



SEPTEMBER 26, 2013

Too Risky to Exchange?

The stories you need to read before enrolling
in the ObamaCare Insurance Exchange

AUTHORED BY

Josh Archambault, *Senior Fellow at the Foundation for Government Accountability*

Jonathan Small, *CPA, Fiscal Policy Director at the Oklahoma Council of Public Affairs*

Disclosure: This document is a policy analysis and should not be regarded as tax advice. Individuals should seek professional advice from licensed tax professionals to determine how the tax credits will specifically impact their finances.

**FOUNDATION FOR
GOVERNMENT
ACCOUNTABILITY**

www.TheFGA.org

TABLE OF CONTENTS

Overview	3
<i>ObamaCare is here</i>	
Exchange Tax Credits	4
<i>A summary of ObamaCare’s dizzying display of government math</i>	
Exchange Vows, Exchange Penalties	6
<i>ObamaCare created a financial crisis for newlyweds Tom and Mallory</i>	
There’s No Moving up When You’re Stuck under ObamaCare	7
<i>Yolanda lost a career opportunity she’ll never have again</i>	
Baby Blues.....	9
<i>Kara would have lost her doctor when she needed her most</i>	
A Lesson You’ll Never Forget.....	10
<i>Ned regretted ever taking the second job he always wanted</i>	
ObamaCare Drives Your Budget into Reverse.....	11
<i>The exchange stalled Jeremy and Jill’s plan to boost their savings</i>	
References.....	12

OVERVIEW

ObamaCare is here.

It has been more than three years since the president signed the Patient Protection and Affordable Care Act. On October 1, 2013, key provisions will take effect; among those provisions are the ObamaCare insurance exchanges.

The ObamaCare exchanges are built around a complicated tax credit scheme that subsidizes a portion of enrollees' annual premiums. Unlike other tax credits that are typically sent directly to the taxpayer, the ObamaCare exchange tax credits are sent by the government to enrollees' exchange insurance plans.

Like so many government-run programs, the ObamaCare exchanges are intrusive and complex. Worse, they are designed in such a way that any small change in an enrollee's life circumstances can have a major impact on his or her premiums, deductibles or access to care, and could even result in an audit from the IRS.

This report is largely written in narrative form. It features five brief scenarios that each demonstrate why Americans should be wary of enrolling in the ObamaCare exchange based on the risks to their wallets and to their health. The characters in these stories are not real. Rather, they are based on typical Americans—a single mom, newlyweds, an expecting husband and wife. They are not extraordinary and their challenges and opportunities are not unusual. They represent the everyday American man or woman. But while the characters themselves are fictional, their experiences with the ObamaCare exchanges are frighteningly real.

We all know a Tom, a Jill, a Kara or a Ned. Maybe Ned is you...

These stories are based entirely on factual data obtained from various government, tax and health sources. Every source used to develop our characters' experiences is cited.

If the federal government succeeds in convincing Americans to enroll in the ObamaCare exchanges, these stories—and dozens more like them—will be repeated millions of times over throughout the country.

After reading this report, ask yourself this simple question:

Is enrolling in the ObamaCare exchange worth the risk?

EXCHANGE TAX CREDITS

A summary of ObamaCare's dizzying display of government math

ObamaCare, the Patient Protection and Affordable Care Act, includes tax credits, also called premium subsidies.¹ These are given on a sliding scale, based on family size, to those making between 138% and 400% of the federal poverty level (FPL) in states that have expanded Medicaid eligibility. In states that have not expanded Medicaid, the tax credits are available to those making between 100% and 138% FPL.² The tax credits are unavailable to those with an “affordable” offer of employer-based insurance or for those on other forms of government-approved coverage like standard Old Medicaid or Medicare.³

Household Size	Federal Poverty Guidelines					
	100% FPL	133% FPL	150% FPL	200% FPL	300% FPL	400% FPL
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	\$15,510	\$20,628	\$23,265	\$31,020	\$46,530	\$62,040
3	\$19,530	\$25,975	\$29,295	\$39,060	\$58,590	\$78,120
4	\$23,550	\$31,322	\$35,325	\$47,100	\$70,650	\$94,200
5	\$27,570	\$36,668	\$41,355	\$55,140	\$82,710	\$110,280
6	\$31,590	\$42,015	\$47,385	\$63,180	\$94,770	\$126,360
7	\$35,610	\$47,361	\$53,415	\$71,220	\$106,830	\$142,440
8	\$39,630	\$52,708	\$59,445	\$79,260	\$118,890	\$158,520
Amount added for each additional person	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

