

Affordable Care Act

February 12, 2014

CONIFER
HEALTH SOLUTIONS®

Affordable Care Act

- What is the Affordable Care Act?
- Marketplaces
- Individual Mandate
- Exceptions to Individual Mandate
- Penalties/Fees
- What is the Marketplace?
- Where to apply for Qualified Health Plans?
- Financial Assistance – Advanced Tax Credits and Cost Sharing
- SHOP

Affordable Care Act- What is it?

- The Patient Protection and Affordable Care Act was signed into law in March of 2010 by President Obama
- Goal of the Act is to increase accessibility to healthcare and quality of it as well as increase affordability of health insurance
 - Expand Medicaid programs
 - Was initially a requirement and then became state's decision
 - Create health insurance marketplaces as a place for healthcare consumers to compare plans
 - Offer advanced tax credits and cost sharing subsidies to offset cost of coverage
 - Dependent coverage up to age of 26
- Require insurers to cover all applicants, including those with pre-existing conditions without increasing premiums
- Employer Mandate
 - Requires that employers with 50-99 employees offer health insurance to their full-time employees in 2016 or incur a penalty; small businesses under 50 employees are exempt from mandate
 - Large employers over 100 employees must cover 70% of employees in 2015, and then 95% in future years
- Individual Mandate
 - Requirement to have minimum essential coverage in 2014 and after

Affordable Care Act – Individual Mandate Requirement

- Affordable Care Act of 2010 requires that most individuals maintain minimum essential coverage health insurance starting January 1st, 2014 or they will be subjected to a penalty/tax. Will be able to enroll through March 31, 2014 without incurring penalty.
- Coverage needed to satisfy the individual mandate
 - “Minimum essential coverage”
- Minimum essential coverage (MEC) is defined as:
 - Coverage under certain government-sponsored plans
 - Medicaid, Medicare Part A and Medicare Advantage, Tricare, CHIP, some VA coverage
 - Employer-sponsored plans
 - Including COBRA and retiree coverage
 - Qualified Health Plans offered through the federal and state marketplaces
 - Grandfathered health plans
 - Any other health benefits coverage, such as a state health benefits risk pool, as recognized by the HHS Secretary.
 - Refugee Medical Assistance
 - Self-funded health coverage offered to students by universities for plan or policy years that begin on or before Dec. 31st, 2014
- Minimum essential coverage **does not** include health insurance coverage consisting of **limited benefits**
 - Dental or vision coverage only
 - Family planning
 - Workers’ Compensation or disability policies
 - Some limited benefit Medicaid and military plans will be considered MEC for 2014. There is talk currently, of extending limited benefit plans for individuals for three years.

Affordable Care Act – Individual Mandate – Medicare & PCIP

Medicare:

- Medicare plans will not be offered through the Marketplaces
- If you currently have Medicare Part A you do not need to sign up for coverage through the Marketplace – no need to make any changes
- If you are approaching Medicare eligible age there are advantages to signing up for Medicare, not a QHP
 - You may pay more for coverage through Marketplace for QHP
 - You may have to pay a penalty for Medicare Part A, B, C, and D if you choose to sign up later
 - You will not be eligible for advanced tax credits or cost sharing subsidies

Pre-existing Condition Insurance Plan (PCIP)

- PCIP members can extend plans through 3/31/14. Insurers can no longer deny coverage based on pre-existing conditions, but Marketplace plans could be more affordable for those with coverage.

Exceptions to the Individual Mandate and Where To Apply For Exemption

- Part of a religion opposed to acceptance of benefits from a health insurance plan (Marketplace)
 - Health sharing ministries would apply under Marketplace/tax return
- Those who would have qualified for Medicaid if their state would have expanded Medicaid programs
 - Typically adults whose income falls between 25% - 100% of the Federal Poverty Limit
 - Marketplace application
- Undocumented alien (IRS guidance)
- Incarceration (Marketplace or tax return)
- Member of a federally recognized Indian tribe (Marketplace or tax return)
- Family income is below the threshold for filing a tax return
 - \$10,000/individual and \$20,000/family (2013)
 - Tax return or auto exempt if you don't file a tax return
- If noncovered months total less than 3 months (tax return)
- Financial or other hardship
 - Health Insurance Marketplace has certified that you have suffered a hardship that makes you unable to obtain coverage (Marketplace)
 - Individual has to pay more than 9.5% of income for health insurance, after taking into account any advanced tax credits and employer contributions (apply on tax return) or family more than 8% (Marketplace).
 - Will be an exemption for those with technical problems with healthcare.gov. Exemption form details to be released in 2014.

