

Karen Telleen-Lawton: How Do I Find Coverage Under the Affordable Care Act?

By Karen Telleen-Lawton, Noozhawk Columnist | Published on 08.12.2013 9:15 p.m.



[Noozhawk's note: The following column on financial fortitude is one installment in a continuing series.]

Examining your finances takes fortitude. What are your goals and dreams? What can you afford? Here is another question I've heard in my financial advisory practice.

Dear Karen:

So, I just completed a master's degree in drama, headed for an acting career and probably lifelong poverty. While I was in the program, the school administration was always setting up mixers with business school and law school students, probably hoping we'd find spouses and a way to get health care, but that didn't happen.

Now, with the [Affordable Care Act](#), I think I'm obligated to buy health insurance by next year. I'm healthy, so I don't think I need it. But I hear there's a financial penalty for not getting insurance. Where the heck do I find it?

— *Health outlaw*

Dear Outlaw:

You're correct that beginning Jan. 1, 2014, you may pay a penalty for not getting health-care coverage. It is possible this mandate may be postponed, however, as it has been for the employer requirement. But since a medical emergency can happen at any time, it's wise to get insured regardless of the federal mandate. Largely due to accidents, adults ages 19 to 29 visit the emergency room more than any other group under age 75.

There are several places to investigate coverage, and more on the way. The best would be through an employer. While you may not want to pick a job based solely on the health coverage, it is an essential consideration. Once the health-care law kicks in, companies with at least 50 employees must provide coverage.

Next best: your parents' coverage. Employers are now required to allow employees to continue covering their children until age 26, even if they are married, financial independent or live in another state. If your folks reside elsewhere, it's more difficult to get coverage that works for you, but it's still worth checking out.

If neither of these works, you are stuck with buying your own policy. You mention that you are healthy, but one great thing about the Affordable Care Act is that even those with pre-existing conditions can't be denied because of any health problems. Those with health conditions will pay more, but won't be denied.

Nevertheless, according to Sara Collins at the [Commonwealth Fund](#), a New York think tank, 94 percent of twenty-somethings will be eligible for tax credits that could substantially lower their costs. The subsidy would be good only if you order insurance through a state insurance exchange.

Check out these websites for policy information and to learn about insurance in general:

» finder.healthcare.gov

» [eHealthInsurance](#)

» www.nahu.org

In addition to these, many states are setting up insurance exchanges. By Oct. 1, California is expected to have one set up at www.coveredca.com. The mission of [Covered California](#) is “to increase the number of Californians with health insurance, improve the quality of health care for all of us, reduce health-care coverage costs and make sure California's diverse population has fair and equal access to quality health care.”

On that site, there is a cost calculator that will help you determine how much coverage might cost. According to the calculator, if you're 27 and making \$40,000 per year, your coverage may cost around \$241 per month.

Best of luck in your quest, or should I say, “Break a leg”?

— *Karen Telleen-Lawton’s column is a mélange of observations spanning sustainability from the environment to finance, economics and justice issues. She is a fee-only financial advisor (www.DecisivePath.com) and a freelance writer (www.CanyonVoices.com). [Click here to read previous columns](#). The opinions expressed are her own.*