



West Virginians for Affordable Health Care

# The Affordable Care Act

What it means for Public Health

OEPS Conference

11-21-13

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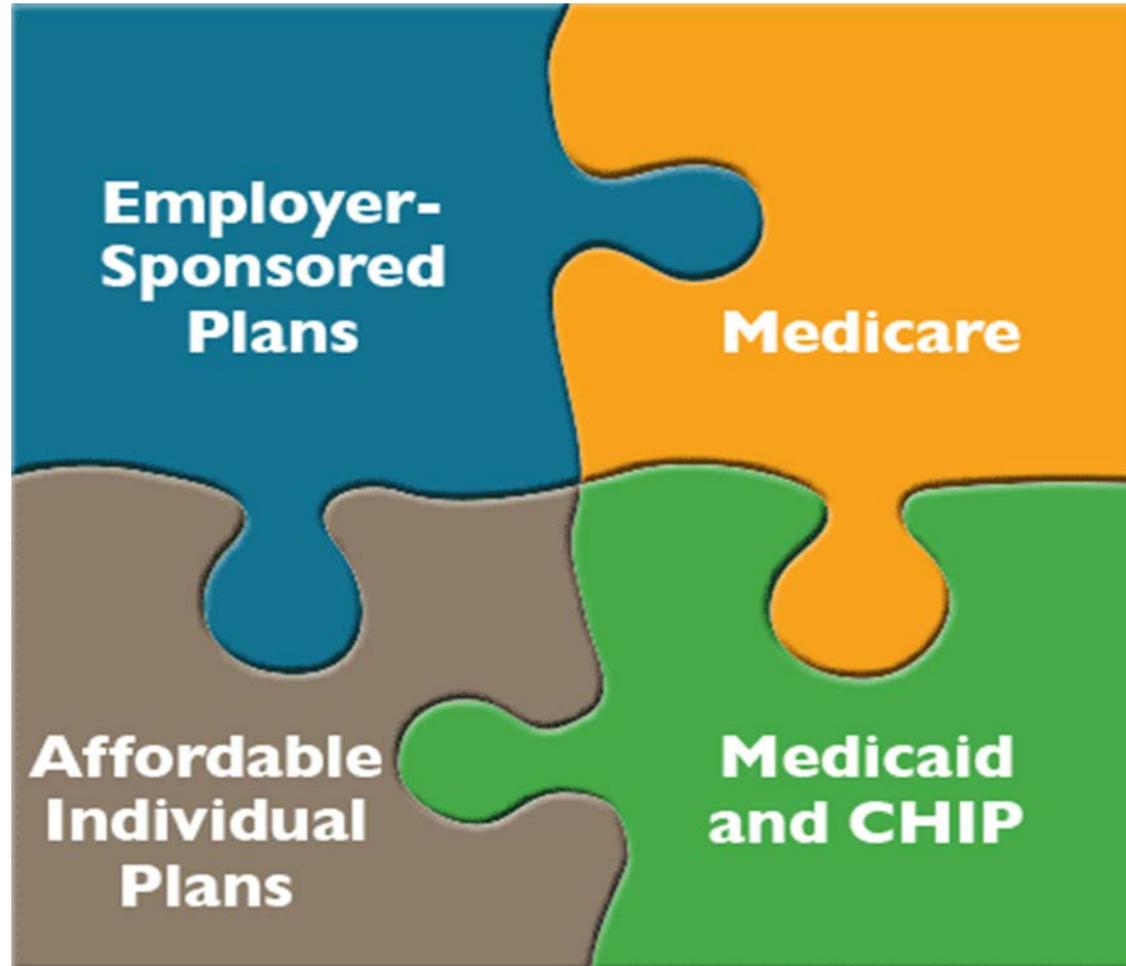


# The ACA Signed into Law March 23, 2010



# ACA builds on current system

## How we finance health care



# Four Goals of the ACA

- Emphasis on prevention
- New regulations of the insurance industry
- Cost containment
- Expand access to most Americans