Affordable Care Act - Penalty (Fee) For Being Without Health Insurance

- 2014:
 - \$95/adult and \$47.50 per child - up to \$285 per family **OR**
 - 1% of family income
 - Penalty will be greater of the two amounts
- 2015:
 - \$325/adult and \$162.50 per child - up to \$975 per family **OR**
 - 2% of family income
 - Penalty will be greater of the two amounts
- 2016 and beyond:
 - \$695/adult and \$347.50 per child - up to \$2085 per family **OR**
 - 2.5% of family income
 - Penalty will be greater of the two amounts
- **Penalties will be assessed through future tax return filings (no liens/garnishments)**
 - Proration based on number of months covered
 - 1 day of coverage in a month counts as a covered month

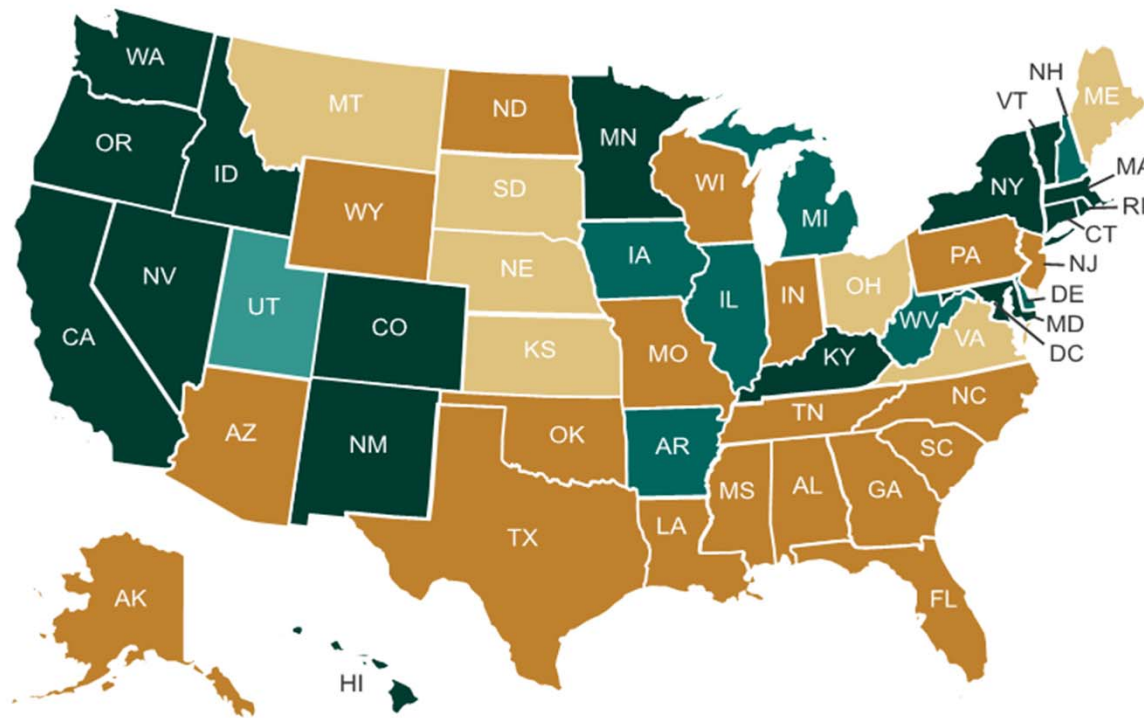
Affordable Care Act - Health Insurance Marketplaces

- Marketplaces are online “centers” that individuals needing health insurance will be able access to compare plan benefits, compare rates and purchase health insurance plans
- Single process to determine eligibility for Qualified Health Plans, Medicaid, CHIP, Advanced Tax Credits and Cost Sharing Subsidies
- Different types of Marketplaces
 - Federal
 - Partnership (Federal and State cooperative)
 - State
- Texas chose not to develop a state Marketplace at this time, and went with healthcare.gov
 - Issues with Medicaid applications transferring to state; Medicaid eligible should apply directly with state currently

Affordable Care Act - Marketplace Map

Health Insurance Marketplace by State

Interact with the map to discover details about state health insurance marketplaces.



State

Partnership

Federal/SHOP

Federal

Federal

*Iowa is responsible for plan management only.

**In New Mexico, the federal government will operate the individual market in 2014.

Source: National Conference of State Legislatures, [Federal Health Reform: State Legislative Tracking Database](#); [Politico.com](#); Center on Health Insurance Reforms, Georgetown University Health Policy Institute; Commonwealth Fund analysis.

Affordable Care Act - Marketplace Plan Enrollment Assistance

Types of Assistance:

- Navigators
 - Federal Marketplaces - conduct outreach and public education to raise awareness about the Marketplaces, facilitate application and enrollment process (funded)
- In-Person Assisters
 - State Marketplaces - conduct outreach and public education to raise awareness about the Marketplaces, facilitate application and enrollment process (funded or non-funded)
- Certified Application Counselors
 - Provide information to consumers facilitate application and enrollment process in qualified health plans; must receive training and be certified (non-funded)
 - Every CAC must be formally linked with a Certified Enrollment Entity
- Insurance Agents/Brokers
 - Can provide consumer assistance with applications but could be associated with specific plans

Affordable Care Act - How Does The Marketplace Work?

