum based on their actuarial value, or the percentage of total cost the plan will pay to cover your health expenses. A bronze plan will generally pay 60 percent of expenses; a silver plan will pay 70 percent; a gold plan will pay 80 percent; and a platinum plan will pay 90 percent.

Who Can Buy Health Plans in the Marketplace?

The health insurance marketplace plays an important role in connecting women and families to affordable, comprehensive coverage. Most people can buy plans in the marketplace, although only some people will be eligible for premium and cost-sharing subsidies.[1]

Why Enroll in a Marketplace Health Plan?

All health plans offered in the marketplace must be approved by the federal government as **qualified health plans (QHPs)**. All QHPs offered through the marketplace:

- **Cover essential health care services.** Plans in the marketplace are required to cover 10 categories of essential health benefits, including maternity and newborn care, prescription drugs and other services.

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- **Include preventive services with no cost-sharing.** The ACA requires most health insurance plans to cover preventive services without copays, deductibles or other added out-of-pocket costs. These preventive services include breastfeeding counseling and equipment and contraceptive coverage.
- **Are designed to be more affordable.** Plans sold in the marketplace are meant to be more affordable. To achieve this goal, plans must follow established limits on out-of-pocket costs, and many individuals who purchase coverage are eligible for subsidies or cost-sharing assistance from the government.
- **Must meet additional requirements.** To be certified as a QHP, plans must also meet certain quality standards; ensure sufficient choice of providers, including essential community providers that serve low-income populations; use a standard format for presenting benefit options; and be non-discriminatory.

How Much Do Marketplace Health Plans Cost?

The cost of a marketplace plan will depend on the price of the specific plan and whether the insured person is eligible for financial assistance from the federal government. There are two types of financial assistance available: premium tax credits and cost-sharing subsidies.

- **Premium tax credits** help eligible individuals and families afford their health care premiums. Individuals with incomes between 100 and 400 percent of the federal poverty level (up to $47,080 for an individual and $97,000 for a family of four[2]) may be eligible. In order to receive these credits, individuals must not be eligible for public health care programs deemed to be minimum essential coverage, such as Medicare, Medicaid or the Children's Health Insurance Program (CHIP), nor have access to adequate, affordable coverage through an employer.[3]
- **Cost-sharing subsidies** help protect low-income individuals from high out-of-pocket health care costs. Individuals or families with incomes between 100 and 250 percent of the federal poverty level (up to $29,425 for an individual and $60,625 for a family of four[4]) may be eligible for cost-sharing subsidies. Eligible individuals or families must enroll in a silver-level plan to receive these subsidies.

Where Can I Learn More About the Marketplace?

The National Partnership for Women & Families has more information about the ACA and enrollment in marketplace health plans here. Consumers can also go to HealthCare.gov or call 1-800-318-2596, the federal marketplace's toll-free hotline, for more information.

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1 The Henry J. Kaiser Family Foundation. (2015). *Marketplace Eligibility, Enrollment Periods, Plans and Premiums*. Retrieved 12 August 2015, from http://kff.org/health-reform/faq/health-reform-frequently-asked-questions/#question-who-can-buy-coverage-in-the-marketplace

2 Georgetown University Health Policy Institute. (2015). *2015 Federal Poverty Level Guidelines*. Retrieved 12 August 2015, from http://ccf.georgetown.edu/wp-content/uploads/2015/01/2015-Federal-Poverty-Guidelines.pdf

3 Note: Affordable employer coverage means that the amount of the premium paid for self-only coverage is not more than 9.5 percent of household income. Adequate coverage means that the plan meets the minimum value standard of paying at least 60 percent of the cost of services.

4 See note 2.