FPL levels above are for 2013 and will be adjusted in 2014. Alaska and Hawaii have different FPL standards. Source: <http://www.familiesusa.org/resources/tools-for-advocates/guides/federal-poverty-guidelines.html>

The credits can only be used in a government-sanctioned ObamaCare exchange, which is an online website listing insurance plans. In other words, individuals purchasing private insurance on their own must decide if they want to keep their current insurance plan without a subsidy or drop their coverage to take the tax credit for an ObamaCare exchange plan. All citizens must file a tax return to receive the credits regardless of their income. Married couples must file a joint return. If an individual fails to file a tax return he or she will be ineligible for the tax credit in future years.

The initial tax credit calculation will be based on an applicant's income tax return from the previous year. The credit can be taken in advance at the beginning of the year. However, individuals who enroll in the ObamaCare exchange will run the risk of having to pay back a significant portion of the tax credit if their life circumstances change.

The credit can also be taken on the following year's return in the form of a refund. However, individuals who make this decision will be responsible for coming up with the full cost of the ObamaCare exchange insurance at the beginning of the year. Individuals and families do have the option of taking a partial credit.

ObamaCare imposes a type of bait-and-switch provision on families and individuals for whom life circumstances change that requires those taxpayers to repay a portion or all of the credit they received. If mistakes are made, the IRS can move to collect back taxes with penalties and interest. Although Congress has set caps on the amounts citizens would have to pay back based on their income level, it has changed those rules twice since the law was signed.³

Cap on the Amount of Advance Credits Individuals and Families Must Pay Back				
Income as percentage of poverty line	Annual income for an individual (2013 \$)	Single taxpayers	Annual income for a family of four (2013 \$)	Married taxpayers filing jointly
Under 200%	Under \$22,980	\$300	Under \$47,100	\$600
At least 200% but less than 300%	\$22,980 - \$34,470	\$750	\$47,100 - \$70,650	\$1,500
At least 300% but less than 400%	\$34,470 - \$45,960	\$1,250	\$70,650 - \$94,200	\$2,500
400% and above	\$45,960 and higher	Full amount	\$94,200 and higher	Full amount

Source: <http://www.cbpp.org/files/QA-on-Premium-Credits.pdf>

The tax credits themselves have received significant press attention as a “positive” of the ObamaCare exchange. But little attention has been paid to the complicated nature of their implementation. Our lives are constantly in flux. Lower and middle-class families rarely find themselves in static work and life environments, but that is exactly what ObamaCare assumes. Even the most common and mundane life changes could significantly impact an individual's financial situation if he or she decides to take the tax credit.

EXCHANGE VOWS, EXCHANGE PENALTIES

ObamaCare created a financial crisis for newlyweds Tom and Mallory

When Tom proposed to Mallory during their Labor Day weekend picnic it was the happiest day of both their lives. After they told their families the exciting news they got to work planning the wedding. They set their date for the following summer.

Money was tight. Tom is a landscaper and Mallory is a waitress. They make around \$10.00 an hour—about \$20,000 each a year. They live paycheck to paycheck and were paying for the wedding themselves.

The couple was sitting at the kitchen table one afternoon trying to trim down their guest list when there was a knock at the door. A field canvasser for the Enroll America project was there. The canvasser, Brittany, explained that Enroll America was a campaign launched by President Obama's political organization to help people sign up for health insurance through the new ObamaCare exchanges.

Tom and Mallory were each paying about \$215 a month for their health coverage.⁵ Wedding expenses and saving up for the future after their "I Dos" was also weighing heavily. Brittany told them they could save a lot of money on their health coverage if they signed up for a plan through the exchange.

Brittany said they could each qualify for a tax credit worth around \$3,000 a year, more than \$6,000 total, to cover most of the more expensive premium costs for their ObamaCare exchange coverage. They would both save \$71 every month, or about \$1,700 a year combined.⁷

Those monthly savings would make a big difference for Tom and Mallory's bottom line. They both enrolled in the exchange.

At their wedding that summer, the couple never looked happier and everybody had a great time. Tom's older brother gave a memorable Best Man's toast that had all the guests in stitches. The newlyweds knew it would take a while to save up for their own home with their limited budget, so the money they received in gifts went right into the bank.