Federal Marketplace States:

- Create an online account at www.healthcare.gov , individual will enter basic information (I.E. name, address, email address, etc.)
- Apply by entering information about household size, income, if individual has any current health coverage information
- Choose a plan – Marketplace will provide side by side comparison of plans and inform individual is they qualify for the advanced tax credits and the amount and if the individual qualifies for cost sharing subsidies if they have chosen a Silver plan. Issuers can give more plan detail if needed.
- Enroll in the plan of choice and choose how premiums will be paid

State Marketplaces/Exchanges:

- Will vary by state but process should be very similar to the Federal Marketplace
- Individual may still access state marketplace/exchange through www.healthcare.gov, will be routed to the state site

Applications can also be submitted by phone, via mail or in person through an agent/broker, Navigator or Certified Application Counselor

Affordable Care Act - Marketplace Insurance Plans

- Qualified Health Plans (QHP) offered by “metal levels”
 - Platinum – plan responsibility 90%, individual responsibility 10%
 - Gold – plan responsibility 80%, individual responsibility 20%
 - Silver – plan responsibility 70%, individual responsibility 30%
 - Bronze - plan responsibility 60%, individual responsibility 40%
 - Catastrophic – only available to individuals under 30 or over 30 if they qualify for a hardship exemption
 - Cannot use Advanced Tax Credits or Cost Sharing Subsidies
- Max out of pocket is \$6,350/individual and \$12,700/family
 - Plans do not have to adhere to max out of pocket until 2015
- All QHPs must cover “essential benefits”

Affordable Care Act - Marketplace Plan Essential Benefits

- Essential health benefits must include items and services within at least the following 10 categories:
 - emergency services
 - hospitalization;
 - maternity and newborn care
 - pediatric services, including oral and vision care.
 - ambulatory patient services
 - mental health and substance use disorder services, including behavioral health treatment;
 - prescription drugs
 - rehabilitative and habilitative services and devices;
 - laboratory services
 - preventive and wellness services and chronic disease management

Affordable Care Act - Marketplace - Enrollment Periods

- Year 1
 - October 1, 2013 – March 31, 2014
- Year 2 and beyond
 - November 15, 2014 – January 15, 2015
- Coverage effective date dependent upon when the premium is paid
 - 1st – 15th = 1st day of following month
 - 16th – 30th/31st = 1st day 2 months following
- Special enrollment periods last 60 days for change of life events
 - Birth or adoption
 - Will retro back to event date
 - Loss of minimum essential coverage
 - Marriage/Divorce
 - Will retro back to the 1st day of the month following the event
 - Loss of employer sponsored insurance
- Medicaid/CHIP applications will be available year round. Those eligible for Medicaid or CHIP will not be eligible for subsidies on the Marketplace

Affordable Care Act - Marketplaces – Where to Apply?

- In addition to in-person assistance all Marketplaces are accessible through:
 - www.healthcare.gov
 - www.cuidadodesalud.gov
 - (800) 318 - 2596
 - TTY Users (855) 889 – 4325
 - Resources available in other languages: Spanish, Chinese, Korean, Portuguese, French Creole, Polish, and Vietnamese
 - Marketplaces will have translation services available to assist with other languages
- Healthcare.gov will route applicant to applicable state marketplaces

Healthcare.gov Improvements


HealthCare.gov **Learn** Get Insurance Log in Español

Individuals & Families Small Businesses All Topics SEARCH

WELCOME TO THE MARKETPLACE: Find health coverage that meets your needs and budget.

Enroll by January 15th for coverage starting February 1st.

Open enrollment ends March 31.

- 
SEE PLANS
BEFORE I APPLY
- 
APPLY NOW
FOR HEALTH
COVERAGE
- 
SEE IF I CAN
GET LOWER COSTS

Using your new insurance coverage | 1-page guide to getting coverage | Find local help | Call 1-800-318-2596 for information

Affordable Care Act - Marketplaces – Prepare to Apply

- Different types of health plans are provided through the Marketplace, depending on your family size and budget needs. Information that you should have readily accessible:
 - Social security numbers or document numbers for legal immigrants
 - Birth dates of family members who will be included in the application
 - Pay stubs, W-2 forms or “wage and tax statements”
 - Policy numbers for any current health insurance
 - Information about any health insurance you and your family could get from your jobs
 - Healthcare needs
 - Does individual/family visit the doctor many times throughout the year or routinely receive services
 - Does individual/family rarely visit the doctor or receive other services

