



# ACA and The Marketplace



Also known as the (Federal) Exchange

# Qualified Health Plan and Minimum Essential Coverage (Indiv., Small Group & Large Group Coverage)

- ▶ Needs to Meet the Following (At a Minimum):
  - ▶ EHB: Essential Health Benefits
    - ▶ Comprehensive Package of benefits
    - ▶ Benefit design standards
    - ▶ Limits on cost-sharing
    - ▶ Limits on out-of-pocket costs
  - ▶ Network adequacy standards



# Essential Health Benefits (EHB)

(I, S & L)

- ▶ Eliminate annual dollar limits, effective for all plans beginning in 2014
- ▶ Eliminate lifetime dollar limits, effective for all plans issued on or after September 23, 2010
- ▶ Cover certain preventive services without requiring cost sharing
- ▶ In addition, health insurance issuers are prohibited from rescinding coverage, except in cases of fraud or intentional misrepresentation of material fact.



# Essential Health Benefit Categories:

EHB must include items and services within at least the following 10 categories. ONLY APPLIES TO SMALL GROUP.

1. Ambulatory patient services, such as doctor's visits
2. Hospital: Hospitalization
3. Mental health and substance use disorder services, including behavioral health treatment
4. Rehabilitative and habilitative services and devices
5. Laboratory services
6. Emergency services
7. Maternity and newborn care
8. Prescription drugs
9. Preventive and wellness services and chronic disease management
10. Pediatric Services, including oral care, offered as part of a QHP package or as a stand-alone plan

# What is a Small Employer under ACA

- ▶ If you have 50 or fewer full-time equivalent (FTE) employees who work at least 30 hours per week is considered a small business under the health care law.
- ▶ Businesses with more than 50 FTEs are considered "large businesses."

# Small Group Safe Harbor

Individual Deductible	Family Deductible	Individual Out of Pocket Maximum	Family Out of Pocket Maximum
\$2,000	\$4,000	\$6,350	\$12,700

All Rx costs including Copays go toward Out Of Pocket Maximum (OOPM).  
Employee has no cost for Rx once the out of Pocket limit is met.  
HOWEVER, Injectables are limited 75/25.  
And these expenses are NOT included in the OOPM.

Out of Network is NOT counted toward Out of Pocket Maximums. (OOPM)

## REQUIRED for ALL Groups

- ▶ MEC: The ACA (Affordable Care Act) requires individuals to have **MINIMUM ESSENTIAL COVERAGE** for themselves and their dependents.
- ▶ Individuals who are ineligible for an exemption and do not have **qualified** coverage by 2014 may be required to pay a fee. The fee is **\$95 per family member or 1%** of gross income for plan year 2014.

# HOW MUCH IS THE PENALTY?

- ▶ The penalty is capped at the national average of the annual bronze plan premium.
- ▶ Families will pay half the penalty amount for children
- ▶ Family cap of three times the annual flat dollar amount per year.



# HOW MUCH IS THE PENALTY?

2014	\$95 per person 1 % of income
2015	\$325 per person 2 % of income
2016 and later years	\$695 per person 2.5 % of income

# HOW IS THE PENALTY ENFORCED?

- ▶ Starting in 2015, individuals filing a tax return for the previous tax year will indicate which members of their family (including themselves) are exempt from the individual mandate.
- ▶ For family members who are not exempt, the taxpayer will indicate whether they had insurance coverage.
- ▶ For each non-exempt family member who doesn't have coverage, the taxpayer will owe a payment.
- ▶ Spouses who file a joint return are jointly liable for the penalties that apply to either or both of them.
- ▶ Any individual who is eligible to claim a dependent will be responsible for reporting and paying the penalty applicable to that dependent.
- ▶ It is widely believed that any assessable penalty will be subtracted from the tax refund that the individual is owed, if any.

# ACA Mandates - Different Measures of Affordability

- ▶ Several key reforms under the Affordable Care Act (ACA) measure the affordability of employer-sponsored health coverage. Effective for 2014, the affordability of an employer's health plan may be assessed in the following three contexts:
  - ▶ The shared responsibility penalty for large employers;
  - ▶ The tax penalty imposed on individuals who fail to obtain health insurance coverage, also known as the individual mandate; and
  - ▶ The premium tax credit for low-income individuals to purchase health coverage through an ACA Exchange.
- ▶ Although all of these ACA mandates involve an affordability determination, the test for affordability varies for each provision.