Several weeks later Mallory was cleaning out a bookshelf to make room for their wedding album when she found the paperwork about their exchange plan. She read that she and Tom had to call the exchange to let them know they married. She grabbed the phone to make the call.

Tom was making a sandwich in the kitchen when Mallory walked in. She looked white as a ghost. Tom went right over to her and asked what happened. Mallory had just gotten off the phone with the ObamaCare exchange.

Even though Tom and Mallory's incomes hadn't gone up since they enrolled in the exchange, their tax credit was dropping by more than \$4,000 a year, just because they were now married.⁷ Their household budget was already tight and they only had a few extra dollars a week to put into savings. Now, their share of the insurance premiums was going to skyrocket by \$360 a month. Just because they enrolled for the ObamaCare exchange tax credit and then got married, they would have to pay almost \$300 more a month for coverage than they had been paying before they enrolled.⁸

How were they ever going to afford to keep their coverage now?

THERE'S NO MOVING UP WHEN YOU'RE STUCK UNDER OBAMACARE

Yolanda lost a career opportunity she'll never have again

Yolanda enjoys her job as a line worker at a family-owned auto parts manufacturing company. She's worked there for almost a decade and is one of just a handful of women at the factory. Her managers consider her a model employee who does great work. Her coworkers look forward to her stories and witty jokes that make the days go by more quickly.

Yolanda's husband passed away last year. Their three kids, now young adults, all still live at home. Her mother, Nancy, doesn't mind checking in on the kids when she is at work, which is a big help. Yolanda never went to college, so she is happy to have a stable job in a tough economy. And she's grateful for the assistance her family receives through an earned income tax credit, food stamps and other help.

Her job at the factory pays about \$24,000 a year but doesn't offer health insurance. She had been purchasing private catastrophic coverage for her family, but when she learned the ObamaCare exchange plans would cost \$480 a year after the tax credit—or just \$40 a month—she enrolled.¹⁰

During her lunch hour one day, Yolanda's boss Lou came into the break room to talk to her. Lou told her he was impressed with her work over the years and how she kept the line team's morale high. Yolanda smiled at the compliment, secretly hoping there wasn't any food stuck in her teeth.

Lou told her a long-time manager was retiring and he wanted Yolanda to take his place. There wasn't much turnover at the factory and promotions weren't very common. Yolanda was honored Lou wanted her for the job.

The new position would pay Yolanda \$32,000 a year—an \$8,000 raise. She would also be the company's first woman manager. She would have a lot more responsibility and would be at the factory several more hours each week, but her mother would help keep the kids in line. Lou told Yolanda to give him an answer in the next few days.

Nancy was thrilled when Yolanda got home and told her the news. She was proud of her daughter and happy that her hard work was recognized. The kids overheard their conversation from the other room and ran in to give their mother big congratulatory hugs. It was an exciting night for the whole family.

But the excitement didn't last long.

The \$8,000 raise would mean her health insurance premiums through the exchange would jump from \$480 a year to \$1,014 a year—more than doubling her monthly payments.¹¹

The raise would also reduce the government assistance she received, lowering her earned income tax credit benefit from \$5,799 a year down to \$4,115¹² and her food stamps from \$4,428 a year to \$2,508.¹³ She would pay \$200 more a month since she receives a Section 8 government housing voucher and would lose most of her energy and utility assistance.¹⁴ She also would have to pay additional income taxes both to the federal and state governments.

Taking an \$8,000 raise would actually cost Yolanda \$8,338 a year.¹⁵

Yolanda wondered why the government would punish her for working harder to support her family, and make it unaffordable to move ahead in her job. Would she ever be able to give her kids a better life?

Heartbroken, Yolanda told Lou the next day she couldn't take the promotion.

Impact on Yolanda's Social Services with \$8,000 Promotion and Pay Raise	
Lost Insurance Subsidy	- \$534
Lost Earned Income Tax Credit	- \$1,684
Lost Food Stamps	- \$1,920
Reduced Section 8 Housing Assistance	- \$2,400
Additional Federal Income Tax	- \$1,200
Additional State Income Tax ¹⁶	- \$400
Lost Energy Assistance	- \$200
Total Cost of the Promotion	-\$8,338

BABY BLUES

Kara would have lost her doctor when she needed her most

Kara and Sam have been married about four years, and a year or so ago decided they were ready to start a family.

