

The Patient Protection and Affordable Care Act (“ACA”): *What’s Next?*

Kristin Nealey Meier



Obamacare Video

<http://kff.org/health-reform/video/youtoons-obamacare-video>



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What Happens in 2014?

- Individual mandate
- Assistance for low-income
- Employers: provide coverage or penalty (“Pay or Play”) – **moved to 2015**
- State Exchanges



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What Happens in 2014?

INDIVIDUAL MANDATE PENALTIES

Greater of:

- Percentage of “applicable income”* (1% in 2014, 2% in 2015, 2.5% after)
- Flat dollar amount (\$95 in 2014, \$325 in 2015, \$695 after)

*Amount by which an individual’s household income exceeds the filing threshold for the tax year

- Exemptions available



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What are the Employer Requirements?

1. Offer Coverage or Pay Fine – “Pay or Play”
2. Minimum Essential Health Benefits Package



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“Pay or Play”

If you employed less than 50 full-time (or equivalent, 120+ hours/month) employees, no fine.

- Can offer coverage
- Can send to exchanges
- Can access small business exchange...someday



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“Pay or Play” (cont.)

If you employed an average of 50 full-time (or equivalent), non-seasonal employees, must offer health coverage that covers at least 60% of costs and meets:

“MINIMUM ESSENTIAL COVERAGE REQUIREMENTS”

OR

PAY A FINE

\$\$\$\$\$\$*

\$2000/full time employee after first 30.



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“Pay or Play” (cont.)

**For example, if you have 50 employees,
don't offer coverage, you pay $\$2000 \times (50-30)$
= $\$40,000$**

***If at least one of your employees receives a
tax credit for health insurance**



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“Pay or Play” (cont.)

If you employed an average of 50 full-time (or
equivalent), non-seasonal employees and offer health
coverage that meets:

“MINIMUM ESSENTIAL COVERAGE REQUIREMENTS”

AND

**One employee accesses a tax subsidy or cost-reduction benefit for
health insurance,**

YOU

PAY A FINE

\$\$\$\$\$\$\$*

\$3000/full time employee who accesses subsidy/cost/benefit.



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What are Minimum Essential Health Benefits?

- Ambulatory patient services, such as doctor's visits and outpatient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Women's services, including contraception (2015 for religious institutions)
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices



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What are Minimum Essential Health Benefits?

- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care



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What are Minimum Essential Health Benefits?

Coverage under any of the following:

- Certain government programs (i.e. Medicare, Medicaid);
- Coverage under an employer-sponsored plan;
- Plans in the individual market within a State;
- Grandfathered health plan coverage; or
- Other coverage recognized by HHS.



NOT Minimum Essential Health Benefits If You Only Offer:

- Accident, or disability income insurance;
- Coverage issued as supplement to liability insurance;
- Liability Insurance, including general liability insurance and automobile liability insurance;
- Workers' compensation or equivalent;
- Automobile medical payment insurance;
- Credit-only insurance;
- Coverage for on-site medical clinics; and
- Other similar insurance coverage, specified in regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.



Will Employers Change Coverage?

- 93% of employers with more than 50 workers offer health insurance (2012 – 95%)



Will Employers Change Coverage?

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- 57% of all employers offer coverage (2003 – 66%)



Will Employers Change Coverage?

- 93% of employers with more than 50 workers offer health insurance (2012 – 95%)
- 57% of all employers offer coverage (2003 – 66%)
- 99% of employers with 200 or more workers offer coverage



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Will Employers Change Coverage?

- 93% of employers with more than 50 workers offer health insurance (2012 – 95%)
- 57% of all employers offer coverage (2003 – 66%)
- 99% of employers with 200 or more workers offer coverage
- 45% of smallest companies offer coverage (2003 – 55%)



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Will Employers Change Coverage?

