



The Affordable Care Act: Updates for 2015

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Quick Terminology Review

- Premium
- Deductible
- Co-Pay
- Co-Insurance
- Maximum out of pocket (MOOP)



What is the Affordable Care Act?

- The Patient Protection and Affordable Care Act (PPACA) of 2010 or Affordable Care Act (ACA), is the new health care reform law in America and is often called by its nick-name, Obamacare.
- It is the LAW OF THE LAND!
- It has been phased in over the last 4 years.



Affordable Care Act Timeline

- March 23, 2010, President Obama signed the Affordable Care Act
- Dependent coverage up to age 26 was mandated
- Group and Individual Plans were grandfathered in

- Hospitals, doctors and payers were encouraged to join forces in accountable care organizations
- Hospitals with high rates of preventable readmissions faced reduced Medicare payments

- Pre-existing condition exclusions are prohibited
- Citizens and legal residents are required to have minimum essential coverage
- State-based exchanges
- Medicaid expansion

2010

2011

2012

2013

2014

2017

- Employers were required to report the value of health care benefits on employees' W2 tax forms
- Medicare Advantage cost-sharing limits
- Medicare Advantage plans began having payments frozen

- Individuals making \$200,000 or couples making \$250,000 have a higher Medicare payroll tax
- Flexible spending accounts are limited to \$2,500 a year
- Medical device manufacturers have a 2.9% sales tax on medical devices

- States may open exchanges to large group market
- New tax on employer-sponsored health plans that offer generous coverage levels

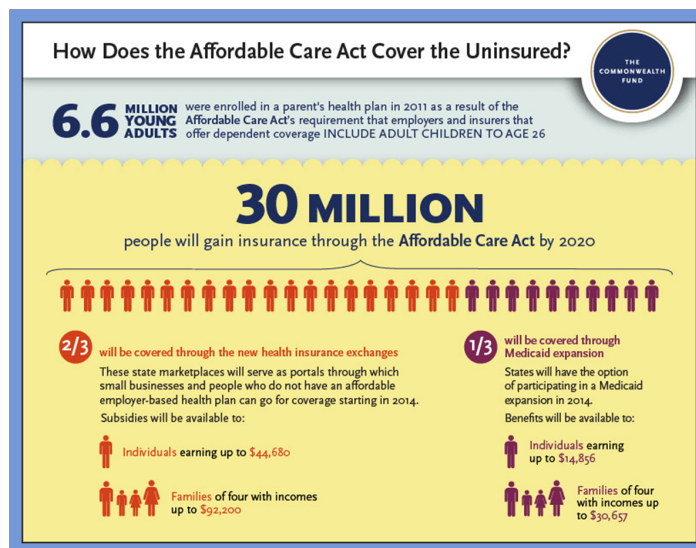
The Goal: Health Insurance for All!

- How will it happen?
 - Coverage of young adults until age 26 through their parent's coverage.
 - Expansion of Medicaid (in states that have elected to expand).
 - Ability to purchase non-employer sponsored plans through the marketplace.



Prior to the ACA,

There were an estimated 46-48 million Americans without health insurance



2014 was a BIG YEAR for the ACA!