# Test for affordability for each provision.

ACA Mandate	Summary	Affordability Measure for Employees	Affordability Measure for Family Members
Employer Shared Responsibility Penalty	2015: Large employers must offer QHP with MEC or pay Penalty	2015: Coverage is affordable if the employee portion of the premium for the lowest-cost, self-only coverage that provides minimum value does not exceed 9.5 percent of an employee's W-2 wages	The cost of family coverage is not taken into account.
Individual Mandate	Get Coverage or Pay Penalty	Coverage is affordable if the required contribution for the lowest-cost, self-only coverage OR Family coverage <b>does not exceed 8%</b> of household income.	
Premium Tax Credit	Employees (and their family members) who are eligible for coverage under an employer-sponsored plan that is affordable and provides minimum value are not eligible for ACA's premium tax credit.	Coverage is affordable if the employee's cost for self-only coverage does not exceed 9.5 percent of household income.	Coverage is affordable if the employee's cost for self-only coverage does not exceed 9.5 percent of household income. <sup>12</sup> The cost of family coverage is not taken into account.

# The Marketplace



# How to enroll in the Marketplace (Federal Exchange)

- ▶ Single Streamlined Application:
  - ▶ Local agent that is certified to sell products in the Marketplace
  - ▶ By mail
  - ▶ Online
  - ▶ In-Person
  - ▶ Via call center





# What information will the Marketplace need



- ▶ Social Security Number (if applicant has SSN)
- ▶ Citizenship or lawful presence
- ▶ Incarceration status
- ▶ American Indian/Alaskan-Native status (if applicable)
- ▶ **If seeking eligibility for insurance affordability programs:**
  - ▶ Current monthly household income (Medicaid/CHIP);
  - ▶ annual household income (advance payment of the premium tax credit/cost-sharing reduction)
- ▶ • Access to minimum essential coverage (premium tax credit/cost-sharing reduction)
- ▶ Notification: Notify Applicant and Transmit Information.

# Marketplace Notification Requirements:

- ▶ The Marketplace must provide applicant timely written notice of eligibility determination. Notification occurs immediately if the application was submitted electronically, and will indicate if additional information is needed.
- ▶ Notices will include information regarding the right to appeal eligibility findings.
- ▶ The Marketplace must transfer any applicant assessed or determined eligible for Medicaid or CHIP to the applicable State Medicaid or CHIP agency, which will follow up for plan/delivery system selection.



# Five Levels of Coverage (Metal levels)

## ▶ Catastrophic Plans

### ▶ Eligibility for catastrophic plans is limited to:

- ▶ Individuals under age 30
- ▶ Individuals who otherwise do not have an affordable coverage option, or who otherwise qualify for a hardship exemption to the minimum essential coverage rule
  - ▶ If employee cost for Bronze Plan is greater than 8% of his earnings

## ▶ Catastrophic Plan design

- ▶ Ded are Higher than \$2000 Ind \$4000 Fam than Bronze Plan
- ▶ Out of Pocket Max is the same as Bronze Plan
  - ▶ Ind: \$6350    Family: \$12,700

# Five Levels of Coverage (Metal levels) Cont.

- ▶ Bronze - 60% AV (the QHP issuer pays, on average, 60% of the cost of EHB coverage)
- ▶ Silver - 70% AV (the QHP issuer pays, on average, 70% of the cost of EHB coverage)
- ▶ Gold - 80% AV (the QHP issuer pays, on average, 80% of the cost of EHB coverage)
- ▶ Platinum - 90% AV (the QHP issuer pays, on average, 90% of the cost of EHB coverage)

Individual Exchange Coverage is Provided by Humana, Cigna and Blue Cross Blue Shield Of Florida.

# Advance Payment of the Premium Tax Credit (Free Coverage?)

- ▶ Meets the eligibility criteria for enrollment in a QHP (and ultimately enrolls in a QHP offered through the Marketplace)
- ▶ Has an annual household income between 100% and 400% of the FPL (or lower if a lawfully present non-citizen who is ineligible for Medicaid by reason of immigration status)
- ▶ Be a part of a tax household that will file a tax return and, if the tax household includes a married couple, that will file a joint return
- ▶ Is not eligible for minimum essential coverage (including employer-sponsored coverage, Medicaid, CHIP, Medicare, and other forms of coverage), other than through the Individual Marketplace, unless their employer-sponsored coverage is unaffordable or does not provide minimum value
- ▶ Advance payment of the premium tax credit are not available for the purchase of catastrophic coverage.