- 93% of employers with more than 50 workers offer health insurance (2012 – 95%)
- 57% of all employers offer coverage (2003 – 66%)
- 99% of employers with 200 or more workers offer coverage
- 45% of smallest companies offer coverage (2003 – 55%)
- Workers pay 18% of premium costs for singles, 29% for family (little change since 2003)



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Will Employers Change Coverage?

- Health premiums up 196% since 1999, worker contributions up 182%. Wages up 50%.
- 38% of workers with single insurance >\$1000 deductible.
- Workers in small firms (<200) average deductible \$1715
- Workers in large firms average \$884.



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Will Employers Change Coverage?

- Up for debate, news stories conflict
- UPS recently announced it will not cover spouses who are eligible for coverage elsewhere.
- WellPoint (second biggest medical insurer in nation) announced in July that it will lose smaller employers because of the ACA
- WellPoint expects gains in self-insured employer/ individual plans on the exchanges
- Report that cities and counties are reducing the hours part-time employees work



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General Exchange Information

- Goals of the Exchange, to allow people to:
 - Make apples-to-apples comparisons between health plans that meet national and state standards
 - Check qualifications for tax credits or cheaper co-pays and deductibles
 - Get help choosing and enrolling in a health plan that:
 - Fits your personal health needs
 - Has your choice of doctors



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General Exchange Information

- Coverage takes effect January 1, 2014
- People with 100%-400% of poverty level (\$23,500 to \$94,000 for family of four) can receive subsidies on a sliding scale
- Six month open enrollment (October 1, 2013 to March 31, 2014)



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State Exchange Implementation

Potential Problems at the National Level

- Systems testing for the marketplaces is months behind schedule.
- Funding and training for navigators (outreach and enrollment workers) is behind schedule.
- The data hub, which routes information from the marketplaces to various federal databases, might not get its final stamp of approval until Sept. 30.



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State Exchange Implementation (cont.)

IRS to Share Information

- IRS will use tax return data to check household income and confirm it matches applications.
- IRS will share income and tax filing status with states and other agencies to confirm whether or not people are eligible for tax credits to buy health insurance in new state-based marketplaces.
- Concerns with privacy and risk of identity and data theft.



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State Exchange Implementation (cont.)

Other Postponements

- State exchanges do not have to verify income information until 2015, rely on consumer reporting.
- The limit on out-of-pocket costs not to exceed \$6,350 for an individual and \$12,700 for a family extended for some insurance companies until 2015.



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State Exchange Implementation (cont.)

Problems with Awareness and Approval

- Nearly 40% of those without insurance did not know that the law requires them to get health insurance next year.
- 56% of young adults know that buying insurance is mandatory or else they will face a fine.



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State Exchange Implementation (cont.)

Problems with Awareness and Approval

- 53% oppose the ACA.
- 42% support it.
- 32% of uninsured believe ACA will have a positive effect.
- 33% of uninsured say the impact will be negative.

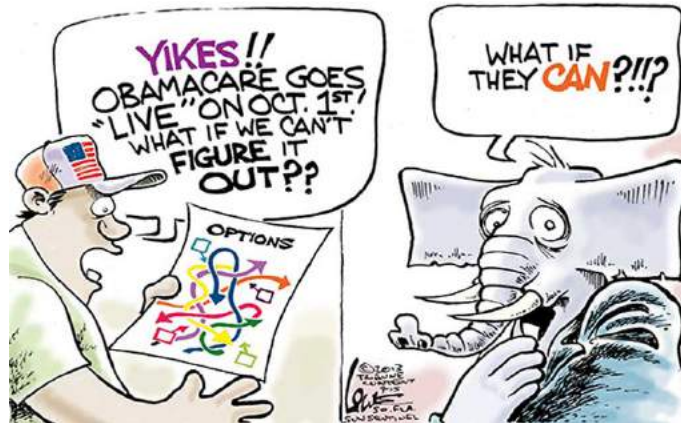


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Washington State Exchange



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Washington State Exchange (cont.)

