



Subsidy Calculator

Premium Assistance for Coverage in Exchanges

about this tool

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Enter Information About Your Household

1. Select a State	California	?	6. Number of adults (21 and older) enrolling in exchange coverage	2 Adults
Enter your zip code	90731		Age?	36
2. Enter income as	2014 Dollars		Uses Tobacco?	No
3. Enter annual income (dollars)	45000	?	Age?	32
4. Is employer coverage available?	No	?	Uses Tobacco?	No
5. Number of people in family	4	?	7. Number of children (20 and younger) enrolling in exchange coverage	2 Children
			How many Children use Tobacco?	0

← Redue without kids as they qualify for Medi-Cal Chart

Clear Submit

RESULTS

The information below is about subsidized exchange coverage. Note that subsidies are only available for people purchasing coverage on their own in the **exchange** (not through an employer). Depending on your state's eligibility criteria, you or **some members of your family may qualify for Medicaid.**

[Medi-Cal]

Household income in 2014: **191% of poverty level** [\[View Poverty Level Chart\]](#)

Maximum % of income you have to pay for the premium, if eligible for a subsidy: **5.89%**

Health Insurance premium in 2014 (for a silver plan, before tax credit): **\$8,813** per year [\[Get Actual Quote\]](#)

You could receive a government tax credit subsidy of up to: **\$6,162** per year (which covers 70% of the overall premium)

Amount you pay for the premium: **\$2,650** per year (which equals 5.89% of your household income and covers 30% of the overall premium)

ADDITIONAL ASSISTANCE

Children under the age of 19 at this income level are **likely eligible for coverage under the Children's Health Insurance Program (CHIP) or Medicaid.** If your children are eligible for one of these programs, they would **not be eligible for subsidized exchange coverage** and should instead enroll in CHIP or Medicaid. To get the **most accurate estimate for your family's tax credit and premium amounts, you should not include children** who are eligible for CHIP or Medicaid in the number of children enrolling in exchange coverage. For more information on CHIP eligibility, see the FAQ.

OTHER LEVELS OF COVERAGE

The premium and subsidy amounts above are based on a **Silver plan.** You have the option to apply the subsidy toward the **purchase of other levels**

70%

of coverage, such as a Gold plan (which would be more comprehensive) or a Bronze plan (which would be less comprehensive).

For example, you could enroll in a Bronze plan for about **\$325** per year (which is **0.72%** of your household income, after taking into account \$6,162 in subsidies). For most people, the Bronze plan represents the minimum level of coverage required under health reform. Although you would pay less in premiums by enrolling in a Bronze plan, you will face higher out-of-pocket costs than if you enrolled in a Silver plan.

OUT OF POCKET COSTS

[Silver Chart]

Your **out-of-pocket maximum** for a Silver plan (**not including the premium**) can be no more than **\$4,500**. Whether you reach this maximum level will depend on the amount of health care services you use. **Currently, about one in four people use no health care services in any given year.**

You are guaranteed access to a Silver plan with an actuarial value of **87%**. This means that for all enrollees in a typical population, the plan will pay for **87% of expenses in total for covered benefits**, with enrollees responsible for the rest. If you choose to enroll in a Bronze plan, the actuarial value will be **60%**, meaning your out-of-pocket costs when you use services will likely be higher. Regardless of which level of coverage you choose, deductibles and copayments will vary from plan to plan, and out-of-pocket costs will depend on your health care expenses. **Preventive services will be covered with no cost sharing required.**

OTHER COVERAGE OPTIONS

Children and young adults under age 30 are eligible to purchase **catastrophic coverage**. With a catastrophic plan, you would pay out-of-pocket for most health services until you reach the annual limit on cost sharing (**\$12,700** in 2014). However, preventive services are covered with no cost sharing required.

notes

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The Subsidy Calculator is based on the Affordable Care Act (ACA) as signed into law in 2010, and subsequent regulations issued by Health and Human Services (HHS) and the Internal Revenue Service (IRS).

