



Health Insurance Marketplace

Briefing on the Affordable Care Act

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An Unsustainable Status Quo

- **50 million uninsured Americans**
- **Health insurance premiums for family coverage at a small business increased 85% since 2000**
- **17.6% of economic output tied up in health care system**
- **Without reform, by 2040, 1/3 of economic output tied up in health care--15% of GDP devoted to Medicare and Medicaid**
- **Without reform, number of uninsured would grow to 58 million in 2020***

*Source: Urban Institute: "The Cost of Failure to Enact Health Reform: 2010-2020" March 15, 2010

The Health Care Law

- In March 2010, President Obama signed the Affordable Care Act into law allowing



- Young adults up to age 26 to stay on their parents' plan
- Additional drug coverage for people with Medicare
- More free preventive services
- Lifetime limits removed from health insurance
- And more starting January 1, 2014

Removing the Obstacles: Insurance Reforms

Now, insurance companies:

- Face limits on how much premium revenue they can spend on administrative costs and take in profits.
- Must disclose and justify proposed rate hikes, generally of 10% or more, which the state or the U.S. Department of Health and Human Services review

Starting in 2014, insurance companies:

- Can't sell coverage with higher rates:
 - For those with pre-existing health conditions
 - For women
 - Based on individual's health status
- Face limits on charging additional premiums for older employees
- Will pool risks across the small group market – inside and outside the SHOP Marketplace

What's new on January 1, 2014?

- Discrimination due to pre-existing conditions or gender is prohibited
- Annual Limits on Insurance Coverage are eliminated
- Advanced Premium Tax Credits are available
- The Small Business Tax Credit will increase
- More people are eligible for Medicaid (in some states)
- **Coverage through the Health Insurance Marketplace begins**
 - As early as January 1, 2014

What is the Health Insurance Marketplace?

- Part of the Affordable Care Act of 2010
 - Where qualified individuals directly compare private health insurance options
 - Known as Qualified Health Plans (QHPs)
 - Can directly compare on the basis of price, benefits, quality, and other factors
 - Also known as Exchanges or Obamacare
- Small Business Health Options Program (SHOP)
 - Marketplace for small businesses

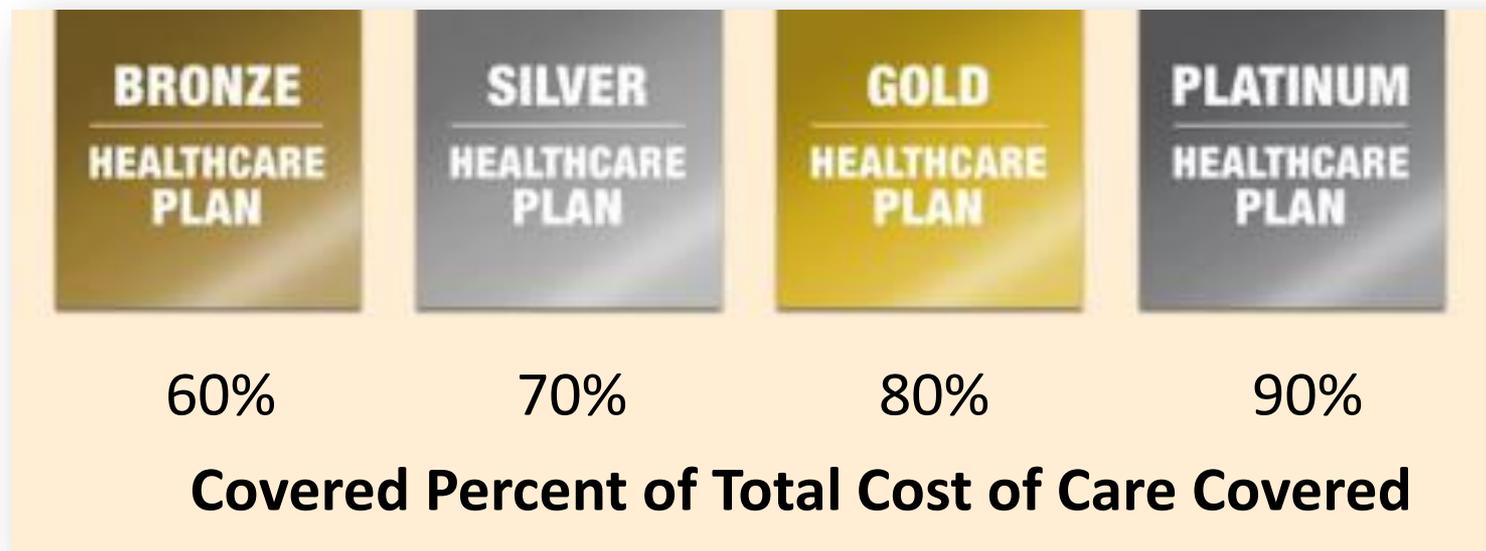
The Marketplace...

