I want health insurance, but I can’t afford it. What will I do?
Depending on your income, you might be eligible for Medicaid. Currently, in most states, non-elderly adults without minor children don’t qualify for Medicaid. But beginning in 2014, the federal government is offering to pay the cost of an expansion in the program so that anyone with an income at or lower than 133 percent of the federal poverty level, (which based on current guidelines would be $14,856 for an individual or $30,656 for a family of four) will be eligible for Medicaid. The Supreme Court, however, ruled in June 2012 that states cannot be forced to make that change.

What if I make too much money for Medicaid, but still can’t afford to buy insurance?
You might be eligible for government subsidies to help you pay for private insurance sold in the state-based insurance marketplaces or Exchanges, slated to begin operation in 2014. Exchanges will sell insurance plans to individuals and small businesses. These premium subsidies will be available for individuals and families with incomes between 133 percent and 400 percent of the poverty level, or $14,856 to $44,680 for individuals and $30,656 to $92,200 for a family of four (based on current guidelines).

Will I have to pay more for my health care because of the law?
No one knows for sure. Even supporters of the law acknowledge its steps to control health costs, such as incentives to coordinate care better, may take a while to show significant savings. Opponents say the law’s additional coverage requirements will make health insurance more expensive for individuals and for the government.

That said, there are some new taxes and fees. For example, starting in 2013, individuals with earnings above $200,000 and married couples making more than $250,000 will pay a Medicare payroll tax of 2.35 percent, up from 1.45 percent, on income over those thresholds. In addition, higher-income people will face a 3.8 percent tax on unearned income such as dividends and interest.

Starting in 2018, the law also will impose a 40 percent excise tax on the portion of most employer-sponsored health coverage (excluding dental and vision) that exceeds $10,200 a year and $27,500 for families. The tax has been dubbed a “Cadillac” tax because it hits the most generous plans.

In addition, the law also imposes taxes and fees on several major health industries. Beginning in 2013, medical device manufacturers and importers must pay a 2.3 percent tax on the sale of any taxable medical devices to raise $29 billion over 10 years. An annual fee for health insurers is expected to raise more than $100 billion over 10 years, while a fee for brand name drugs will bring in another $34 billion. Those fees will likely be passed on to consumers in the form of higher premiums.

Health care reform, specifically the Affordable Care Act (ACA), consists of a multitude of provisions that will change health insurance for many Americans.

*As ACA is still very new, parts of it may be subject to ongoing interpretation and revision.

Watch for Issue 3 of In a Nutshell – with more information for you about ACA.