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Help Is At Hand:

New Health Insurance
Tax Credits in Florida

Families USA

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New Health Insurance Tax Credits in Florida**

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Starting in 2014, the Affordable Care Act will extend health coverage to millions of Americans. This will be done, in part, by offering tax credits to help low- and middle-income Americans afford private coverage. These new tax credits, which will offset a portion of the cost of health insurance premiums, will soon become a reality, allowing many previously uninsured Floridians to purchase quality health coverage.

This report takes a closer look at these premium tax credits in Florida, which will help Floridians with incomes up to four times the federal poverty level (\$94,200 for a family of four in 2013)¹ afford coverage. The unique structure of the tax credits means that people will be protected from having to spend more than a set percentage of their income on health insurance premiums. These premium tax credits will take effect in January 2014, following open enrollment that begins in October 2013.

Families USA commissioned The Lewin Group to use its widely respected Health Benefits Simulation Model to estimate how many people in Florida and across the country could benefit from the new premium tax credits in 2014. We found that an estimated 1.7 million Floridians will be eligible for the tax credits in 2014.

Most of the people who will be eligible for the tax credits will be in working families and will have incomes between two and four times poverty (between \$47,100 and \$94,200 for a family of four based on 2013 poverty guidelines). However, because the size of the tax credits will be determined on a sliding scale based on income, those with the lowest incomes will receive the largest tax credits, ensuring that the assistance is targeted to the people who need it most.

Every state, including Florida, will have a new health insurance marketplace (also called an exchange) that will make it easier for residents to gain health coverage. Though these new state marketplaces may look different, all of them will help individuals and families find coverage that meets their specific needs. The tax credits will help people who are looking for coverage in their state's marketplace better afford such coverage.

In order to maximize the number of people who receive the new tax credits, Florida and states across the country will need to develop robust outreach programs to educate consumers about this new help. The state marketplaces will need to offer insurance shoppers consumer-friendly, simple online enrollment processes, and they'll need to build complementary networks of assisters who can provide in-person, one-on-one help to anyone who needs it.

As this key part of the Affordable Care Act takes effect, many Floridians will enjoy tax relief. They will also enjoy the peace of mind that comes with knowing that they and their family members have affordable health insurance—insurance that they can depend on even if they experience changes in income or become unemployed.

The following examples illustrate the amount of assistance that different kinds of people could receive. For more details on the how to calculate premium tax credits, see “How Much Will the Tax Credits Be Worth?” on page 12.

EXAMPLE *Jane Smith, age 45, no children, annual income of \$23,000 (about 200 percent of poverty): If the annual premium for the silver reference plan in the state marketplace in Jane’s zip code is \$5,000, Jane’s out-of-pocket contribution for premiums for the silver reference plan would be about \$1,450 (or about \$121 a month). The remainder of her premium for the silver reference plan would be covered in the form of a tax credit of \$3,550 (or that amount could be credited toward the premiums for a more or less expensive plan of her choice).*

EXAMPLE *The Johnsons, a family of four (two adults, two children under age 18), annual income of \$35,300 (about 150 percent of poverty): If the annual premium for the silver reference plan for family coverage in the state marketplace in the Johnsons’ zip code is \$12,500, the Johnsons’ out-of-pocket contribution for premiums for a silver reference plan would be about \$1,410 (or about \$118 a month). The remainder of their premium for the silver reference plan would be covered in the form of a tax credit of \$11,090 (or that amount could be credited toward the premiums for a more or less expensive plan of their choice).*

Note that consumers will be able to select any health insurance plan that is available through the state marketplace in their area, and the law guarantees that there will be a range of plans with different coverage terms and different prices. Each family can pick the plan that meets their needs and still receive the same substantial premium tax credit. How much a family will have to spend on premiums will vary depending on whether they choose a plan that is more or less expensive than the silver level reference plan.

Key Findings

Beginning in January 2014, new tax credits will be available that will significantly reduce the cost of private health insurance for individuals and families in Florida.

Numbers of People Eligible for the Premium Tax Credit

- Statewide, approximately 1.7 million Floridians will be eligible for these new premium tax credits in 2014 (see Table 1).
- People with annual incomes between 200 and 400 percent of poverty (between \$47,100 and \$94,200 for a family of four in 2013) will constitute more than half (about 56 percent) of Floridians who will be eligible for premium tax credits (see Table 1).

Table 1.

Floridians Eligible for Premium Tax Credits, by Income, 2014

Income as a Percent of Federal Poverty Level	Number in Income Group Eligible	Income Group As a Percent of Those Eligible
0-199%	759,460	43.9%
200-399%	970,900	56.1%
Total	1,730,340	100%

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

Help for Working Families

- The vast majority of Floridians who will be eligible for premium tax credits—about 87 percent—will be in working families.
- Statewide, more than 1.5 million people, the majority of Floridians who will be eligible for premium tax credits, will be in families with a worker who is employed, either full- or part-time (see Table 2 on page 4).

Table 2.

Floridians Eligible for Premium Tax Credits, by Employment Status, 2014

Employment Status	Number in Employment Group Eligible	Employment Group As a Percent of Those Eligible
Employed*	1,503,280	86.9%
Not Employed*	227,080	13.1%
Total	1,730,340	100%

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

* The category “employed” includes those employed both full- and part-time. “Not employed” includes those out of the workforce and those not looking for work.