Premiums displayed in the calculator's results are based on actual exchange premiums in 2014 dollars. Premiums were obtained through a review of insurer rate filings to state regulators as well as [data published by HHS](#) (http://aspe.hhs.gov/health/reports/2013/MarketplacePremiums/datasheet_home.cfm). The silver premium is the second-lowest cost silver premium available in the rating area of the entered zip code and the bronze premium is the lowest-cost bronze plan in the rating area of the entered zip code. Not all plans are available in all parts of the rating area, **so actual premiums may vary depending on plan availability.** **[Get Actual Quote for CA]**

If "US Average" is selected, nationwide average premium estimates are shown. These estimates were derived from estimates of average premiums for 2016 from the Congressional Budget Office. We estimate an average premium for a single adult enrolled in the second-lowest cost Silver plan to be \$4,055 (before subsidies). This estimate was derived by multiplying the CBO estimate for a family premium by 37% (the average ratio of single to family premiums in previous CBO estimates) and then adjusting for assumed inflation, differences over time in the aggregate reinsurance pool, and reduced by 16% (http://aspe.hhs.gov/health/reports/2013/MarketplacePremiums/ib_marketplace_premiums.cfm) to reflect lower than expected exchange premiums, to arrive at a 2014 estimate. Premiums could vary from this amount due to assumptions insurers make in setting premiums or the degree of competition in the market, and will also differ based on regional variations in underlying health costs. National average premiums for Bronze plans are based on the estimated Silver and ratio of claims expenses between Bronze and Silver plans in the HHS actuarial value calculator.

The premium is adjusted for family size and age of the user. Premiums in the calculator vary by age within the three to one limit specified in the law, using age factors from proposed regulations issued by HHS (or, state specific age factors where states have adopted them). The calculator does not display a **tobacco surcharge**. However, in most states, insurers can charge a tobacco surcharge of up to 50% of your total premium, and **tax credits do not apply to the surcharge**. Actual tobacco surcharges will vary by plan and **some states do not permit insurers to vary premiums by tobacco status** (<http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/state-rating.html>). **[CA does not have Tobacco Surcharge]**

Premium subsidies are based on **Silver coverage (which has an actuarial value of about 70%)**. Enrollees may pay a lower premium for less comprehensive coverage (i.e., a Bronze plan, with an actuarial value of 60%) or may purchase more comprehensive coverage (i.e., a Gold plan, with an actuarial value of 80% or a Platinum plan with an actuarial value of 90%). People receiving subsidies can apply their subsidy toward the purchase of more or less expensive plans, but must pay the difference between the premium in the selected plan and the subsidy.

In addition to premium tax credits, **cost sharing subsidies are also available for people who make between 100 and 250 percent of the poverty level.** **[Chart]** Cost sharing subsidies further limit out of pocket costs and **raise the actuarial value of Silver plans**. In most cases, Silver plans have an actuarial value of 70 percent. However, for people with incomes between 100% and 250% of the poverty level, the actuarial value of Silver plans will range from **94 percent to 73 percent**. Reduced out of pocket limits and higher actuarial values are shown in the calculator results when applicable. Cost-sharing subsidies are **only available if the eligible person enrolls in a Silver level plan.**

The law also makes available a **catastrophic policy for young adults** and those exempted from the requirement to obtain insurance due to **affordability**. Catastrophic plans are **less comprehensive** and have a lower premium than other coverage. Eligibility to purchase catastrophic coverage is reflected in the calculator, when applicable. **Premium subsidies may not be applied to catastrophic coverage.**

Frequently Asked Questions

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Where can I go for help understanding how the health reform law will affect me? [www.HealthReformQuotes.com in CA]

If you have questions about how the health reform law will affect you and your insurance options, please go to [Healthcare.gov](http://www.healthcare.gov) (<https://www.healthcare.gov/families>), or contact their [Help Center](https://www.healthcare.gov/help-center) (<https://www.healthcare.gov/help-center>) at 1-800-318-2596 if you have questions that cannot be answered on their website. You can also contact your state's [Consumer Assistance Program](https://www.cms.gov/CCIIO/Resources/Consumer-Assistance-Grants/) (<https://www.cms.gov/CCIIO/Resources/Consumer-Assistance-Grants/>), Exchange, or Medicaid office with questions about eligibility and enrollment. The Kaiser Family Foundation is unable to provide individual advice on your insurance options.

I am having difficulty viewing or understanding my results. What should I do?