- Individual Exchange
 - Goes “live” for individuals to enroll on October 1, 2013
- Small Business Health Option Plans (“SHOP”)
 - Pilot program only available through Kaiser
 - Only in Cowlitz and Clark counties
 - Not enough insurer participation
 - Unclear whether tax credits continue if no SHOP

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RS RYAN SWANSON

Washington State Exchange (cont.)

REQUIRED NOTIFICATION TO EMPLOYEES

- BY OCTOBER 1, MAIL OR EMAIL TO ALL EMPLOYEES
- For employers who DO offer medical insurance to some or all employees
<http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>
- For employers who DO NOT offer medical insurance
<http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>



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Washington State Exchange (cont.)

REQUIRED NOTIFICATION TO EMPLOYEES

<http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>

 **New Health Insurance Marketplace Coverage Options and Your Health Coverage** Plan Approval
Call No. 1-877-648-6848
Deadline 11-30-2013

PART A: General Information

When key parts of the health care law take effect in the new Health Insurance Marketplace, to assist you in your health information about the new Marketplace and employer options.

What is the Health Insurance Marketplace?
The Marketplace is designed to help you find health insurance options. To assist you in your health information about the new Marketplace and employer options.

Can I Save Money on my Health Insurance Plan?
You may qualify to save money and lower your monthly premium by choosing a plan that doesn't meet certain standards for your household income.

Does Employer Health Coverage Affect Eligibility?
Yes. If you have an offer of health coverage from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.

PART B: Information About Health Coverage Offered by Your Employer
This section contains information about any health coverage offered by your employer. If you decide to compare an employer's offer to the Marketplace, you will be asked to provide this information. This information is forwarded to enrollment in the Marketplace administrator.

1. Employer name	4. Employee Identification Number (EIN)
2. Employer address	5. Employee phone number
7. City	8. State
	9. ZIP code

10. Who can we contact about employee health coverage at the job?

11. Name (last, first, middle initials)	12. Email address
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There is some basic information about health coverage offered by the employer:

- Do you employ, or offer a health plan to:
 - All employees.
 - Some employees. Eligible employees are:

Eligible employees are those who are full-time employees (working an average of at least 30 hours per week) and whose employer does not offer coverage that doesn't meet certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.



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Washington State Exchange (cont.)

REQUIRED NOTIFICATION TO EMPLOYEES

<http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>

 **New Health Insurance Marketplace Coverage Options and Your Health Coverage**
Form Approved
OMB No. 1518-0048
Expires 11-30-2015

PART A: General Information
When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To get information about the new Marketplace, visit www.healthcare.gov.

What is the Health Insurance Marketplace?
The Marketplace is designed to help you compare and buy health insurance plans. It will also offer a new kind of tax credit that you can use to help pay for coverage through the Marketplace.

Can I Save Money on my Health Insurance?
You may qualify to save money on your health insurance. You may be eligible for a tax credit that lowers your monthly premium and with assistance for out-of-pocket costs.

Does Employer Health Coverage Affect My Eligibility?
Yes. If you have an offer of health insurance from your employer, you may not be eligible for a tax credit through the Marketplace. However, you may still be eligible for a tax credit that lowers your monthly premium and with assistance for out-of-pocket costs.

PART B: Information About Health Coverage Offered by Your Employer
This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name		4. Employer Identification Number (EIN)	
5. Employer address		6. Employer phone number	
7. City	8. State	9. ZIP code	
10. Who can we contact at the job?			
11. Phonenum (if different from above)		12. Email address	

You are not eligible for health insurance coverage through this employer. You and your family may be able to obtain health coverage through the Marketplace, with a new kind of tax credit that lowers your monthly premium and with assistance for out-of-pocket costs.

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Washington State Exchange (cont.)

- Nine insurance companies applied
- Four were initially approved
- In King, Pierce and Snohomish Counties:
 - BridgeSpan Health Company (affiliate of Cambia Health Solutions, the parent company of Regence BlueShield)
 - Group Health Cooperative
 - Lifewise Health Plan of Washington
 - Premera Blue Cross

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Washington State Exchange (cont.)