## 2013 Federal Poverty Level (FPL) and Monthly Premium Predictions based on Silver Plan via Federal Exchange

<b>Fam Size</b>	<b>Medicaid <u>133%</u></b>	<b><u>139%</u></b>	<b><u>Premium</u></b>	<b><u>150%</u></b>	<b><u>Premium</u></b>	<b><u>200%</u></b>	<b><u>Premium</u></b>
<b>1</b>	<b>15,282</b>	<b>16,132</b>	<b>54</b>	<b>17,235</b>	<b>72</b>	<b>22,980</b>	<b>115</b>
<b>2</b>	<b>20,628</b>	<b>21,776</b>	<b>73</b>	<b>23,265</b>	<b>97</b>	<b>31,020</b>	<b>155</b>
<b>3</b>	<b>25,975</b>	<b>27,420</b>	<b>91</b>	<b>29,295</b>	<b>122</b>	<b>39,060</b>	<b>195</b>
<b>4</b>	<b>31,322</b>	<b>33,064</b>	<b>110</b>	<b>35,325</b>	<b>147</b>	<b>47,100</b>	<b>236</b>
<b>5</b>	<b>36,668</b>	<b>38,708</b>	<b>129</b>	<b>41,355</b>	<b>172</b>	<b>55,140</b>	<b>276</b>
<b>6</b>	<b>42,015</b>	<b>44,352</b>	<b>148</b>	<b>47,385</b>	<b>197</b>	<b>63,180</b>	<b>316</b>
<b>7</b>	<b>47,361</b>	<b>49,997</b>	<b>167</b>	<b>53,415</b>	<b>223</b>	<b>71,220</b>	<b>356</b>
<b>8</b>	<b>52,708</b>	<b>55,641</b>	<b>185</b>	<b>59,445</b>	<b>248</b>	<sup>20</sup> <b>79,260</b>	<b>396</b>

## 2013 Federal Poverty Level (FPL) and Monthly Premium Predictions based on Silver Plan via Federal Exchange

<u>Fam Size</u>	<u>250%</u>	<u>Premium</u>	<u>350%</u>	<u>Premium</u>	<u>400%</u>	<u>Premium</u>
1	28,725	168	40,215	268	45,960	364
2	38,775	226	54,285	362	62,040	491
3	48,825	285	68,355	456	78,120	618
4	58,875	343	82,425	550	94,200	746
5	68,925	402	96,495	643	110,280	873
6	78,975	461	110,565	737	126,360	1,000
7	89,025	519	124,635	831	142,440	1,128
8	99,075	578	138,705	925	158,520 <sup>21</sup>	1,255

# Who are the Insurance Carriers I can Trust?

- ▶ Individual Exchange Coverage is Provided by: (only place to get a tax credit)
  - ▶ Humana
  - ▶ Cigna
  - ▶ Blue Cross Blue Shield Of Florida
- ▶ Group SHOP Coverage is Provided by: (Only Place to Get an Employer Tax Credit)
  - ▶ Blue Cross Blue Shield of Florida
- ▶ Small Group Coverage is Provided by:
- ▶ BCBS, Unitedhealthcare, Cigna, Humana, Aetna, NHP, Covenant, Etc.

# Small Group SHOP and Non-SHOP Contract Rules

- ▶ Both MUST meet 70% participation (Humana @50%)
- ▶ Group Health Carriers: Aetna, BCBS, Unitedhealthcare, Cigna, Avmed, Humana, Etc.
- ▶ Federal Group SHOP Coverage
  - ▶ ONLY 4 plans to choose from
  - ▶ Non of the 4 plans will have office or specialist copays. Ded and Coin only.
  - ▶ Blue Cross Blue Shield of Florida is the only provider of Shop Coverage.
  - ▶ Limited Plan Designs
  - ▶ Only Place Group Coverage can receive Tax Credits

# Special Open Enrollment for NOT meeting participation

## ▶ **Nov. 15 - Dec. 15:**

- ▶ THIS WILL BE THE ONLY TIME (EACH YEAR) THAT AN EMPLOYER CAN APPLY FOR COVERAGE WITHOUT MEETING PARTICIPATION.
- ▶ Effective date will be for a January 1<sup>st</sup> effective date only.
- ▶ No restrictions on plan choices



# Questions

Link to get coverage via OMS Insurance Group for Individual OR Group:

<http://www.omsgroup.com/exchange/>