Kara had been going to Dr. Sterling, an OB/GYN, for several years. Kara loved her doctor, and always felt like she was her most important patient, even though she knew Dr. Sterling treated everyone with the same compassion and care. Kara could always count on her doctor to keep her level-headed when she would get frustrated that she wasn't pregnant yet. She would explain to Kara that it takes some couples longer than others and that she and Sam needed to be patient. Kara felt very lucky her insurance plan gave her access to Dr. Sterling.

Finally, Kara and Sam got the news they were hoping for. When Dr. Sterling confirmed Kara was pregnant they couldn't wait to tell everybody. They even had the names picked out; Christopher for a boy and Christine for a girl. The only people who seemed more excited than Kara and Sam about the baby were the four grandparents-to-be.

Kara earns about \$30,000 a year working as a desk clerk at a motel. Sam was still job-hunting after losing his last job during the recent economic downturn. They were getting by on Kara's income, but they knew a baby would be expensive.

Sam was looking for ways to stretch their budget and beef up their savings. He heard a radio ad one morning about the ObamaCare insurance exchanges and how they could save enrollees money on their health care coverage.

Later that day, Sam went online to find out more information.

When Kara got home that evening Sam told her about the ObamaCare exchange. She was excited about the possible savings too, but wanted to do a little more research before signing up. Now that she and Sam were expecting, Kara kept herself very informed about everything related to her family's health.

It didn't take long for Kara to realize the ObamaCare exchange plan was a bad idea.

The physician network in the exchange was limited.¹⁷ Dr. Sterling wasn't in the network, which meant Kara wouldn't be able to keep the doctor she trusted most. With a baby on the way she would rely on Dr. Sterling more than ever to give her the comfort and quality care she valued so much.

Sam didn't argue when Kara told him they shouldn't enroll in the exchange. He knew how important Dr. Sterling was, especially now, and his family's health and happiness was his number one concern.

The ObamaCare exchanges would have forced Kara to drop her doctor. That meant the exchange wasn't even an option.

A LESSON YOU'LL NEVER FORGET

Ned regretted ever taking the second job he always wanted

Ned was excited about an offer from the local community college to teach an introductory course during the upcoming fall semester. He considered himself a successful self-employed architect with a knack and passion for teaching. He thought students would enjoy his lessons on design vs. function, ancient structures, and environmental sustainability. And he secretly loved showing off the local library he designed in his thirties. The extra few hundred dollars the college would pay him at the end of the semester would also be a nice little addition to his savings.

Not that Ned had money problems. He was a healthy, 60-year-old entrepreneur and he, his wife and son had a modest home in the city. He earned about \$78,000 a year and worked hard to manage his family's expenses. He dropped his \$10,898 a year private health coverage to enroll in the ObamaCare insurance exchange thinking he could bank some savings.¹⁸

The exchange plan he and his family were enrolled into was expensive at \$19,412 annually—more than he was paying before—but the \$12,720 tax credit he would receive was enough to reduce his overall insurance costs.¹⁹

Ned had a great semester teaching. His lessons were tough but interesting and he could tell that most of the students grasped the material. And his class got a kick out of the field trip to the library. He even got some great reviews on RateMyProfessor.com.

It wasn't until Ned had to file his taxes that he wound up regretting ever taking the job.

The few hundred dollars he earned teaching put him over a "tax cliff" buried in ObamaCare. Now he has to come up with more than \$12,000 to repay the entire tax credit he received for enrolling in the exchange. Not only that, if he wants to keep the plan he already has he also needs to cover the full cost; roughly \$19,400 a year.

As much as Ned loved teaching, the ObamaCare exchange tax gimmicks made him wish he never took the job.

OBAMACARE DRIVES YOUR BUDGET INTO REVERSE

The exchange stalled Jeremy and Jill's plan to boost their savings

Jill and her husband, Jeremy, knew their old car wouldn't last much longer. They could deal with the scratches, dents and rattles—even though their two kids complained—but with more than 180,000 miles on it the repair bills were taking a toll on their budget. Jill was able to walk to her part-time job at the daycare center, but Jeremy needed a car to drive to the mill outside of town.

Their combined income is about \$46,800, and supports their family. Neither of their employers offered health insurance. They enrolled in the ObamaCare insurance exchanges and received the tax credit to put toward their annual premiums. Jill and Jeremy were healthy, but Jill had a few prescriptions she needed to fill every month to manage her allergies.