- August 21, 2013 announcement that certification of Qualified Health Plans and Qualified Dental Plans delayed for two weeks
- Want to give more time for appeals for those insurers denied
- Asking HHS for an extension to get more plans included



Washington State Exchange (cont.)

- Board Member Don Conant, “I don’t want any one of these plans and I make over 400 percent of the federal poverty level.”



Washington State Exchange (cont.)

- Kreidler announced September 4 that he approved Molina in Pierce, King and Snohomish Counties after negotiation
- Final tally – 43 plans

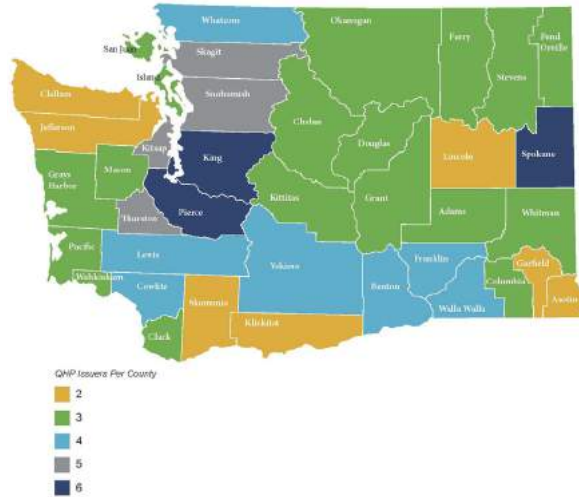


Washington State Exchange (cont.)

- **BridgeSpan** – King, Kitsap, Pierce, Skagit, Snohomish, Thurston, and Spokane
- **Community Health Plan of Washington** – Adams, Benton, Chelan, Clark, Cowlitz, Douglas, Ferry, Franklin, Grant, Grays Harbor, King, Kitsap, Lewis, Okanogan, Pacific, Pend Oreille, Pierce, Skagit, Snohomish, Spokane, Stevens, Thurston, Wahkiakum, Walla Walla, Whatcom, Yakima
- **Coordinated Care** – Adams, Benton, Chelan, Douglas, Franklin, Grant, Grays Harbor, Jefferson, King, Kitsap, Mason, Pierce, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Yakima
- **Group Health Cooperative** – Benton, Columbia, Franklin, Island, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, and Yakima
- **LifeWise Health Plan of Washington** – All 39 counties
- **Molina Health Care of Washington** – King, Pierce and Spokane
- **Premera Blue Cross** – All counties except Clark



Washington State Exchange (cont.)



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Washington State Exchange (cont.)

Extending coverage

Under the federal Affordable Care Act, four companies are offering 31 health insurance plans through the newly established Washington state insurance exchange.

Gold plan pays an estimated 80 percent of medical costs
 Silver plan pays an estimated 70 percent of medical costs
 Bronze plan pays an estimated 60 percent of medical costs

Approved plans by carrier and metal level

PLAN TYPE	GROUP HEALTH COOPERATIVE	BRIDGESPAN	PREMERA BLUE CROSS	LIFEWISE
Gold	1 plan	1 plan	4 plans	2 plans
Silver	1 plan	1 plan	6 plans	3 plans
Bronze	1 plan	1 plan	6 plans	3 plans
Catastrophic	1 plan			



Premiums for King County

Lowest monthly premiums per person for standard health plan

AGE*	PLAN	GROUP HEALTH	BRIDGESPAN	PREMERA BLUE CROSS	LIFEWISE
21	Gold	\$274	\$272	\$272	\$272
	Silver	220	235	239	239
	Bronze	166	186**	186	186
40	Gold	\$351	\$347	\$348	\$348
	Silver	281	300	305	305
	Bronze	213	238**	237	237
60	Gold	\$744	\$737	\$738	\$738
	Silver	596	638	648	648
	Bronze	451	505**	504	504

* Single, non-tobacco user

** Health saving account plan

Source: Office of the Insurance Commissioner

MARK NOWLIN / THE SEATTLE TIMES



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Washington State Exchange (cont.)