Some users of older versions of Internet Explorer and Firefox have experienced difficulty viewing the subsidy calculator results, but these problems are usually resolved by updating to newer versions of their web browser. Not sure which browser version you are running? [Check here for IE](http://windows.microsoft.com/en-us/internet-explorer/which-version-am-i-using#ie=other) (<http://windows.microsoft.com/en-us/internet-explorer/which-version-am-i-using#ie=other>) or [here for Firefox](https://support.mozilla.org/en-US/kb/find-what-version-firefox-you-are-using) (<https://support.mozilla.org/en-US/kb/find-what-version-firefox-you-are-using>). If you continue to experience difficulties viewing the results after updating your browser, please contact us. Please note that we are not able to provide individual advice or assistance understanding your results. If you have additional questions, we suggest that you contact one of the resources above.

Does the calculator provide definitive estimates of what I will pay under the health reform law?

No. The calculator is intended to illustrate how families in varying circumstances may be affected by the tax credits and limits on age rating included in the law. Although the premiums in the calculator represent actual premiums for plans sold in your area, there are several reasons why your Subsidy Calculator results may not match your actual tax credit amount. For example, the Subsidy Calculator relies completely on information as you enter it, whereas the Marketplace may calculate your **Modified Adjusted Gross Income (MAGI)** to be a different amount or may verify your income against previous year's data. When you apply for exchange coverage, **the Marketplace will review your application** and notify you of your tax credit eligibility before you enroll in a plan.

How do premium subsidies work?

People purchasing coverage on their own will be eligible for government **subsidies (through a tax credit)** towards their health insurance premiums based on income. Subsidies will be provided to people with family income between **100% and 400% of the federal poverty level**. The most that these families buying subsidized coverage in an exchange will pay towards a health insurance premium will range from **2.0% of income at 100% of poverty to 9.5% of income at 400% of poverty**, with amounts at specific income levels specified in a table in the law. Subsidies are tied to a benchmark level of coverage based on actuarial value. And, **subsidies will only be available to those purchasing coverage through the exchanges, which includes people who do not have access to alternative insurance (such as Medicaid and affordable employer coverage)**. When an exchange determines that a person is eligible for a tax credit based on expected income, and that person enrolls in coverage, **subsidies will be paid directly to insurers** to lower the cost of premiums (and in some cases cost sharing). For more information, click [here](http://kaiserfamilyfoundation.files.wordpress.com/2013/01/7962-02.pdf) (<http://kaiserfamilyfoundation.files.wordpress.com/2013/01/7962-02.pdf>).

What is included in **household income**? How do I know what to enter for my income?

The calculator allows users to enter household income in terms of 2014 dollars or as a percent of the federal poverty level. **Household income includes incomes of the taxpayer, spouse, and dependents**. In determining eligibility for exchange subsidies, income will be based on your **attestation of your expected income in 2014** and will be **verified by the exchange** with documentation from your most recent tax return, with consideration of reasonable changes you expect. Exchanges will calculate enrollees' household incomes using **Modified Adjusted Gross Income**, or MAGI. The MAGI calculation includes such income sources as wages, salary, foreign income, interest, dividends, and Social Security. MAGI calculation does not include income from gifts, inheritance and some other income sources are partially excluded. More information on MAGI is available [here](http://laborcenter.berkeley.edu/healthcare/MAGI_summary13.pdf) (http://laborcenter.berkeley.edu/healthcare/MAGI_summary13.pdf).

What is the poverty level? [Chart]

The federal poverty level varies by family size. In 2013, it is \$11,490 for a single adult and \$23,550 for a family of 4.

How does **Medicaid** relate to exchange subsidies? [Medi-Cal]

Currently, Medicaid eligibility varies substantially by state, and is generally limited to certain categories of people (e.g., children, parents, people who are disabled, and people age 65 or older). Under health reform, states have the option to expand Medicaid eligibility to all people with incomes **below 138% of the poverty level**. The calculator notes when people would be eligible for Medicaid under expansion, and when they would be eligible for exchange subsidies if their state does not expand Medicaid. More information on state decisions regarding Medicaid expansion is available [here](http://www.kff.org/medicaid/state-indicator/state-activity-around-expanding-medicare-under-the-affordable-care-act/) ([././medicaid/state-indicator/state-activity-around-expanding-medicare-under-the-affordable-care-act/](http://www.kff.org/medicaid/state-indicator/state-activity-around-expanding-medicare-under-the-affordable-care-act/)). In other cases, people may be Medicaid-eligible based on their state's eligibility requirements. As Medicaid eligibility varies from state to state, please contact your state's Medicaid office with eligibility and enrollment questions.