Help for All Ages

- Premium tax credits will be available to Floridians in all age groups, from hardworking Floridians who are supporting families to young people just starting their careers (see Table 3).
- Young adults are the likeliest age group to be eligible for premium tax credits, making up nearly 34 percent of all those who will be eligible (see Table 3).

Table 3.

Floridians Eligible for Premium Tax Credits, by Age, 2014

Age Group	Number in Age Group Eligible	Age Group as a Percent of Those Eligible
Under 18	346,060	20.0%
18-34	581,130	33.6%
35-54	541,460	31.3%
55 and over	261,720	15.1%
Total	1,730,340	100%

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

Help for All Races and Ethnicities

- About half (51 percent) of the Floridians who will be eligible for premium tax credits will be white, non-Hispanics (see Table 4).
- Nearly an eighth (13 percent) of the Floridians who will be eligible will be black, non-Hispanics (see Table 4).
- About 30 percent of the Floridians who will be eligible will be Hispanics (see Table 4).
- Approximately 5 percent of the Floridians who will be eligible will identify themselves as being American Indian, Aleut or Eskimo, Asian or Pacific Islander, or a member of more than one group (see Table 4).

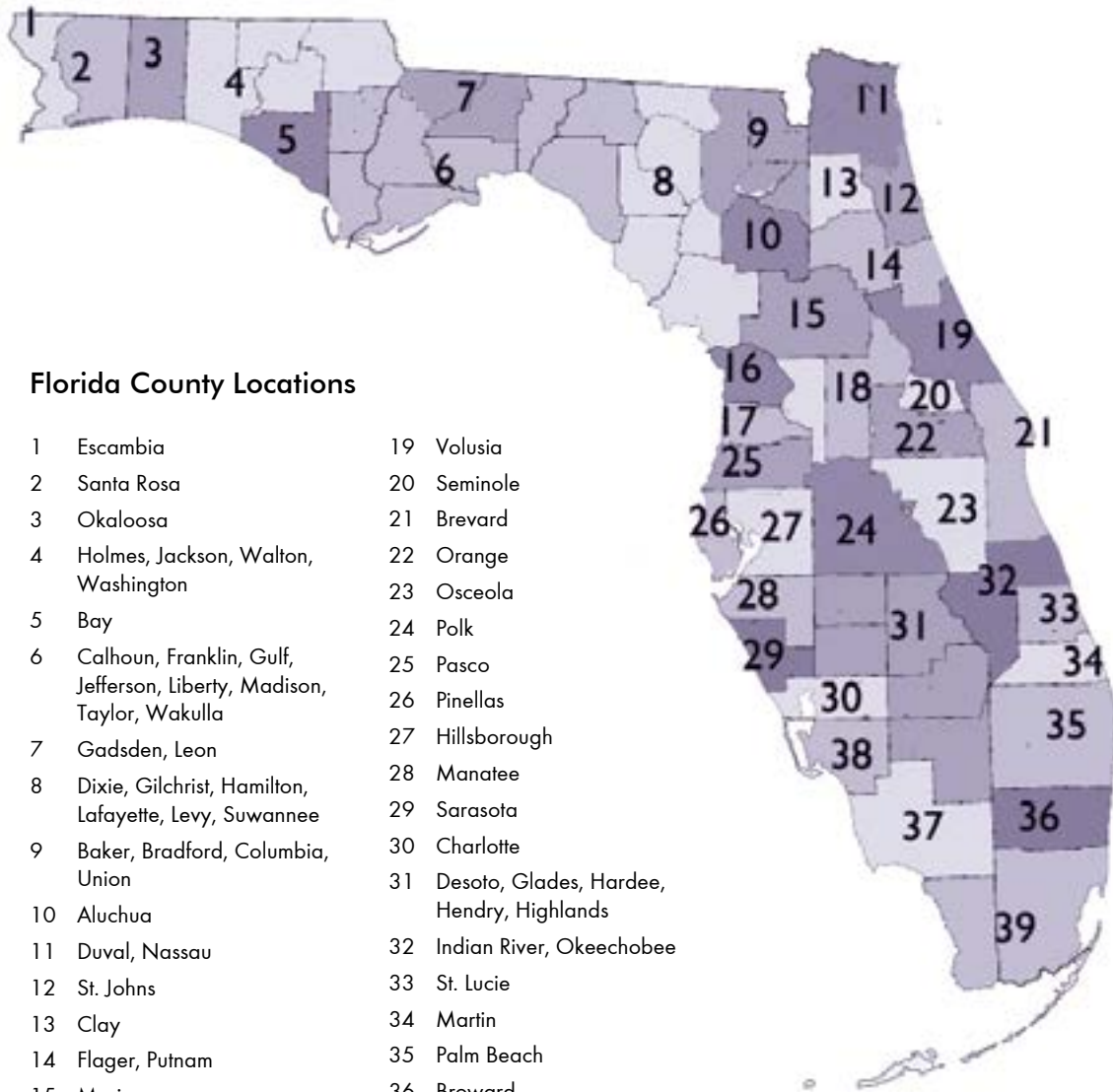
Table 4.