# Prevention

- From sickness and rescue care to health care
- First dollar coverage of preventive services
- Includes 62 types : well visits, mammography, cervical cancer screening, birth control, STD screening, domestic violence screening, blood pressure, alcohol screening, depression, etc

# New Regulations of Insurance

- Medical Loss Ratio 85/15
- No pre-existing condition exclusion
- No gender rating
- No lifetime limits
- Phase out of annual limits
- Maternity coverage (except large self-insured plans)
- Young adults stay on parents' policy to age 26

# Expand Access to Most Americans : Today's Topic

- Individual mandate to have coverage in 2014 or pay a fine of \$95 - \$695
- Exemptions: too poor, against religious belief
- Large employers (>50) must offer coverage or pay a fine starting Jan. 2015
- Left out are undocumented immigrants

# What ACA Means for Public Health

- May be biggest advance in public health since sanitation
- New dollars for health promotion and primary care
- First dollar coverage for preventive services
- Universal health coverage
- Mental health parity

# What's left out?

- Oral health for adults
  - Poor/No coverage in Medicare, Medicaid or private plans
- Oral health for kids
  - Good in Medicaid, CHIP
  - Poor in private plans

# Expanding Coverage

- Expand Medicaid up to 138 percent of the federal poverty level (FPL)
  - WV Medicaid – federal/state partnership operated by the state
- Establish the Health Insurance Marketplace where private insurance plans are offered
  - New agency operated jointly by federal/state government

# Examples of FPL for Medicaid

Family Size	138% of FPL	155% of FPL
1	\$15,856	\$17,810
2	\$21,404	\$24,040
3	\$26,951	\$30,272
4	\$32,499	\$36,502

**138% applies to children over age one and adults.**

**155% applies to pregnant women and children under age one.**

# Medicaid Expansion

- An estimated 133,500 low-income West Virginians are eligible
- Enrollment began October 1, 2013 and coverage begins January 1, 2014
- 118,000 DHHR Letter to SNAP recipients; follow up letter to 80,000
- 57,000 applications received (Oct 20)

# Enroll in Medicaid: [wvinroads.org](http://wvinroads.org)

- Establish account
- Enroll yourself or others
- Enroll in Medicaid only
- Apply for other benefits
- Enroll through federal website
  - [Healthcare.gov](http://Healthcare.gov)

# Medicaid Expansion

- Federal government pays 100% of the expansion costs the first three years
- The federal share gradually reduces but never drops below 90%
- Medicaid is exempt from sequestration



# Health Insurance Marketplace



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# WV Health Insurance Marketplace

- Offers private insurance policies: Blue Cross Blue Shield; I I Plans



# Health Insurance Marketplace Subsidies

- Not eligible for subsidy if offered employer coverage; have Medicare, Medicaid, Tricare
- Subsidies for individuals and families on a sliding scale earning between 100% and 400% of the FPL
  - For legal immigrants below 100% can get a subsidy
- 400% of FPL is about \$46,000 for a single person and \$78,000 for a family of three

# Shopping for private insurance

- Enroll
  - [www.healthcare.gov](http://www.healthcare.gov)
  - 1-800-318-2596
  - Find personal assister ([www.bewv.com](http://www.bewv.com))
- Browsing
  - [www.healthcare.gov/how-much-will-marketplace-insurance-cost](http://www.healthcare.gov/how-much-will-marketplace-insurance-cost)
  - [www.healthsherpa.com](http://www.healthsherpa.com)
- Check calculator
  - [www. Getcoveredamerica/calculator](http://www.Getcoveredamerica/calculator)

# West Virginia Policies

- Catastrophic (55%) – under age 30 only
- Bronze (60%)
- Silver (70%)
- Gold (80%)