Affordable Care Act - Premium Assistance - Advanced Tax Credits

- Tax credits lower the cost of an individual/family's premium by reducing the amount of the amount that they must pay for a health insurance plan. The amount of the credit is determined by the individual/family's income and based on a sliding scale formula
- Tax credits are intended to help low- and middle-income individuals and families and are available to individuals and families who's income is between **100% and 400%** of federal poverty limits
 - ****This may vary slightly by state, dependent upon if the state chose to expand their Medicaid program (CA – between 138% and 400%)**
 - Minimum FPL to received Advanced Tax Credit is 100%
 - Need to be citizen and resident of state, and if married filing jointly
- Tax credits are only available through the Marketplace and will be determined when an individual/family enrolls in a qualified health plan through the Health Insurance Marketplace
- Tax credits can be applied to the cost of the health plan at the time of enrollment which means that an individual/family will not need to wait until a tax return is filed to receive the credits
 - Tax credits paid directly to an individual/family's health plan issuer and will be paid in advance throughout the year
- Notify the Health Insurance Marketplace of any income changes throughout the year
 - Reconciliation will be completed at the end of the year and the tax credits will be adjusted if your income is different than what was reported

Affordable Care Act - Out of Pocket Expense Assistance - Cost Sharing Subsidies

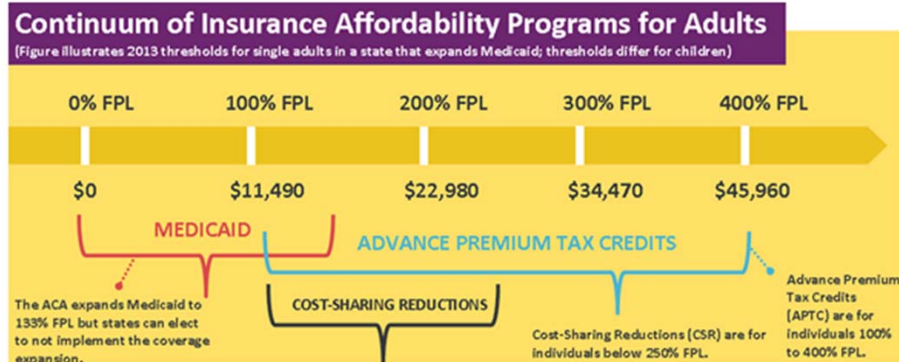
What is a cost sharing subsidy?

- Discount that lowers the amount you are required to pay for out-of-pocket for deductibles, coinsurance, and copayments.

Who is eligible for a cost sharing subsidy?

- Individuals with income less than 250 percent of the poverty line (about \$59,000 for a family of four) could also receive additional assistance in the form of cost-sharing subsidies if they choose to enroll in a Silver plan (70% plan/30% patient responsibility)
- Only applicable to the **Silver** plan; option not available with the other plans
- Members of federally recognized tribes may qualify for additional cost sharing benefits
 - Certain American Indian and Alaska natives who purchase through the Marketplace will not be required to pay co-pays or other cost sharing if their income is under 300% of the Federal Poverty Limit

Subsidy Income Range



Over 400% FPL can apply if eligible but will pay full premium, without financial assistance

**Cost Sharing Reductions only available on Silver level plans

**Medicare coverage not offered on Marketplace

Family Size	Annual Federal Poverty Level Guidelines							
	100%	133%	138%	150%	200%	250%	300%	400%
1	\$11,490.00	\$15,281.70	\$15,856.20	\$17,235.00	\$22,980.00	\$28,725.00	\$34,470.00	\$45,960.00
2	\$15,510.00	\$20,628.30	\$21,403.80	\$23,265.00	\$31,020.00	\$38,775.00	\$46,530.00	\$62,040.00
3	\$19,530.00	\$25,974.90	\$26,951.40	\$29,295.00	\$39,060.00	\$48,825.00	\$58,590.00	\$78,120.00
4	\$23,550.00	\$31,321.50	\$32,499.00	\$35,325.00	\$47,100.00	\$58,875.00	\$70,650.00	\$94,200.00
5	\$27,570.00	\$36,668.10	\$38,046.60	\$41,355.00	\$55,140.00	\$68,925.00	\$82,710.00	\$110,280.00
6	\$32,590.00	\$43,344.70	\$44,974.20	\$48,885.00	\$65,180.00	\$81,475.00	\$97,770.00	\$130,360.00
7	\$35,610.00	\$47,361.30	\$49,141.80	\$53,415.00	\$71,220.00	\$89,025.00	\$106,830.00	\$142,440.00
8	\$39,630.00	\$52,707.90	\$54,689.40	\$59,445.00	\$79,260.00	\$99,075.00	\$118,890.00	\$158,520.00