The Internal Revenue Service could withhold the penalties from taxpayers' refunds if they don't show proof of insurance. About 4 million people are expected to end up paying the penalties.

WASHINGTON (AP) -- They're young, healthy and flat broke - and now the government says they have to buy thousands of dollars' worth of medical insurance. What should tapped-out twentysomethings do?

Well, some may just do nothing. The annual fine for shrugging off the new federal insurance requirement, which is to begin in 2014, starts out at a relatively low $95, depending on income. That would be far cheaper than paying premiums.

But that doesn't necessarily make blowing off the mandate a good idea for the fit and frugal. Millions of young people will qualify for good deals on health care if they take time to sort through the complicated law.

Many will get Medicaid coverage at virtually no cost. Others will qualify for private insurance at a fraction of the full premiums. And health plans offered under the law will limit individuals' out-of-pocket expenses to about $6,250 per year or less - a bulwark against gigantic, unexpected medical bills.

"It doesn't have to be cancer or a heart attack or even a bad car accident," said Karen Pollitz, a health policy expert at the Kaiser Family Foundation whose own son needed $15,000 worth of surgery after he broke his wrist while skateboarding at age 20. "Once you show up in the ER, it starts to cost you some money."

The plans also will cover at no charge preventive care such as HIV tests, screening for depression or alcoholism, flu shots, hepatitis vaccine, contraception and pregnancy care. And insurers will no longer be able to exclude or charge extra for people who already have health problems.

"It's the 15 percent of young people who have chronic conditions like asthma or diabetes, and the young women looking to have a baby," said Aaron Smith, 30, co-founder of Young Invincibles, which advocates for young adults' health care. "That discrimination won't fly in 2014."

Young Americans are the least likely to be insured: almost three of 10 adults who are under 35 aren't covered. And they go to emergency rooms more than any other group except seniors.

It's still possible President Barack Obama's health care law won't be around in 2014, when the big changes are to kick in. Congressional Republicans and GOP presidential candidate Mitt Romney want to repeal "Obamacare" if they win the November elections. Still, with open enrollment for the law's new state-based insurance markets scheduled to begin in October of next year, it's prudent to start considering the options for getting covered.

GOT A JOB? START THERE

More than half of Americans already are covered through their jobs. But young adults have the nation's highest unemployment rate and also are more likely to toil in low-wage jobs without benefits.

Some employers, especially smaller businesses paying lower wages, may now drop their plans and expect their workers to get government help. Other businesses, but not quite as many, will probably begin coverage in response to the law's penalties and incentives for employers, the Congressional Budget Office predicts.

UNDER 26? LEAN ON MOM OR DAD

One of the law's most popular provisions, already in effect, ensures that parents with family plans can keep their adult kids enrolled until they turn 26, if the children don't have a suitable workplace option. Pollitz's skateboarding son is one of them.

The government estimates that 3.1 million uninsured young people already have gained coverage this way.

CONSIDER MEDICAID

Right now, Medicaid mostly covers children and low-income adults who are disabled, pregnant or raising kids. But the health care law will push states to expand Medicaid to also cover other adults with incomes up to around $15,000, adjusted for inflation in 2014. That's designed to account for about half of the 30 million people expected to gain insurance coverage under the overhaul.

It may fall short, however. The Supreme Court recently ruled that the federal government can't coerce states into joining the Medicaid expansion. Some states may decline to add people to their rolls.

THERE'S OTHER HELP

Most people with incomes up to four times the poverty level - which currently comes out to $44,680 for an individual or $92,200 for a family of four - will qualify for some help paying for

private insurance. Aid drops off sharply as income climbs, and younger people get smaller subsidies than older folks whose insurance rates are higher.

The lowest earners shouldn't have to pay more than 2 percent of their incomes toward insurance premiums for mid-level plans; those at the high end would have to contribute 9.5 percent. These plans also have significant co-pays and deductibles, but some help is available there, too.

For example, a single 26-year-old earning $16,000 might pay $537 toward the annual premium for a mid-level "silver" plan, according to estimates from the Kaiser Family Foundation. The rest of the premium would be covered by a $2,853 tax credit. (Deductibles and co-pays could cost up to an additional $2,083, depending on how much care the person needs.)

A 26-year-old earning $35,000 would pay $3,325 in premiums - $277 a month - for the same plan, after only a $66 tax credit. (And that patient might be on the hook for another $4,167 in out-of-pocket costs.)

A CHEAPER BUT SKIMPY CHOICE

For those under 30 there's a special option to buy "catastrophic" insurance with the lowest premiums but scant coverage until a deductible of about $6,250 is met. While it may be tempting, caution is advised.

"We really encourage folks to do their homework and look at the details of the plan," said Smith, who's organizing efforts to help young people learn about their choices. "It's not just the premium. You have to look at what's being covered, what the deductibles are."

GO BARE?

People who would have to spend more than 8 percent of their income to buy basic insurance

are exempt from paying a penalty if they go without.

For others who feel they can't afford or just don't want coverage, the penalties start off relatively low in 2014.

Private insurers have yet to set the prices for their 2014 plans, because coverage that will comply with the law is still being developed. The Congressional Budget Office has estimated that premiums for the bare-bones plan, called "bronze" level, might average between $4,500 and $5,000 per year. Family plans might cost $12,500 per year.

Rates for young adults would be lower. Kaiser's cost calculator gives a ballpark estimate of about $3,400 for an average single 26-year-old who doesn't get subsidies.

In contrast, the first year's minimum penalty for an individual is $95; that's what a worker making $16,000 would pay. A $35,000 earner would owe $255 - not even a tenth of the estimated $3,325 in premiums.

In 2016, the minimum penalty rises to $695 and it's capped at a little less than 2.5 percent of taxable income. That's about a $1,600 fine for someone making $75,000 per year.

Even for the wealthiest folks the law says the penalties can never exceed the average cost of a "bronze" plan. But most of those people already have insurance, anyway.

The Internal Revenue Service could withhold the penalties from taxpayers' refunds if they don't show proof of insurance. About 4 million people are expected to end up paying the penalties.

"For many young people, this is the first time they've had to deal with health insurance and the health care system," said Smith. "There will be a learning curve."