# Example of Subsidy

- West Virginia Case
  - 40 years old
  - Earn \$36,000
  - Single Person
- Results (kff.org)
  - 313% of FPL
  - Premium = \$3,641
  - Person pays 9.5% of income
  - Subsidy= \$41 per year

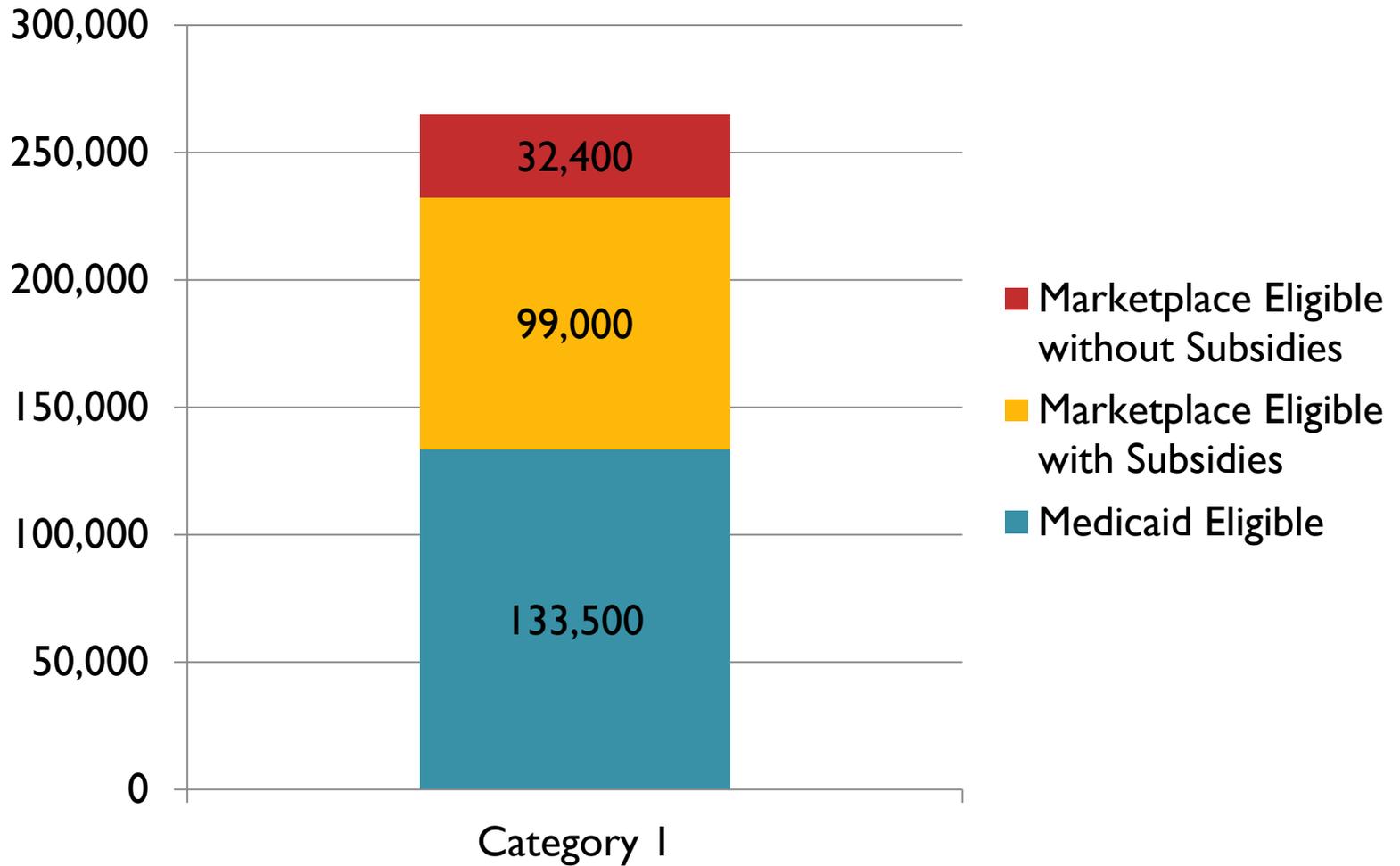
# Example of the Subsidies

- Case
  - Family of four
  - Annual income of \$55,000.
  - Parents age 35
  - Children age 10
- Results (kff.org)
  - 243% of FPL
  - Max family pays = 7.47 of annual income
  - Silver plan costs \$10,058
  - Subsidy =\$5,947 (59% of cost)
  - Family pays \$4,111 or about \$342/month