Floridians Eligible for Premium Tax Credits, by Race/Ethnicity, 2014

Racial/Ethnic Group	Number in Racial/Ethnic Group Eligible	Racial/Ethnic Group As a Percent of Those Eligible
White, Non-Hispanic	886,540	51.2%
Black, Non-Hispanic	229,040	13.2%
Hispanic	526,530	30.4%
Other*	88,250	5.1%
Total	1,730,340	100%

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

* The category "other" includes those who identify themselves as American Indian, Aleut or Eskimo, Asian or Pacific Islander, or a member of more than one group.



Florida County Locations

- | | | | |
|----|---|----|--|
| 1 | Escambia | 19 | Volusia |
| 2 | Santa Rosa | 20 | Seminole |
| 3 | Okaloosa | 21 | Brevard |
| 4 | Holmes, Jackson, Walton,
Washington | 22 | Orange |
| 5 | Bay | 23 | Osceola |
| 6 | Calhoun, Franklin, Gulf,
Jefferson, Liberty, Madison,
Taylor, Wakulla | 24 | Polk |
| 7 | Gadsden, Leon | 25 | Pasco |
| 8 | Dixie, Gilchrist, Hamilton,
Lafayette, Levy, Suwannee | 26 | Pinellas |
| 9 | Baker, Bradford, Columbia,
Union | 27 | Hillsborough |
| 10 | Aluchua | 28 | Manatee |
| 11 | Duval, Nassau | 29 | Sarasota |
| 12 | St. Johns | 30 | Charlotte |
| 13 | Clay | 31 | Desoto, Glades, Hardee,
Hendry, Highlands |
| 14 | Flager, Putnam | 32 | Indian River, Okeechobee |
| 15 | Marion | 33 | St. Lucie |
| 16 | Citrus, Sumter | 34 | Martin |
| 17 | Hernando | 35 | Palm Beach |
| 18 | Lake | 36 | Broward |
| | | 37 | Collier |
| | | 38 | Lee |
| | | 39 | Miami-Dade, Monroe |

**Table 5. Floridians Eligible for Premium Tax Credits,
Distribution by Income Level and County, 2014**

County Name(s)	Income as a Percent of Federal Poverty Level				Total Number
	0-199%		200-399%		
	Number	Percent	Number	Percent	
1 Escambia	11,830	42.6%	15,920	57.4%	27,750
2 Santa Rosa	5,500	40.8%	7,990	59.2%	13,480
3 Okaloosa	6,400	38.6%	10,170	61.4%	16,570
4 Holmes, Jackson, Walton, Washington	5,210	39.6%	7,940	60.4%	13,150
5 Bay	5,860	37.1%	9,930	62.9%	15,790
6 Calhoun, Franklin, Gulf, Jefferson, Liberty, Madison, Taylor, Wakulla	5,690	43.9%	7,270	56.1%	12,960
7 Gadsden, Leon	13,300	56.6%	10,180	43.4%	23,480
8 Dixie, Gilchrist, Hamilton, Lafayette, Levy, Suwannee	6,460	46.9%	7,310	53.1%	13,770
9 Baker, Bradford, Columbia, Union	6,270	48.5%	6,640	51.4%	12,910
10 Aluchua	11,140	53.2%	9,780	46.7%	20,920
11 Duval, Nassau	33,550	40.9%	48,560	59.1%	82,110
12 St. Johns	5,820	39.3%	8,970	60.7%	14,790
13 Clay	6,120	37.5%	10,190	62.5%	16,310
14 Flager, Putnam	7,160	44.9%	8,780	55.1%	15,940
15 Marion	13,950	41.3%	19,800	58.7%	33,760
16 Citrus, Sumter	7,830	40.8%	11,380	59.2%	19,200
17 Hernando	6,550	38.7%	10,390	61.3%	16,940
18 Lake	10,250	39.4%	15,770	60.6%	26,020
19 Volusia	20,150	41.8%	28,020	58.2%	48,170
20 Seminole	15,990	43.1%	21,090	56.9%	37,070
21 Brevard	20,230	42.3%	27,610	57.7%	47,840
22 Orange	48,790	45.6%	58,250	54.4%	107,040
23 Osceola	13,750	46.0%	16,170	54.0%	29,910
24 Polk	24,030	46.2%	27,990	53.8%	52,010
25 Pasco	20,150	43.7%	25,910	56.3%	46,060
26 Pinellas	34,070	40.0%	51,200	60.0%	85,270
27 Hillsborough	46,250	43.7%	59,530	56.3%	105,780
28 Manatee	12,500	44.3%	15,750	55.7%	28,250
29 Sarasota	12,550	40.3%	18,570	59.7%	31,130
30 Charlotte	5,880	43.6%	7,620	56.4%	13,490
31 Desoto, Glades, Hardee, Hendry, Highlands	11,090	47.9%	12,070	52.1%	23,160
32 Indian River, Okeechobee	7,920	43.2%	10,410	56.8%	18,320
33 St. Lucie	12,430	39.9%	18,690	60.1%	31,110
34 Martin	4,590	41.8%	6,390	58.2%	10,980
35 Palm Beach	48,960	45.8%	57,950	54.2%	106,900
36 Broward	71,420	43.7%	92,020	56.3%	163,430
37 Collier	13,320	45.9%	15,690	54.1%	29,010
38 Lee	23,830	41.9%	33,050	58.1%	56,880
39 Miami-Dade, Monroe	122,740	46.7%	139,970	53.3%	262,710
Total, all counties	759,460	43.9%	970,900	56.1%	1,730,340