- It's a way to shop for health coverage
 - Simplifies the search
 - With one streamlined application an individual or family can explore every qualified insurance plan in the area
- Most people are able to get a break on costs
 - 90% of people who are currently uninsured will qualify for savings on health insurance
- Clear options with apples-to-apples comparisons
 - All health insurance plans in the Marketplace present their price and benefit information in plain language

Plan Levels of Coverage

**Lowest Premiums
Highest Out-of-Pocket Costs**

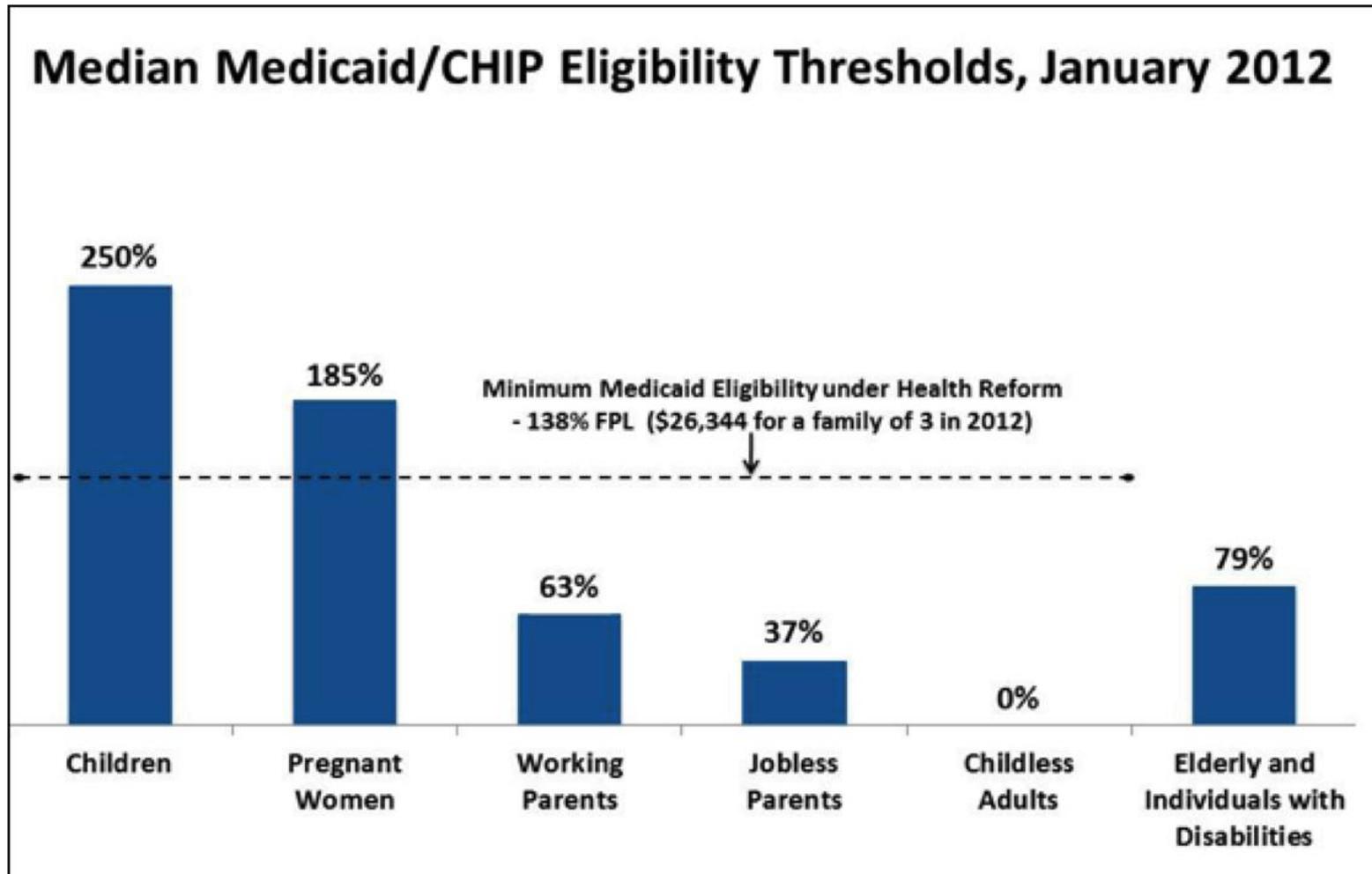
**Highest Premiums
Lowest Out-of-Pocket Costs**



Medicaid Eligibility in 2014

- States have the option to expand Medicaid eligibility to
 - Adults ages 19 – 64 with incomes up to 133% of the federal poverty level (FPL) (\$15,282/year for an individual, \$31,322/year for a family of 4 (2013 amounts))
- Ensures Medicaid coverage for all children
 - With incomes up to 133% of the FPL
- Shifts to simplified way of calculating income to determine Medicaid/CHIP eligibility
 - Known as Modified Adjusted Gross Income (MAGI)-based method

Medicaid/CHIP: Who is Currently Eligible?