Jill had done some house cleaning for extra money when she was younger and had enjoyed the work. She thought it was a good idea to pick up that side work again to start their savings. She knew it would only pay about \$100 a month, but that was money she could put right into their new car account. She even came up with a great name: Jill's Clean Sweep.

Jeremy thought Jill's house cleaning idea was a good one and knew his wife would enjoy running her own small business. He remembered that their exchange insurance required them to report any changes in their household income. He was nervous that the IRS would come after them with an audit if they didn't report the business so he asked Jill to call the exchange.

She called the exchange to let them know she expected to earn another \$100 or so a month from Jill's Clean Sweep—roughly \$1,200 by the end of the year. The response she received was completely unexpected.

Jill was told that the extra \$1,200 she would earn from the side business would increase costs significantly. They would go from a plan with no deductible to \$1,500 for medical expenses.²⁰ Their portion of the premium would increase \$14 a month, or \$168 a year. Instead of facing a \$50 deductible for Jill's prescriptions, she would have to pay up to \$250. Their portion of medical costs would spike as ObamaCare's "cost sharing subsidies" phased down, raising their potential liability from \$1,501 a year to \$3,118.²¹ The copays for visits ranging from primary care to lab tests and the emergency room would all go up by \$25 to \$175. Finally, the family's out-of-pocket maximum jumped from \$4,500 to \$10,400.²² In fact, Jill was told if she earned just \$300 more a year, all of these additional changes would take hold.

The ObamaCare insurance exchange made it unaffordable for Jill to start her side business. Now, without the option of earning extra money, Jill and Jeremy have no idea how they will be able to save up for the car they need to buy and keep health coverage they can afford.

REFERENCES

- 1 Federal Register, Vol. 77, No. 100, Wednesday, May 23, 2012, Rules and Regulations, pp. 30377-30400.
- 2 Congress made an exception for lawfully present aliens with incomes below 100% FPL who are not eligible for Medicaid for the first five years they are in the country. These individuals will be treated as though their income is exactly 100% FPL making them eligible for the premium tax credits. Meanwhile, those making below 100% FPL in a state not expanding Medicaid are unable to access the credits.
- 3 Affordable offers of coverage are plans that cost an employee less than 9.5% of their household income, or have an actuarial value of over 60.
- 4 Since the enactment of ACA, these limits have been amended twice: first under the Medicare and Medicaid Extenders Act of 2010 (P.L. 111-309), and then under the Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayment Act of 2011 (P.L. 112-9). Congress changed the payback protection to vanish at the 400% poverty level and increased the payback amounts at 200% and 300% FPL from what they had been before.
- 5 National average taken from Kaiser State Health Facts, "Average Per Person Monthly Premiums in the Individual Market," Kaiser Family Foundation, 2010.
- 6 Example taken from tables in: Robert Rector, "The New Federal Wedding Tax: How Obamacare Would Dramatically Penalize Marriage," WebMemo #2767, Heritage Foundation, January 20, 2010. Accessed at: <http://www.heritage.org/research/reports/2010/01/the-new-federal-wedding-tax-how-obamacare-would-dramatically-penalize-marriage>.
- 7 The savings are calculated by comparing the annual cost of insurance for Tom and Mallory of \$2,580 to projected costs of a plan on an exchange utilizing Kaiser Family Foundation Subsidy Calculator. Authors have assumed on the Kaiser website that both Tom and Mallory are 30 years old and non-smokers. Located at: <http://kff.org/interactive/subsidy-calculator/>.
- 8 Before Tom and Mallory were married they could retain a tax credit until they each individually made roughly \$45,960, or a total of \$91,920. Once they got married, the tax credit will disappear when they earn a combined \$62,040. According to the nonpartisan Congressional Research Service, "Because the federal poverty level for a married couple is not twice that of a single person, but only 35% higher (i.e., \$14,570/\$10,830), premium support phases out at a faster rate for the married couple than for the unmarried couple, with equal incomes and combined (pre-subsidy) insurance plan costs." Bernadette Fernandez and Thomas Gabe, "Health Insurance Premium Credits in the Patient Protection and Affordable Care Act (ACA)," Congressional Research Service, July 31, 2013.
- 9 The marriage penalty is felt most heavily by older couples and middle-class workers. The penalties range for most middle-class workers from close to \$1,000 a year to more than \$10,000 a year. Tom and Mallory are not alone, as their nuptials are one of the more than 2 million marriages a year in the U.S. While not all of those couples would be facing this same situation, ObamaCare does discourage one of the best poverty fighters: marriage. Couples married must file joint returns to be eligible for the tax credit. This puts many couples in an awkward situation if one spouse is cheating on their taxes.