How do premiums vary by age and health status?

Before the health law goes into effect in 2014, people buying coverage on their own generally face **medical underwriting, meaning that they can be turned down for coverage or charged a higher premium based on their health status.** Under the reform law, **insurers are prohibited from denying coverage or charging higher premiums based on health status.** Beginning in 2014, the reform law also limits the degree to which premiums may vary by age, with the premium for a 64 year old being no more than three times that of a 21 year old. This means that premiums for older people may be lower than under the status quo while premiums for younger people may be higher. Under proposed regulations by Health and Human Services (HHS), children under age 21 have slightly lower premiums and families with more than three children **under the age of 21 will only be charged premiums for three children.**



How do premiums vary by location?

As under the status quo, the health reform law permits premiums to vary by **geographic area,** reflecting the fact that the cost of living and health care expenses vary significantly by location. **As shown here (<http://www.kff.org/other/state-indicator/family-coverage/>),** average health insurance premiums vary quite a bit by state, with the lowest family premium in a state at about **17% below the national average and the highest at about 11%** above the average. Premiums also vary by location within states, so the range across communities nationwide is larger than the statewide averages suggest. Premiums in the calculator are based on estimates of average premiums nationwide. Therefore, actual premiums may be higher or lower, depending on where you live. [CA Region Chart]

How do premiums vary by tobacco usage?

Currently, insurers in many states charge higher premiums (in the form of a surcharge) for enrollees who use tobacco. The health reform law allows insurers to **charge people who use tobacco up to 50% more in premiums** than people who do not use tobacco. Furthermore, the law specifies that **exchange subsidies cannot be used** to cover the portion of the premium that is due to a tobacco surcharge. Under the status quo, insurers typically charge an average of 20%. States that do not permit tobacco surcharges are **listed here (<http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/state-rating.html>).** [CA does not permit it]

What are Bronze and Silver plans?

When purchasing subsidized exchange coverage, you can choose between **four levels of coverage: Bronze, Silver, Gold, and Platinum** (in order of least to most comprehensive). In general, more comprehensive plans have higher premiums, but also have lower out-of-pocket costs. Bronze level coverage is the lowest level of coverage most people are required to have under health reform; on average bronze plans cover 60 percent of enrollees' total costs. Silver level coverage is more comprehensive, covering on average 70 percent of enrollees' total costs. The most comprehensive plans are Gold and Platinum plans, which on average cover 80 and 90 percent of enrollees' total costs, respectively. For more information, see the question about actuarial value below.

What is actuarial value and how does it affect premiums?

The actuarial value of a health insurance policy is the percentage of the total covered expenses that the plan covers, on average for a typical population. For example, a plan with a 70% actuarial value means that consumers would on average pay 30% of the cost of health care expenses **through features like deductibles and coinsurance.** The amount that each enrollee pays will vary substantially by the amount of services they use. The health reform law specifies a benchmark level of coverage for the purposes of premium subsidies using actuarial values. **Premium subsidies will be tied to Silver plans, which have an actuarial value of 70%.** Additional subsidies for people making between **100 and 250% of the poverty level limit cost sharing and raise the actuarial value of Silver plans.** The calculator also illustrates premiums and subsidies for Bronze plans, which have an actuarial value of 60%. Bronze plans represent the minimum level of coverage most people are required to maintain under health reform, and these plans will have higher cost sharing on average. Regardless of the level of actuarial value, insurers will have to cover a **defined set of health care services and** cap the total amount of cost sharing required of consumers at defined levels, but can generally otherwise vary the structure and degree of cost sharing so long as minimum actuarial value thresholds are met.

Can premiums be compared to what people are paying today?

Premiums cannot necessarily be compared to what people are paying now. Most people with insurance today have coverage through work, where the employer is paying for a portion of the premium. The premiums and tax credits presented in the calculator apply to **people who are buying insurance on their own.** The premium calculations are consistent with estimates of premiums under reform prepared by the Congressional Budget Office. However, in many cases **coverage will be more comprehensive and accessible than what is typically available today** in the non-group market. As a result, 2014 premiums in the calculator cannot necessarily be compared to what people buying insurance on their own were paying before the law.