- There may be additional assistance with deductibles and copayments plus out-of-pocket maximum protection.

# Health Insurance Marketplace

- An estimated 99,000 West Virginians will qualify for premium tax credits (subsidies) in the Marketplace
- Tax credits paid in advance directly to insurance company

# Enrollment Opportunities in West Virginia



# Questions

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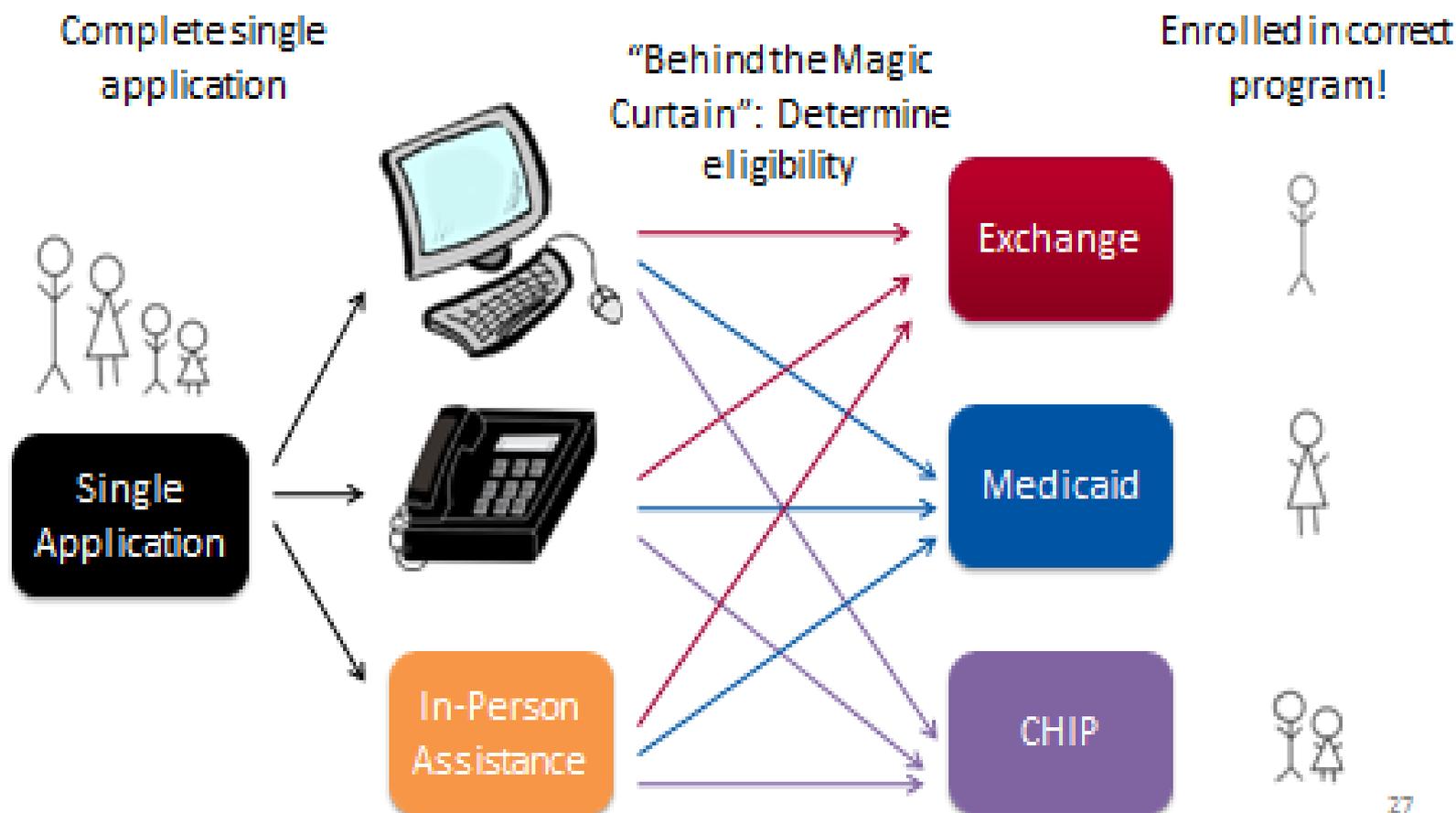
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# The Enrollment Process