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

**Table 6. Floridians Eligible for Premium Tax Credits,
Distribution by Family Employment Status and County, 2014**

County Name(s)	Employed*		Not Employed*		Total Number
	Number	Percent	Number	Percent	
1 Escambia	24,250	87.4%	3,500	12.6%	27,750
2 Santa Rosa	11,950	88.6%	1,530	11.3%	13,480
3 Okaloosa	14,490	87.5%	2,070	12.5%	16,570
4 Holmes, Jackson, Walton, Washington	11,600	88.2%	1,550	11.8%	13,150
5 Bay	13,890	88.0%	1,900	12.0%	15,790
6 Calhoun, Franklin, Gulf, Jefferson, Liberty, Madison, Taylor, Wakulla	11,300	87.2%	1,660	12.8%	12,960
7 Gadsden, Leon	19,770	84.2%	3,710	15.8%	23,480
8 Dixie, Gilchrist, Hamilton, Lafayette, Levy, Suwannee	12,040	87.5%	1,720	12.5%	13,770
9 Baker, Bradford, Columbia, Union	11,360	88.1%	1,540	11.9%	12,910
10 Aluchua	17,420	83.3%	3,500	16.7%	20,920
11 Duval, Nassau	72,800	88.7%	9,310	11.3%	82,110
12 St. Johns	12,590	85.1%	2,200	14.9%	14,790
13 Clay	14,440	88.5%	1,870	11.5%	16,310
14 Flagler, Putnam	13,660	85.7%	2,280	14.3%	15,940
15 Marion	29,630	87.8%	4,130	12.2%	33,760
16 Citrus, Sumter	16,590	86.4%	2,620	13.6%	19,200
17 Hernando	14,640	86.5%	2,300	13.6%	16,940
18 Lake	22,920	88.1%	3,100	11.9%	26,020
19 Volusia	41,900	87.0%	6,270	13.0%	48,170
20 Seminole	32,570	87.9%	4,500	12.1%	37,070
21 Brevard	41,590	86.9%	6,250	13.1%	47,840
22 Orange	94,370	88.2%	12,670	11.8%	107,040
23 Osceola	26,800	89.6%	3,110	10.4%	29,910
24 Polk	45,780	88.0%	6,230	12.0%	52,010
25 Pasco	39,940	86.7%	6,110	13.3%	46,060
26 Pinellas	73,890	86.7%	11,380	13.3%	85,270
27 Hillsborough	92,870	87.8%	12,910	12.2%	105,780
28 Manatee	24,740	87.6%	3,510	12.4%	28,250
29 Sarasota	26,590	85.4%	4,540	14.6%	31,130
30 Charlotte	11,450	84.8%	2,050	15.2%	13,490
31 Desoto, Glades, Hardee, Hendry, Highlands	20,270	87.5%	2,890	12.5%	23,160
32 Indian River, Okeechobee	16,210	88.5%	2,110	11.5%	18,320
33 St. Lucie	27,640	88.8%	3,470	11.2%	31,110
34 Martin	9,200	83.7%	1,790	16.3%	10,980
35 Palm Beach	90,680	84.8%	16,220	15.2%	106,900
36 Broward	141,350	86.5%	22,080	13.5%	163,430
37 Collier	24,880	85.8%	4,130	14.2%	29,010
38 Lee	49,030	86.2%	7,850	13.8%	56,880
39 Miami-Dade, Monroe	226,200	86.1%	36,510	13.9%	262,710
Total, all counties	1,503,280	86.9%	227,080	13.1%	1,730,340

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

*The category “employed” includes those employed both full- and part-time. “Not employed” includes those out of the workforce and those not looking for work.

Table 7. Floridians Eligible for Premium Tax Credits, Distribution by Age and County, 2014