<http://www.wahealthplanfinder.org/calculator/index.html>



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Washington State Exchange (cont.)

How Much Will a Family Save Under the New Federal Health Law?

Under the Affordable Care Act, beginning in 2014, many individuals and families will be eligible to receive subsidized coverage in the Exchange if they are not eligible for Medicare, Medicaid or the Children's Health Insurance Program and are not offered affordable coverage through their employer.

1. Enter household size and income for all individuals included on your tax return (yourself and spouse and dependents, if applicable).
2. Enter age information only for those household members who need coverage.
3. This interactive calculator estimates how much eligible individuals and families will spend on premiums for an Exchange health plan under the law. The calculator also indicates income-eligibility for Medicaid in states that choose to expand eligibility, including Washington.

The estimated tax credit from the government shown below indicates the amount a family will save on monthly premiums, compared to what they would pay in the individual market without subsidies. Premiums are shown for a "silver plan," but individuals can choose to purchase a more generous or less generous plan. Silver plans offer a more generous level of benefits than most plans in the current individual market.

Household Information	
Number of people in the household	<input type="text"/>
Annual household income	<input type="text"/>
Your federal poverty level	<input type="text"/>
Enrollee Information	
Only enter members of your household who enroll in Exchange coverage.	
Age of the first adult	<input type="text"/>
Age of spouse	<input type="text"/>
Number of children under age 21	<input type="text"/>
Number of children age 21-25	<input type="text"/>
Monthly Cost	
Estimated monthly silver plan premium (without subsidy)	<input type="text"/>
Estimated tax credit from the government	<input type="text"/>
Your estimated monthly silver plan premium	

Notes: This calculator shows expected spending for families and individuals eligible to purchase coverage in the Exchange under the Affordable Care Act. Under the law, maximum contributions to premiums will be based on modified adjusted gross income, while estimates in this calculator are based on the annual income entered by the user. The premiums in this calculator reflect Washington state estimates for silver plans, adjusted for premium inflation and age rating.



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Washington State Exchange (cont.)

Awareness



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Washington State Exchange (cont.)



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Washington State Exchange (cont.)



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Washington State Exchange (cont.)

- More than 1,000 registered brokers
- Received training from Exchange
- Can make recommendations (Navigators cannot)
- Receive commissions from insurance companies
- Consumers can find through search of zip code or name



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Private Insurance Plans

- Private individual plans outside the exchange
 - Group Health, Premera and Lifewise (a Premera subsidiary) approved
 - Six other insurers have applied
 - Decision by Insurance Commission at end of September



Private Insurance Plans (cont.)

- Must cover the same essential health benefits
- Must follow the same rules under the ACA
- Do not have to conform to the exchange's technology and payment system requirements



Private Insurance Plans (cont.)

- Must cover the same essential health benefits
- Must follow the same rules under the ACA
- Do not have to conform to the exchange's technology and payment system requirements



Will ACA Survive?

- House has voted 40 times to repeal ACA
- Letter in August from 80 Republican House members urged speaker John Boehner to “trigger a government shutdown rather than fund the implementation” of the ACA
- Possible part of debt ceiling debate



Will ACA Survive?

- Court cases challenging Congress' power to penalize employers for not providing coverage under the Commerce Clause
- Court cases challenging the constitutionality of the contraception requirement



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Resources

- Full cartoon can be seen at <http://kff.org/health-reform/video/youtoons-obamacare-video/>
- Washington State Exchange, including policy briefs:
<http://www.wahbexchange.org/>
- Washington Healthplanfinder <http://www.wahealthplanfinder.org/>
- Department of Labor
- National Association of Insurance Commissioners
- U.S. Chamber of Commerce
- Small Business Majority
- National Business Group on Health
- U.S. Small Business Association



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Thank you!



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