# A New Way to Enroll in Coverage

Consumers can connect to whichever program they are eligible for, no matter where they start.





# Personal Assistance

- Insurance agents and brokers
- Navigators - 10
- In-person Assisters – 200
- Certified Application Counselors
- DHHR Employees
- Community Assisters

# West Virginia Enrollment – Nov 1

- About 60,000 in Medicaid
- About 200 in Highmark BlueCross/Blue Shield

# What Else You May Want to Know



# What's Income?

- Medicaid and CHIP use the modified adjusted gross income (MAGI) during the month that an application is made to determine income
- The Marketplace uses annual income in the policy year.
- MAGI income is verified electronically with the IRS database

# QHPs & Premium Subsidies

- To qualify for premium tax credits, an applicant must meet the qualifications for QHPs plus:
  - Have projected income between 100% and 400% of the FPL in 2014
  - Not have access to other insurance coverage
  - Expected to file income tax at the end of the coverage year

# FPL for Cost Sharing Subsidies and Premium Subsidies

Family Size	250% of the FPL	400% of the FPL
1	\$28,725	\$45,960
2	\$38,775	\$62,040
3	\$48,825	\$78,120
4	\$58,875	\$94,200

250% of the FPL level is the eligibility threshold for cost sharing reductions and 400% of the FPL is the threshold for premium assistance

# Selecting a QHP

- The Marketplace calculator shows premiums, deductibles, copayments
- Estimate subsidies on line at
  - KFF.org
  - Getcoveredamerica.org
  - Google subsidy calculator

# Summary of Benefits and Coverage

- The Marketplace will have an 8-page summary of benefits and coverage:
  - What's covered, what's not
  - Costs for a typical Type II diabetic
  - Costs for a normal delivery
- All written in plain English

# Selecting a QHP

- The Marketplace will also have links to insurance company's web site
- Consumers can check to see if their doctor or hospital are in the company's network
- Consumers can check to see if the drug(s) they are taking are on the company's formulary

# Selecting a QHP

- In future years, the Marketplace will have the results of consumer satisfaction surveys for each insurance company
- And a rating system for insurance companies
- And the percentage of claims that are denied by each insurance company

# Questions?

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# EMPLOYER Responsibility

- Distinguish Between Small/Large Employers
  - Small Employers <50FTEs
  - Large Employers >50
  - FTE = 30 hours per week

# Options for Small Business

- There are no penalties for small business (<50 FTEs) don't offer coverage
- Assist employees enroll in Medicaid
- Assist employees enroll in QHP
- Offer group coverage through the Marketplace SHOP
  - Better value
  - Administrative support

# Large Employer Penalties (A)

- Penalties and Reporting Postponed to Jan. 2015
- Employers who don't offer coverage pay a fine of \$2,000 per FTE
  - FTE = 30 hours
  - Total FTEs minus first 30 = number of employees
  - Formula:  $NE - 30 \times \$2,000 = \text{Penalty}$