County Name(s)	Under 18		Age 18-34		Age 35-54		Age 55+		Total Number
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
1 Escambia	5,830	21.0%	9,650	34.8%	8,250	29.7%	4,020	14.5%	27,750
2 Santa Rosa	3,030	22.5%	4,540	33.7%	4,100	30.4%	1,810	13.4%	13,480
3 Okaloosa	3,830	23.1%	5,550	33.5%	5,040	30.4%	2,150	13.0%	16,570
4 Holmes, Jackson, Walton, Washington	3,140	23.9%	4,120	31.3%	4,220	32.1%	1,670	12.7%	13,150
5 Bay	3,650	23.1%	5,040	31.9%	4,790	30.4%	2,310	14.6%	15,790
6 Calhoun, Franklin, Gulf, Jefferson, Liberty, Madison, Taylor, Wakulla	2,690	20.7%	4,250	32.8%	4,090	31.6%	1,940	14.9%	12,960
7 Gadsden, Leon	4,070	17.3%	10,740	45.7%	5,430	23.1%	3,240	13.8%	23,480
8 Dixie, Gilchrist, Hamilton, Lafayette, Levy, Suwannee	3,080	22.4%	4,220	30.6%	4,470	32.5%	2,000	14.5%	13,770
9 Baker, Bradford, Columbia, Union	3,140	24.3%	4,570	35.4%	3,880	30.1%	1,320	10.2%	12,910
10 Aluchua	3,540	16.9%	10,310	49.3%	4,520	21.6%	2,550	12.2%	20,920
11 Duval, Nassau	18,360	22.4%	27,600	33.6%	25,930	31.6%	10,220	12.4%	82,110
12 St. Johns	2,990	20.2%	5,180	35.0%	4,140	28.0%	2,480	16.7%	14,790
13 Clay	3,910	23.9%	5,940	36.4%	4,500	27.6%	1,960	12.0%	16,310
14 Flagler, Putnam	3,300	20.7%	5,320	33.4%	4,640	29.1%	2,680	16.8%	15,940
15 Marion	6,790	20.1%	11,440	33.9%	10,590	31.4%	4,940	14.6%	33,760
16 Citrus, Sumter	3,400	17.7%	6,600	34.3%	5,880	30.6%	3,320	17.3%	19,200
17 Hernando	3,500	20.7%	5,860	34.6%	4,970	29.4%	2,610	15.4%	16,940
18 Lake	5,610	21.6%	8,790	33.8%	7,830	30.1%	3,790	14.6%	26,020
19 Volusia	9,070	18.8%	16,810	34.9%	14,240	29.6%	8,050	16.7%	48,170
20 Seminole	7,080	19.1%	12,660	34.1%	11,710	31.6%	5,630	15.2%	37,070
21 Brevard	9,980	20.9%	15,370	32.1%	14,750	30.8%	7,750	16.2%	47,840
22 Orange	21,040	19.7%	38,890	36.3%	33,820	31.6%	13,290	12.4%	107,040
23 Osceola	6,360	21.3%	10,930	36.5%	9,090	30.4%	3,540	11.8%	29,910
24 Polk	11,650	22.4%	18,360	35.3%	14,870	28.6%	7,130	13.7%	52,010
25 Pasco	9,720	21.1%	15,550	33.8%	13,910	30.2%	6,880	14.9%	46,060
26 Pinellas	16,150	18.9%	24,700	29.0%	28,160	33.0%	16,270	19.1%	85,270
27 Hillsborough	22,080	20.9%	37,580	35.5%	32,170	30.4%	13,940	13.2%	105,780
28 Manatee	5,750	20.4%	9,420	33.3%	8,710	30.8%	4,370	15.5%	28,250
29 Sarasota	5,500	17.7%	9,110	29.3%	9,830	31.6%	6,690	21.5%	31,130
30 Charlotte	2,520	18.7%	3,800	28.2%	4,290	31.8%	2,880	21.3%	13,490
31 Desoto, Glades, Hardee, Hendry, Highlands	4,710	20.3%	7,940	34.3%	7,440	32.1%	3,080	13.3%	23,160
32 Indian River, Okeechobee	3,720	20.3%	6,080	33.2%	5,770	31.5%	2,760	15.0%	18,320
33 St. Lucie	6,920	22.2%	10,970	35.3%	9,360	30.1%	3,860	12.4%	31,110
34 Martin	2,160	19.6%	3,430	31.3%	3,280	29.8%	2,110	19.2%	10,980
35 Palm Beach	20,110	18.8%	34,120	31.9%	33,700	31.5%	18,980	17.8%	106,900
36 Broward	32,780	20.1%	50,860	31.1%	54,840	33.6%	24,960	15.3%	163,430
37 Collier	5,540	19.1%	9,960	34.3%	8,660	29.8%	4,850	16.7%	29,010
38 Lee	11,530	20.3%	19,100	33.6%	16,960	29.8%	9,300	16.4%	56,880
39 Miami-Dade, Monroe	47,870	18.2%	85,810	32.7%	88,620	33.7%	40,400	15.4%	262,710
Total, all counties	346,060	20.0%	581,130	33.6%	541,460	31.3%	261,720	15.1%	1,730,340

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

Table 8. Floridians Eligible for Premium Tax Credits, Distribution by Race/Ethnicity and County, 2014

