

DirigoChoice Subsidy Summary

Eligibility

The following information is a summary of subsidy eligibility. These definitions should not be read as final eligibility criteria.

Subsidy eligibility is based on household income and household size as detailed below:

Household income is based on:

- Applicant gross wages, tips and salaries (before any deductions)
- Spouse or domestic partner gross wages, or tips and salaries (before any deductions)
- Net self-employment income (gross receipts minus allowable business expenses)
- Investment income (dividends from stocks, bonds, annuities, trusts, mutual fund shares)
- IRA and 401K distributions
- Pensions and annuities
- Net rental income (gross rents minus allowable expenses), royalties, trusts, etc
- Unemployment compensation
- Social Security
- Gross child support and/or alimony received

The following deductions are allowed:

- Childcare expenses - \$200 per child per month if under 2, \$175 per child per month if 2 or older. Caregiver must be a person outside the household.
- Child support paid out (only allowed for children that will not be covered by the applicant's policy).

Household size includes the plan applicant and all of his or her dependents (i.e., spouse, domestic partner, unmarried child under 19, student under 23, or child of any age who is disabled and dependent upon the applicant).

Structure

The Subsidy program for DirigoChoice enrollees has two parts:

1. subsidy on the monthly coverage cost and
 2. reduced deductibles and out of pocket expenses.
- Households with income under 300% of FPL¹ receive subsidies on the cost of coverage.
 - The subsidies are structured on a sliding scale, with 5 separate subsidy levels:

Subsidy Group	A MaineCare Guidelines	B 100-149%	C 150-199%	D 200-249%	E 250-299%
Subsidy on eligible coverage cost	100%	80%	60%	40%	20%
Household Size	Annual Income Less Than:				
1	Income/assets	\$14,700.00	\$19,600.00	\$24,500.00	\$29,400.00
2	Income/assets	\$19,800.00	\$26,400.00	\$33,000.00	\$39,600.00
3	Income/assets	\$24,900.00	\$33,200.00	\$41,500.00	\$49,800.00
4	Income/assets	\$30,000.00	\$40,000.00	\$50,000.00	\$60,000.00
5	Income/assets	\$35,100.00	\$46,800.00	\$58,500.00	\$70,200.00
6	Income/assets	\$40,200.00	\$53,600.00	\$67,000.00	\$80,400.00

Note: Group A members are MaineCare eligible. MaineCare eligibility is based on income level as well as other factors.

¹ 2006 Federal guidelines

Deductibles and Out of Pocket Expenses based on Subsidy Group:

	A	B	C	D	E	F
\$1250						
Deductible (Single)	\$0	\$250	\$500	\$750	\$1000	\$1250
Out of Pocket (Single)	\$0	\$800	\$1600	\$2400	\$3200	\$4000
Deductible (Family)	\$0	\$500	\$1000	\$1500	\$2000	\$2500
Out of Pocket (Family)	\$0	\$1,600	\$3200	\$4800	\$6400	\$8000
\$1750						
Deductible (Single)	\$0	\$500	\$800	\$1125	\$1450	\$1750
Out of Pocket (Single)	\$0	\$1600	\$2600	\$3600	\$4600	\$5600
Deductible (Family)	\$0	\$1,000	\$1600	\$2250	\$2900	\$3500
Out of Pocket (Family)	\$0	\$3200	\$5200	\$7200	\$9200	\$11200
\$2500						
Deductible (Single)	\$0	\$500	\$1000	\$1500	\$2000	\$2500
Out of Pocket (Single)	\$0	\$700	\$1400	\$2100	\$2800	\$3500
Deductible (Family)	\$0	\$1,000	\$2000	\$3000	\$4000	\$5000
Out of Pocket (Family)	\$0	\$1400	\$2800	\$4200	\$5600	\$7000

Notes: Out of pocket includes the deductible
 Individuals and Sole Props (self employed of one) are only eligible for the \$1750 and \$2500 plans

Examples of the Application of the Subsidy

Small Business Employee

- An employer selects the DirigoChoice \$1750 Plan for her employees. The monthly cost is based on \$1750 individual / \$3500 family deductible.
- One employee has a wife and 2 children.
- The employee's family's household earned and unearned income, based on filed tax returns, is \$36,000, putting them in Group C.
- In this example, monthly cost for family coverage is \$1,032.
- The employer pays 60% or \$206.24 of the employee only monthly cost (monthly cost in this example is \$343.74)
- The employer withholds the remainder of the monthly cost (\$825.76) from the employee's paycheck.
- The employee receives a monthly cash subsidy through a debit card in the amount of \$495.46
- This leaves the employee with a \$330.30 monthly obligation vs. \$825.76
- Additionally, this family's deductible is \$1,600 vs. \$3,500.

Individual

- An individual selects the DirigoChoice \$1750 Plan. The monthly cost is based on \$1750 individual / \$3500 family deductible.
- The individual has a wife and 2 children.
- The employee's family's household earned and unearned income, based on filed tax returns, is \$27,000, putting them in Group B.
- In this example, monthly cost for family coverage is \$1,213.00
- The employee receives a monthly cash subsidy through a debit card in the amount of \$970.56.
- This leaves the employee with a \$242.44 monthly obligation vs. \$1213.00.
- Additionally, this family's deductible is \$1,000 vs. \$3,500.