# Large Employers Penalties (B)

- Employer Offers minimum essential coverage and avoids penalty A (\$2,000)
- Coverage offered to full-time employee and dependents
  - Must include preventive benefits
  - Dependents are children to age 26 but NOT Spouse
  - Does not have to offer coverage to part-time employees

# Penalty B

- Employee may be eligible for policy in the Marketplace, if
  - Coverage is less than 60% actuarial value
  - Cost of employee coverage is more than 9.5% of family income
- Penalty B = every employee who gets a subsidy in the Marketplace
  - \$3,000 penalty for each employee who receives a subsidy in the marketplace

# Medicaid Eligible Employees

- Family earns less than 138% of FPL
- Employee coverage available
- Family has choice
  - Keep employer coverage
  - Drop employer coverage/ Enroll in Medicaid
    - No premiums, small copays
    - Employer not fined if employee goes to Medicaid
  - PEIA covered employees earning less than 138% of FPL can drop PEIA in Jan, 2014 and go to Medicaid
  - Keep employer coverage and have Medicaid as a supplementary policy

# Employees earning above Medicaid threshold (over 138% of FPL)

- If offered employee coverage cannot buy policy in the marketplace.
- Exceptions: steep test to meet
  - Actuarial value of employer plan is less than 60%
  - Employee cost is more than 9.5% of family income
- Employer is fined \$3,000 for each employee who gets subsidy in the marketplace

# Example

- Employee A earns \$16,000 per year and goes to Medicaid for coverage
  - **NO EMPLOYER PENALTY**
- Employee B earns \$25,000 per year
  - Coverage meets actuarial and affordability standard
  - Employee does not take coverage offered
  - Employee cannot get a subsidy
  - **NO EMPLOYER PENALTY**

# Example of Penalty

- Employee B earns \$25,000
- Employee cost for individual coverage is \$2,500/yr or 10% of employee income
- Coverage is unaffordable
- Employee gets subsidy in the Marketplace
- **Employer Pays Penalty of \$3,000**

# Questions

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# Open Enrollment

- For Marketplace
  - Oct 1 – March 31
  - May be extended
  - Healthcare.gov web site still has problems
  - Should be fixed soon
  
- For Medicaid
  - Enrollment all year

# How to Enroll

- WV Medicaid
  - [www.wvinroads.org](http://www.wvinroads.org)
- Medicaid and Private Health Insurance
  - [www.healthcare.gov](http://www.healthcare.gov)
  - 1-800-318-2596
  - Paper application
  - Assisters at
  - Local DHHR office
  - Community health center
  - Hospitals, etc

# For more training on enrollment

- Contact me
  - [renatepore@gmail.com](mailto:renatepore@gmail.com)
- [www.marketplace.cms.gov](http://www.marketplace.cms.gov)
  - Training
    - Navigator
    - Certified application counselor

# Key Points

- Many new options for employers and uninsured West Virginians
- For employers, many issues to consider
- Large Employers should get expert advice – Consult a health plan
- Opportunities for the uninsured: enrollment assistance available

# Key Points

- The uninsured can enroll where ever there is a lap top or iPad with internet connection.
- They can also use a toll-free call center or personal assistance.

# Key Points

- For the most part, the process will be paperless and will rely on electronic databases or self-attestation to determine eligibility for Medicaid or the QHPs

# Key Points

- The numbers are staggering:
  - 133,500 eligible for Medicaid
  - 99,000 eligible for premium assistance
  - 16,000 eligible for the SHOP Marketplace

# Opportunity

- Unprecedented opportunity to improve the lives of thousands of West Virginians
- Promote health, economic development and entrepreneurship
- Join WVAHC in this journey
- For enrollment, we need...

# All Hands on Deck



# Contact Information

**Renate Pore**

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[www.wvahc.org](http://www.wvahc.org)

[www.enrollwv.org](http://www.enrollwv.org)