County Name(s)	White, Non-Hispanic		Black, Non-Hispanic		Hispanic		Other*		Total Number
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
1 Escambia	18,760	67.6%	5,370	19.3%	1,450	5.2%	2,170	7.8%	27,750
2 Santa Rosa	11,150	82.7%	590	4.4%	930	6.9%	810	6.0%	13,480
3 Okaloosa	12,010	72.5%	1,380	8.3%	1,730	10.4%	1,460	8.8%	16,570
4 Holmes, Jackson, Walton, Washington	10,590	80.6%	1,230	9.3%	580	4.4%	750	5.7%	13,150
5 Bay	12,510	79.2%	1,510	9.6%	710	4.5%	1,060	6.7%	15,790
6 Calhoun, Franklin, Gulf, Jefferson, Liberty, Madison, Taylor, Wakulla	10,140	78.2%	1,770	13.7%	470	3.7%	580	4.5%	12,960
7 Gadsden, Leon	13,250	56.4%	7,170	30.6%	1,730	7.3%	1,330	5.7%	23,480
8 Dixie, Gilchrist, Hamilton, Lafayette, Levy, Suwannee	10,750	78.1%	1,280	9.3%	1,070	7.8%	670	4.8%	13,770
9 Baker, Bradford, Columbia, Union	10,010	77.6%	1,830	14.2%	760	5.9%	310	2.4%	12,910
10 Aluchua	13,280	63.5%	3,450	16.5%	2,200	10.5%	2,000	9.5%	20,920
11 Duval, Nassau	45,780	55.8%	21,900	26.7%	8,360	10.2%	6,070	7.4%	82,110
12 St. Johns	11,850	80.2%	820	5.6%	1,310	8.9%	800	5.4%	14,790
13 Clay	11,800	72.3%	1,500	9.2%	2,150	13.2%	870	5.3%	16,310
14 Flagler, Putnam	11,500	72.1%	1,880	11.8%	1,940	12.2%	630	3.9%	15,940
15 Marion	23,550	69.8%	3,590	10.6%	5,200	15.4%	1,410	4.2%	33,760
16 Citrus, Sumter	16,030	83.5%	890	4.6%	1,640	8.5%	650	3.4%	19,200
17 Hernando	13,250	78.2%	770	4.5%	2,300	13.6%	630	3.7%	16,940
18 Lake	17,180	66.0%	2,270	8.7%	5,200	20.0%	1,370	5.3%	26,020
19 Volusia	33,630	69.8%	3,920	8.1%	8,040	16.7%	2,570	5.3%	48,170
20 Seminole	21,410	57.8%	3,600	9.7%	9,200	24.8%	2,860	7.7%	37,070
21 Brevard	34,340	71.8%	4,340	9.1%	6,000	12.5%	3,160	6.6%	47,840
22 Orange	42,980	40.1%	17,930	16.7%	37,600	35.1%	8,540	8.0%	107,040
23 Osceola	10,060	33.6%	2,010	6.7%	16,380	54.8%	1,470	4.9%	29,910
24 Polk	30,590	58.8%	5,940	11.4%	13,290	25.5%	2,190	4.2%	52,010
25 Pasco	34,110	74.1%	1,860	4.0%	7,820	17.0%	2,270	4.9%	46,060
26 Pinellas	61,370	72.0%	8,330	9.8%	10,320	12.1%	5,250	6.2%	85,270
27 Hillsborough	49,440	46.7%	14,340	13.6%	35,840	33.9%	6,160	5.8%	105,780
28 Manatee	18,600	65.8%	2,170	7.7%	6,160	21.8%	1,330	4.7%	28,250
29 Sarasota	24,420	78.5%	1,590	5.1%	4,290	13.8%	830	2.7%	31,130
30 Charlotte	10,710	79.4%	770	5.7%	1,340	10.0%	670	5.0%	13,490
31 Desoto, Glades, Hardee, Hendry, Highlands	11,350	49.0%	1,860	8.0%	9,200	39.7%	750	3.2%	23,160
32 Indian River, Okeechobee	12,180	66.5%	1,460	8.0%	4,100	22.4%	590	3.2%	18,320
33 St. Lucie	17,030	54.7%	5,100	16.4%	7,710	24.8%	1,270	4.1%	31,110
34 Martin	7,950	72.4%	610	5.6%	1,900	17.3%	510	4.7%	10,980
35 Palm Beach	54,440	50.9%	16,950	15.9%	30,190	28.2%	5,310	5.0%	106,900
36 Broward	58,160	35.6%	36,900	22.6%	58,460	35.8%	9,910	6.1%	163,430
37 Collier	14,370	49.5%	1,590	5.5%	12,280	42.3%	770	2.6%	29,010
38 Lee	34,520	60.7%	3,980	7.0%	16,170	28.4%	2,220	3.9%	56,880
39 Miami-Dade, Monroe	31,530	12.0%	34,610	13.2%	190,500	72.5%	6,070	2.3%	262,710
Total, all counties	886,540	51.2%	229,040	13.2%	526,530	30.4%	88,250	5.1%	1,730,340

Notes: Estimates prepared by The Lewin Group for Families USA (methodology available upon request). Data are for those with incomes below 400 percent of the federal poverty level. Numbers may not add due to rounding.

* The category "other" includes those who identify themselves as American Indian, Aleut or Eskimo, Asian or Pacific Islander, or as a member of more than one group.

Discussion

With the passage of the Affordable Care Act comes the promise of affordable health coverage for millions of Americans. In 2010-2011, more than 3.8 million Floridians were uninsured.² The new premium tax credits, which are entirely financed by the federal government, will provide much-needed relief to hundreds of thousands of low- to moderate-income uninsured and underinsured Floridians. This relief will ensure that they will be better able to purchase affordable private health insurance through the new health insurance marketplaces (see “The New Health Insurance Marketplaces” on page 14). Starting in October of this year, individuals and families can begin enrolling in the insurance marketplaces, and they will benefit from this tax relief when the new coverage begins in January 2014. More than 1.7 million Floridians will be eligible for premium tax credits in the first year that the state marketplace is operational. The size of the credit that individuals and families will be eligible to receive will depend on their income, and the lower a person’s income, the larger his or her tax credit will be. This will ensure that the assistance goes to those who need it the most.

