

Available Discounts, Premium Subsidies and Benefit Upgrades

Under Health Care Reform, what you will pay for insurance depends on your situation. You may have access to insurance through your employer, your spouse's employer or you may purchase health insurance yourself.

If you purchase your own health insurance, you may qualify for a premium subsidy or a discount on your health insurance. The amount of your discount depends on your household income. What is household income? It is the income you filed on your tax return for yourself if you are single, yourself and your spouse if you are married, or yourself, your spouse and your dependent children if you are married and have kids.

To be eligible for a premium subsidy, your household modified adjusted gross income for 2012 must fall between 100% and 400% of the Federal Poverty Guideline for 2013. You can find your adjusted gross income on line 37 of a 1040 tax return, or line 4 of a 1040EZ tax return and then add in any interest income you received. The result is your modified adjusted gross income.

The amount of your adjusted gross income will determine the maximum you will pay for health insurance for you and your family. Your maximum premium is a percentage of your income. The amount of your subsidy will be the difference between your maximum premium and the full premium of the second lowest cost "Silver" plan.

How does this work? Here is an example.

Bob is a single person who makes \$ 22,980 per year or \$ 1915 per month. The maximum Bob will pay for his health insurance is \$ 120.85 per month or 6.3% of his income for the second lowest cost "Silver" plan. Based on Bob's age, the price of the second lowest cost "Silver" plan is \$ 350. Subtract Bob's maximum premium from the cost of the plan and the difference is \$ 229.15. This is Bob's available subsidy. Bob can take his subsidy and purchase a "Silver" plan or apply his subsidy to a lower cost "Bronze" plan and he will save money on his premium cost. How? Bob's premium will decrease because the cost of the plan has decreased but the amount of his subsidy remains the same. Bob can also purchase a higher cost "Gold" or "Platinum" plan and pay more, though that would not be a good idea based on Bob's income.

Income	Plan Type	Plan Cost	Monthly Premium (Your Cost)	Monthly Subsidy
\$ 22,980	Silver	\$ 350	\$ 120.85	\$ 229.15
\$ 22,980	Bronze	\$ 315	\$ 85.85	\$ 229.15
\$ 22,980	Gold	\$ 403	\$ 173.85	\$ 229.15
\$ 22,980	Platinum	\$ 464	\$ 234.85	\$ 229.15

Benefit Upgrades

Fortunately for Bob, he is eligible for a free benefit upgrade. Bob can "buy up" to a plan with better benefits at no additional cost. How is that possible? Individuals and families with a household income between 100% and 250% of the Federal Poverty Guideline can receive a free benefit upgrade to make a visit to the doctor or a stay in the hospital more affordable.

Sound confusing? We can help! Stop in to WNC Health Insurance / The Asheville Blue Cross and Blue Shield of North Carolina® Store and we can help you make sense of what the discount will be on your health insurance, what benefit upgrade you may be eligible for and get you enrolled. WNC Health Insurance / The Asheville Blue Cross and Blue Shield of North Carolina® Store is located at 1854 Hendersonville Road in South Asheville. You can call us at 828-348-BLUE (2583).