

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Paving the way for the 2014 opening of California's online insurance marketplace, officials on Wednesday rolled out the standard benefits that must be included in each policy and detailed what policies would cost for all those eligible for federal subsidies.

A married couple with an annual income of \$62,040, for instance, would pay \$491 a month for a midlevel plan with a \$2,000 deductible and \$45 copays for doctor's office visits. Premiums would be much lower for those with less income. A couple with a combined income of \$23,265, for example, would pay \$78 a month.

The announcement came as the state launched its consumer website, CoveredCA.com, which includes a cost-estimate calculator on its home page.

The actual market price for the plans to be offered through Covered California will not be known until the bidding process closes in June, but since premium levels for those eligible for subsidies are based on a percentage of income it is possible now to determine how much those consumers would pay for coverage.

It is estimated that 2.6 million Californians will be eligible for subsidies through the exchange.

The pricing information came as the California Health Benefit Exchange announced the standard benefit designs for all policies that will be offered through the exchange known as Covered California.

Executive Director Peter Lee said the existence of standard benefit designs will be "a game-changer" for consumers, who will be able to make apples-to-apples comparisons among plans and know with certainty what their costs will be when they visit a primary care doctor or specialist, undergo lab testing, fill a prescription, or are admitted to a hospital.

“This is changing the focus of health insurance from being a shell game, hiding from

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

shifted to the standardized benefit designs four years into its existence, and called that shift “one of the most important decisions we have made.”

In its early years, she said, the online marketplace included too many variables, confused consumers and “was crying out for standardization.”

Consumers shopping for individual policies — which means those who do not get group coverage through their employers — will be able to choose from among private plans offered in a variety of categories named after precious metals. Called platinum, gold, silver and bronze, the categories will differ in the cost of premiums, the level of deductible expenses, the amount of co-pays charged for specific services and the maximum out-of-pocket costs consumers could pay.

What will not change across plans is the benefits that are covered.

James Guest, president of Consumers Union, said the California approach mirrors what his organization has long sought to provide. “At Consumer Reports, our stock in trade is presenting complex information in an easy-to-understand format,” he said.

The California approach, he said, will ensure that there are “no surprises and gimmicks” in the health insurance market.

The California exchange has received preliminary indications of interest from 33 private health plans, including at least two in every region of the state. It is now in the process of negotiating contracts.

Lee said the state’s major health plans “are ready to compete based on the new rules. We’re going to pick the best plans for California consumers.”

The exchange released statements of support from executives of three major

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

By requiring the same benefits and deductibles for each category of coverage, Covered California may reduce confusion among consumers about the differences in pricing among plans but may also increase premiums,” said Patrick Johnston.

“New taxes, limits on geography-based pricing and age-rating restrictions are all parts of the Affordable Care Act that will drive up the cost of coverage for millions of consumers and employers. We will see in the coming months whether the standardized benefit designs adversely impact premiums.”

Under the Affordable Care Act, all those with incomes up to 400 percent of federal poverty guidelines will be eligible for sliding-scale subsidies to purchase insurance. That is the equivalent of \$45,960 for an individual and \$94,200 for a family of four.

(View the sliding-scale subsidies chart.)

The standard benefit designs will apply to all policies sold in California in the individual and small-group markets. To receive a subsidy, however, consumers will have to make their purchases through the exchange.

Lee noted that the IRS will make monthly payments to the insurance plans chosen by each consumer, which will essentially be an advance on the tax credits provided for under the law. Under that arrangement, consumers will not have to make upfront payments and wait for reimbursement.

Copyright 2013 – Ventura County Star, Calif.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us