Eligibility for Tax Credits

Generally, the tax credits will be available to uninsured individuals and families who have incomes between 138 and 400 percent of poverty (between \$15,860 and \$45,960 for an individual, and between \$32,500 and \$94,200 for a family of four in 2013). Some people with incomes below 138 percent of poverty who do not qualify for Medicaid (mainly immigrants who are legal residents but who have been in the United States for fewer than five years) will be eligible for tax credits as well. Workers who would have to pay more than 9.5 percent of their wages to participate in their employer’s plan, and workers whose employer plan pays less than 60 percent of the cost of covered benefits, will also be eligible for the tax credits to help purchase coverage in the state marketplaces.

What Will Happen When a Family Receives a Tax Credit?

When a person or family qualifies for a tax credit, the dollars from the credit will flow directly to the health plan in which the individual or family enrolls, offsetting the total cost of the family’s health insurance premiums for that plan.

The tax credits will be fully advanceable. This means that the tax credit will be available to pay the premium at the time the person enrolls in a plan. Thus, families will not need to wait until their taxes have been filed and processed in order to receive the credit and enroll in coverage, nor will they need to pay the full premium at the time of enrollment and then wait to be reimbursed.

Finally, the tax credit will be refundable, which means that families with very low incomes who do not owe taxes will be eligible for these tax credits to assist with the cost of premiums. However, the majority of these very low-income families will be eligible for Medicaid, and hence, ineligible for premium tax credits.

How Much Will the Tax Credits Be Worth?

As described earlier, the size of the tax credit that an individual or family will be eligible for will depend on the individual's or family's income. And how much coverage that credit will help buy will depend on the plan that the individual or family chooses. The new state marketplaces will offer a range of plans with four different coverage levels (from lowest to highest coverage level): bronze, silver, gold, and platinum. The calculations of the size of the tax credits will be linked to the second lowest-cost silver plan, also known as the "silver reference plan." Below, we describe how income and plan choice come together to determine what an individual or family will have to pay out of pocket.

- To determine the size of an individual's or family's tax credit, start with their income. The family's household income will be used to determine the maximum premium contribution the family must pay for a particular "reference plan," described below. This maximum amount—a maximum percentage of family income—will be based on a sliding scale, and those with the lowest incomes will pay the smallest proportion of their incomes on premiums.
- Next, identify the premiums for the second lowest-cost silver plan that is available to the individual or family in the area in which they live. The tax credit amount will be set so that the individual or family will not have to spend more than a specific percentage of their income on premiums for this plan. For example, a family of four with an income of \$47,100 a year would not have to pay more than 6.3 percent of their income toward premiums for a silver plan and would get a tax credit of \$9,530 (see Table 10). Therefore, they would not have to pay more than \$247 a month for the silver reference plan that covers their entire family.
- An individual or family will be free to pick any plan that is available through an exchange. However, the individual's or family's tax credit amount will be based on the premium for the silver reference plan. If a consumer selects a more expensive plan, he or she will pay the difference in price between this more expensive plan and the silver reference plan out of pocket. If a consumer selects a cheaper plan, he or she will still receive the tax credit amount based on the silver reference plan and thus will spend less out of pocket on the premiums for this cheaper plan.
- In addition to premium assistance, some families will be eligible for more help with copayments, deductibles, and other cost-sharing. However, this help is available only for those who choose a silver plan (see "Additional Help with Out-of-Pocket Health Care Costs" on page 15).

Table 9.

Examples of Premium Tax Credits for an Individual

Income		Premium Contribution as a Percent of Income	Example of Premium Tax Credit
Income as a Percent of Poverty	Annual Income		
138%	\$15,860	3.3%	\$4,480
150%	\$17,235	4.0%	\$4,310
200%	\$22,980	6.3%	\$3,550
250%	\$28,725	8.1%	\$2,690
300%	\$34,470	9.5%	\$1,730
400%	\$45,960	9.5%	\$630

Note: Based on an individual with premiums of \$5,000 and 2013 federal poverty levels.

Table 10.

Examples of Premium Tax Credits for a Family of Four

Income		Premium Contribution as a Percent of Income	Example of Premium Tax Credit
Income as a Percent of Poverty	Annual Income		
138%	\$32,500	3.3%	\$11,430
150%	\$35,325	4.0%	\$11,090
200%	\$47,100	6.3%	\$9,530
250%	\$58,875	8.1%	\$7,760
300%	\$70,650	9.5%	\$5,790
400%	\$94,200	9.5%	\$3,550

Note: Based on a family of four with premiums of \$12,500 and 2013 federal poverty levels.

The New Health Insurance Marketplaces

The Affordable Care Act requires every state to have a new regulated insurance marketplace, or exchange, where consumers and small businesses can purchase health insurance plans and apply for help with the cost of coverage. While every state must have a new marketplace, states are taking different approaches to getting the job done. Some states are setting up their own marketplaces, other states are partnering with the federal government to take on specific tasks and functions, and in some states, the federal government will establish the new marketplaces. Regardless of the approach, every marketplace will provide important new consumer protections.

When shopping in the new marketplaces, consumers and small businesses will know what they are getting for their money. All plans sold in the marketplaces must meet certain consumer protection and quality standards so that shoppers do not end up with surprising holes in their coverage. The new marketplaces will, among other things, certify that plans meet minimum requirements, such as having sufficient provider networks, implementing user-friendly quality reporting, and using marketing materials that are fair and accurate. Insurance companies will have to clearly explain what care is covered in every plan and at what cost. This information must be presented in a standardized, consumer-friendly format. This transparency will help people shop

for the best plan for the price, *and* it will promote competition among plans. Under the Affordable Care Act, insurers that sell plans in the new marketplaces—just like plans that are sold outside the exchanges—will not be allowed to deny coverage to people with pre-existing conditions or to charge exorbitant premiums, which will keep costs down for individuals and businesses.