STATES REFUSING TO EXPAND MEDICAID WILL LEAVE 5.4 MILLION AMERICANS UNINSURED



*Virginia's governor elect has committed to expanding Medicaid

- Expanding Medicaid coverage
- Refusing to expand Medicaid coverage for uninsured residents
- Currently committed to expanding Medicaid coverage
- #** Number of residents who will remain uninsured

Lower Premium Costs

- A refundable or Advanced Premium Tax Credit (APTC) lowers the cost of Qualified Health Plans
- Eligibility is based on
 - Household income, and family size (at end of year)
 - Income between 100% to 400% of the federal poverty level (FPL) (\$23,550 - \$94,200 for a family of four in 2013)
 - Obtaining qualified health insurance through the Marketplace
 - Ineligibility for government-sponsored coverage, affordable employer-sponsored insurance, or certain other minimum essential coverage

Who is Eligible for a Cost-Sharing Reduction?

- Eligibility for reduced cost sharing is based on
 - Income at or below 250% of the FPL (\$58,875 annually for a family of four in 2013)
 - Receiving the Premium Tax Credit
 - Enrollment in a Marketplace Silver-level plan
- Members of Federally-recognized Indian Tribes
 - No cost sharing if income is <300% FPL

The Health Insurance Marketplace

- Enrollment October 1st, 2013 – March 31st 2014
- Coverage begins Jan 1st, 2014



Our goal is to ensure Americans have quality, affordable health coverage.

Starting in 2014, everyone must either:

1. Have Minimum Essential Coverage



They are already covered and don't need to do anything.

OR

2. Have a Coverage Exemption



They don't have to get coverage and won't have to pay a fee for not having coverage.

OR

3. Pay a fee (Shared Responsibility Payment)



They should consider getting coverage. If they don't, they will pay a fee.

1. What is Minimum Essential Coverage?

- If you have coverage from any of the following, you are covered and **don't have to do anything**
 - Employer-sponsored, including COBRA and retiree coverage
 - Medicare
 - Medicaid
 - Children's Health Insurance Program (CHIP)
 - Marketplace Coverage
 - Individual Coverage (outside the Marketplace)
 - TRICARE or certain types of VA coverage



About 85% of Americans already have Minimum Essential Coverage.

2. Who can get a coverage exemption and not have to pay a fee?

- You may get a coverage exemption if you
 - Are conscientiously opposed (religious conscience)
 - Are a member of a recognized health care sharing ministry
 - Are a member of a Federally recognized Indian tribe
 - Don't make the minimum income required to file taxes
 - Have a short coverage gap (<3 consecutive months)
 - Suffered a hardship
 - Did not have access to affordable coverage (cost of available coverage >8% of household income)
 - Were incarcerated (unless pending disposition of charges)
 - Were not lawfully present

EXEMPT

3. You May Pay a Fee

- You may pay a fee when you file your 2014 Federal tax return in 2015 (and thereafter)
 - If you don't have minimum essential coverage, and
 - You don't qualify for an exemption
- Paying the fee does not provide health coverage



Less than 2% of Americans are expected to have to pay the fee.

You May Pay a Fee (Continued)

- You pay the greater of the flat dollar amount or the percentage of income

	2014	2015	2016 and beyond
Flat dollar amount (annual)	<ul style="list-style-type: none"> \$95 per adult 50% if under 18* 	<ul style="list-style-type: none"> \$325 per adult 50% if under 18* 	<ul style="list-style-type: none"> \$695 per adult** 50% if under 18*
	Or	Or	Or
Percentage of income (annual)	<ul style="list-style-type: none"> 1% of household income 	<ul style="list-style-type: none"> 2% of household income 	<ul style="list-style-type: none"> 2.5% of household income

*Maximum of \$285 per family in 2014 (applies to those for whom the \$95 per adult/\$47.50 per child is less than 1% of income). Higher in subsequent years.

** After 2016 - Plus an increase based on cost of living

When You Can Enroll in the Individual Market

- Marketplace Initial Open Enrollment Period
 - October 1, 2013 - March 31, 2014
- Annual Open Enrollment Periods
 - 2014 and beyond, November 15 – January 15
 - Special Enrollment Periods
 - Available in certain circumstances during the year

How the Marketplace Works



Create an account

First provide some basic information. Then choose a user name, password, and security questions for added protection.