The final federal regulation did include special rules relating to the allocation of the credits when a citizen marries or divorces during a tax year. The regulations also recognized that under some circumstance filing taxes jointly would be very difficult, or impossible, especially in cases of abandonment or domestic abuse. The rules reserved the right for the IRS to issue future guidelines for those circumstance. (77 Federal Register 30377, May 23, 2012.) It is unclear how these situations will be handled in 2014.

Additionally, due to the method by which premium tax credits will be calculated based on income relative to poverty, others might find family structure "penalties" in the law determined by their living situation. For example, two separate single parents with two older children each between the ages of 18 and 25 may face very different total premiums, based on whether their kids enroll separately in a plan versus if a family policy and the parents' and childrens' incomes were combined.
- 10 Yolanda lives in one of the 25 states not discussing expanding Medicaid at this time.
- 11 Kaiser Family Foundation Subsidy Calculator. Authors have assumed on the Kaiser website that Yolanda is 50 years old and has all three of her young adult children on her exchange plan, and all are non-smokers. <http://kff.org/interactive/subsidy-calculator/>.
- 12 Earned Income Tax Calculator available at: <http://www.bankrate.com/calculators/tax-planning/earned-income-tax-credit-calculator.aspx>.
- 13 Food Stamp Calculator available at: <http://www.ndhealth.gov/dhs/foodstampcalc.asp>.
- 14 Assumes Yolanda claims her three children as dependents, with no other deductions, and will pay 30% of her net monthly income toward rent.
- 15 Yolanda will need to find \$534 dollars to pay back the subsidy. The other changes in social services would have taken place regardless of her taking the tax credit or not. However the scenario does illustrate the importance of viewing changes to a tax credit calculation in the broader context of other social services programs, as the individual will have fewer resources to pay back any unexpected tax bill.
- 16 Assumes a 5% state income tax.

- 17 Chad Terhune, "Insurers Limiting Doctors, Hospitals in Health Insurance Market," Los Angeles Times, September 14, 2013. Another example can be found in Massachusetts, where narrow and tiered networks are being pushed by insurers on the state-based exchange.
- 18 Average of the five most popular plans currently available on ehealthinsurance.com for a family of 3 in Indianapolis, Indiana, a state that is often near the mean for insurance premiums in the country.
- 19 Authors assumed that both Ned and his wife are 60 years old, and non-smokers. Kaiser Family Foundation Subsidy Calculator. Located at: <http://kff.org/interactive/subsidy-calculator/>.
- 20 Another example was provided in Investor's Business Daily, "Obamacare's 4 Cliffs That Deter Work with Tax Rate Near 100%," Yahoo! Finance, October 19, 2012. Towers Watson estimated deductible levels could fluctuate once crossing an income threshold from \$300 to \$3,500.
- 21 The cost-sharing subsidies result in those making between 150%-200% FPL enrolled in insurance plans that will cover, on average, 87% of the cost of medical care. Once Jill and Jeremy made more money, the plans were only required to cover 73%. The family must purchase a silver plan on the exchange to receive the cost-sharing subsidies.

The estimated unsubsidized premium would be \$11,547. Kaiser Family Foundation Subsidy Calculator. Authors have assumed on the Kaiser website that both Jill and Jeremy are 40 years old, non-smokers, and their kids will join them on an exchange plan. Located at: <http://kff.org/interactive/subsidy-calculator/>.
- 22 This scenario was pulled from the California exchange. Similar situations will be found in all other states as well. Covered California, "Covered California's 2014 Sliding Scale Plans – Family of 4," Located at: <http://www.cahba.com/images/SLIDING%20SCALE%20BENEFITS.png>.



AUTHORED BY

Josh Archambault, *Senior Fellow at the Foundation for Government Accountability*

Jonathan Small, *CPA, Fiscal Policy Director at the Oklahoma Council of Public Affairs*

Disclosure: This document is a policy analysis and should not be regarded as tax advice. Individuals should seek professional advice from licensed tax professionals to determine how the tax credits will specifically impact their finances.