The new marketplaces will be a one-stop shop where consumers can enroll in health coverage. These new marketplaces will help consumers apply for the new premium tax credits, and they will calculate the amount of the tax credit that consumers will receive. The marketplaces will also help lower-income consumers apply for Medicaid, the Children's Health Insurance Program (CHIP), and other public programs. All marketplaces will use one standardized application that is designed to help consumers find out which coverage and financial assistance options they are eligible for. They will also be required to have consumer-friendly websites, as well as toll-free telephone help lines. Perhaps most importantly, every marketplace will have a network of people who are trained and certified to conduct public education and outreach, and to provide in-person assistance with the application process for premium tax credits, Medicaid, and CHIP. These assisters will also help shoppers select the insurance option that best meets their needs.

Comprehensive Coverage under the Affordable Care Act

Under the Affordable Care Act, health insurance plans must meet a set of minimum requirements to ensure that consumers are getting the coverage they need. All plans that are sold directly to individuals and small businesses must cover a package of “essential health benefits.” The general categories of required services in this package include outpatient care, emergency care, hospitalization, prescription drugs, maternity and newborn care, mental health and substance abuse treatment, rehabilitative and habilitative care, laboratory services, preventive and wellness services, chronic disease management, and pediatric services (including dental and vision care). Together, the premium tax credits and these essential health benefit requirements will ensure that those who buy insurance in the new marketplaces will be getting *affordable*, comprehensive coverage.

Additional Help with Out-of-Pocket Health Care Costs

The Affordable Care Act has a number of provisions that are meant to protect individuals and families from high out-of-pocket spending. Annual and lifetime dollar caps on covered benefits will no longer be permitted. This means that consumers who pay for health coverage won’t run out of coverage if they develop health problems that are costly to treat. The Affordable Care Act also established caps on the amount an individual or family has to spend on out-of-pocket costs (i.e., deductibles, copayments, and co-insurance) for health services that are part of the essential benefits packages. Furthermore, additional cost-sharing assistance will be available to individuals and families with incomes up to 250 percent of poverty (about \$28,725 for an individual or \$58,875 for a family of four in 2013). This cost-sharing assistance will increase the proportion of health care costs that an individual or family’s plan pays for. It will be available to people who purchase silver plans in the new health insurance marketplaces.

Conclusion

Health reform will provide significant help to more than 1.7 million Floridians who will become eligible for premium tax credits in 2014. This assistance, along with several important new consumer protections, will allow individuals and families to purchase affordable health coverage even if they have pre-existing conditions, and even if they change jobs or experience a drop in income. This, in turn, means added economic security for Florida’s working families. As we draw closer to October 2013, when open enrollment begins, it is critical that states and the federal government work closely together to educate the public about how the new tax credits will work and to make it as simple as possible to connect people to this significant new source of help with the cost of health insurance.

Assumptions about the Population Eligible for Premium Tax Credits

The premium tax credits are available only to uninsured people with family incomes at or above 100 percent of the federal poverty level. This is because those who crafted the health care law assumed that uninsured people with incomes below 100 percent of poverty would be enrolled in Medicaid. Medicaid provides out-of-pocket spending protections and additional benefits that are important for coverage to be meaningful for people with such low incomes. If Florida does not expand its Medicaid program, most uninsured people with family incomes below 100 percent of poverty will be left without any financial help or affordable insurance options. States that refuse to expand Medicaid, despite the generous federal support offered, will be condemning their most vulnerable residents to remain in the ranks of the uninsured.

For our analysis, we assumed that Florida will take advantage of the opportunity to expand Medicaid to all Floridians with incomes up to 138 percent* of the federal poverty level (\$15,860 for an individual or \$32,500 for a family of four in 2013). Under the Affordable Care Act, Floridians who are eligible for Medicaid (that is, all families with incomes at or below 138 percent of the federal poverty level) will not be eligible for premium tax credits.

Our analysis also takes into account one exception to the income eligibility rules for premium tax credits: The Affordable Care Act allows any legal U.S. residents who are not eligible for Medicaid due to the Medicaid program's five-year ban rule (even if they have income below 100 percent of poverty) to receive premium tax credits. Therefore, our estimates of the number of people who will be eligible for premium tax credits do include legal residents with incomes below 138 percent of poverty who would not be eligible for Medicaid under the five-year ban rule.

*Under the Affordable Care Act, the first 5 percent of income is not counted, or "disregarded." This means that the eligibility threshold for Medicaid is 138 percent of poverty, not 133 percent of poverty.

Endnotes

¹ Office of the Assistant Secretary of Planning and Evaluation, *2013 Federal Poverty Guidelines* (Washington: Department of Health and Human Services, January 24, 2013).

² Families USA analysis of U.S. Census Bureau's Current Population Survey, *Annual Social and Economic Supplement, 2013*, using the CPS Table Creator, available online at <http://www.census.gov/cps/data/cpstablecreator.html>.

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