Apply

Next you'll enter information about you and your family, including your income, household size, other coverage you're eligible for, and more.

Visit HealthCare.gov to get a checklist to help you gather the information you'll need.

Pick a plan

Next you'll see all the plans and programs you're eligible for and compare them side-by-side.

You'll also find out if you can get lower costs on monthly premiums and out-of-pocket costs.

Enroll

Choose a plan that meets your needs and enroll!

Coverage starts as soon as January 1, 2014.



4 Ways to Get Marketplace Coverage

Over the phone

Call the Marketplace Call Center at **1-800-318-2596**. TTY users should call **1-855-889-4325**. A customer service representative can help you apply and enroll over the phone.



Online

Visit **HealthCare.gov** to apply and enroll on the web.



In-person help

Get help from people in your community trained and certified to help you apply and enroll in the Marketplace. Visit **Localhelp.HealthCare.gov**, or call the Marketplace Call Center.



Paper application

If you don't have a computer or time to apply and enroll over the phone, you can fill out a paper application. Call the Marketplace Call Center to get an application or download a copy from **HealthCare.gov**.



In Person Assistance

- Marketplace in person help is available
 - Certified Assisters
 - Navigators
 - Non-Navigator assistance personnel
 - Certified Application Counselors
 - Agents and brokers
 - To find assistance in your area, go to Localhelp.HealthCare.gov



Visit Marketplace.cms.gov for information on your organization becoming a Champion for Coverage

What is the SHOP Marketplace?

SHOP = Small Business Health Options Program

- A new way for small employers to offer health insurance to their employees beginning in 2014
- Part of the new Health Insurance Marketplace established by the Affordable Care Act (ACA)
- Offers access to health insurance plans that must include certain “essential health benefits”
- Works with new insurance reforms and tax credits to lower barriers to offering health insurance that employers face

Removing the Obstacles: Tax Credits

The Small Business Health Care Tax Credit is available to those employers :

- With fewer than 25 “full-time equivalent” employees
- Whose employees’ wages average less than \$50,000 per year
- Who contribute at least 50% of employees’ premium costs
- Who buy health insurance through the SHOP **only**, starting in 2014

Is worth:

- Up to 35% of employer’s premium contribution (up to 25% for tax-exempt employers) **now**
- Up to 50% of employer’s premium contribution (up to 35% for tax-exempt employers) **starting in 2014**

Using the SHOP Marketplace: When & How?

When can small employers enroll in SHOP coverage?

- Get started now
- Complete by December 23, for coverage that takes effect as early as January 1, 2014
- Enroll anytime year-round for coverage that takes effect later

How can businesses enroll in SHOP coverage?

- In states using the Federally Facilitated SHOP
 - For 2014: “Direct Enrollment” using agent, broker or insurer
 - For 2015: enroll through agent, broker, insurer or SHOP online
- States running their own SHOP have their own enrollment processes
 - Agent, broker, HealthCare.gov or SHOP Employer Call Center can tell you which SHOP Marketplace you use

Are all employers required to provide health insurance in 2014?

- Employers averaging fewer than 50 Full Time Employees (FTEs) are not required to provide health insurance coverage
 - 96% of all employers in the U.S. have fewer than 50 employees
- Employers with an average of 50 or more FTEs may be subject to a shared responsibility payment under certain conditions starting in 2015.

Enrollment Update

(Marketplace activity Oct. 1, 2013 to Feb. 1, 2014)

- Nearly 3.3 million signed up in private insurance through the Marketplace -- and nearly 1.1 million of them signed up in January. This is a 53% increase since December.
- Approximately 25% are between ages 18 and 34.
- Another 3.2 million have been assessed as eligible for Medicaid/CHIP by the Marketplace.
- More than 3 million young adults have gained coverage by staying on their parents' plan until their 26th birthday.

Enrollment Update

(Marketplace activity Oct. 1, 2013 to Feb. 1, 2014)

- For Marketplace plans, more than eight in 10 (82 percent) can received financial assistance.
- Plan selection:
 - 62% silver
 - 19% bronze
 - 12% gold
 - 7% platinum
 - 1% catastrophic (97% of these are young adults)
- 55% of Marketplace enrollees are women.
- Strong demand: HealthCare.gov and state websites have received more than 64 million visits. State and federal call centers have received more than 16 million calls.
- Open enrollment runs through March 31.

Key Points to Remember

- The Marketplace is a new way to find and buy health insurance
- Qualified individuals and small businesses can shop for health insurance that fits their budget
- States have flexibility to establish their own Marketplace
- Individuals and families may be eligible for lower costs on their monthly premiums and out-of-pocket costs
- There is assistance available to help you get the best coverage for your needs