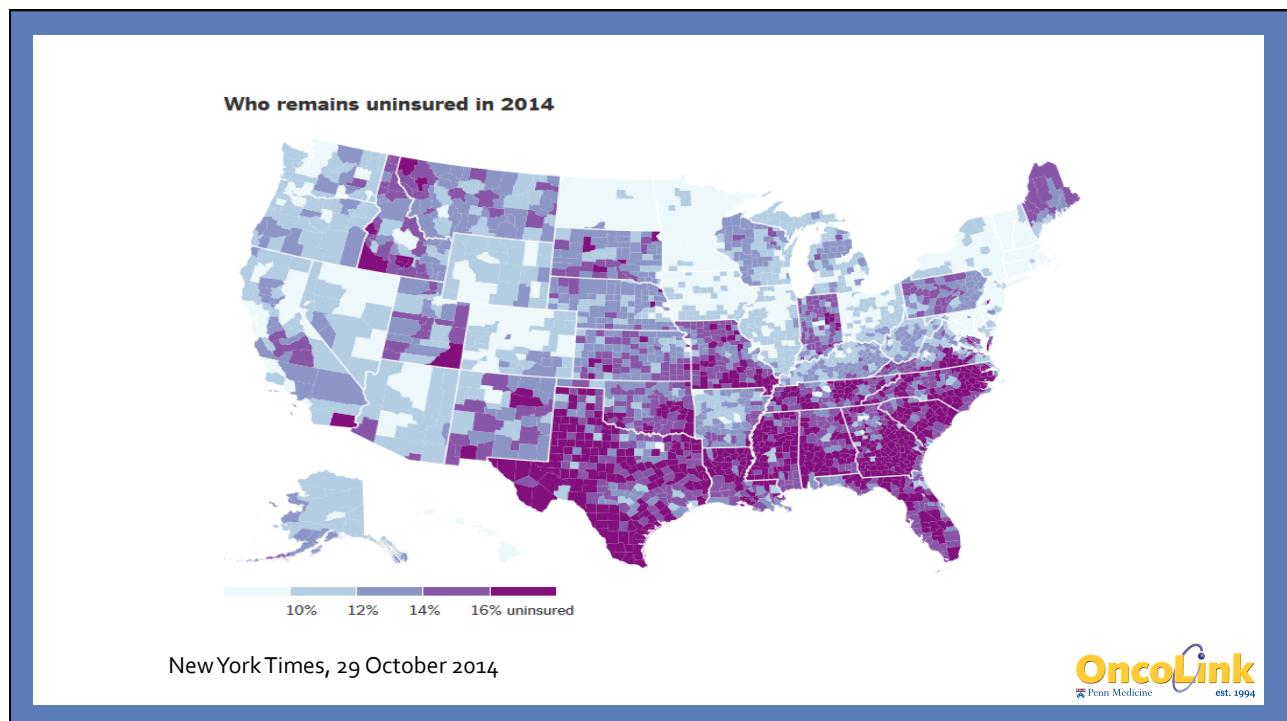
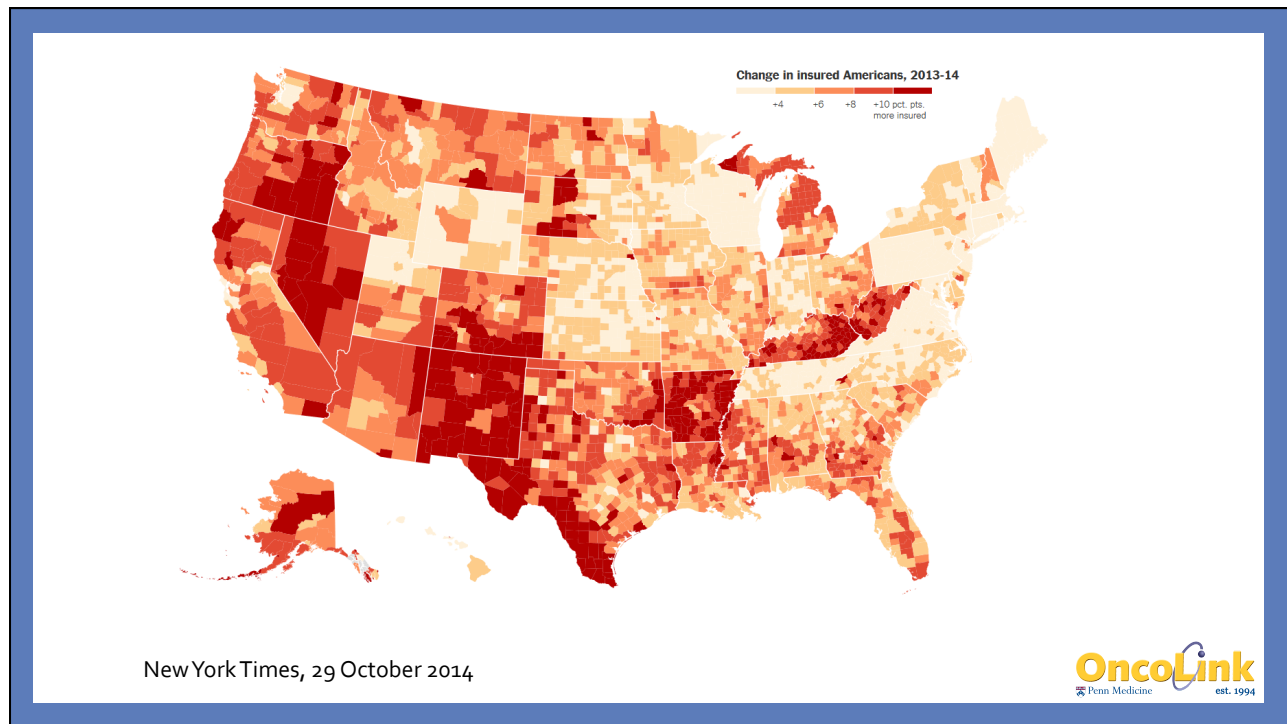
- Opening of the marketplace for the purchasing of individual health insurance plans.
 - Did not go well from October-December due to website issues.
 - Great impact on public sentiment about the potential success of the program.
- Political challenges to various aspects of the ACA continued (including calls to repeal).
- General lack of public knowledge about the provisions of the ACA continued.
 - The Affordable Care Act is "OK;" Obamacare is not!
 - Younger, healthy individuals would "pay" for older, sicker individuals!
 - Health insurance premiums will rise dramatically!
 - The number of uninsured will actually increase!
 - Nobody wants to BUY health insurance!



However...

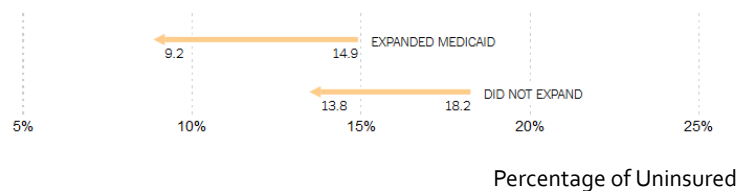
- ✓ The percentage of uninsured individuals dropped from 18% to 13.4% from October 2013-July 2014.
- ✓ 8 million individuals SIGNED UP for plans through the marketplace by the end of the first open enrollment period.
 - ✓ 7.3 million enrollees PAID for their coverage by August 15th.
- ✓ Health insurance premiums did rise, but usually this was a nominal amount.
 - ✓ *Directly related to mandates in the ACA to make the overall coverage offered by the plan better OR, the new enrollee was over the income allowance for premium subsidies.*



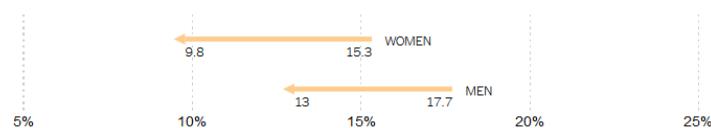


One year in to the ACA

People who live in states that...



By gender

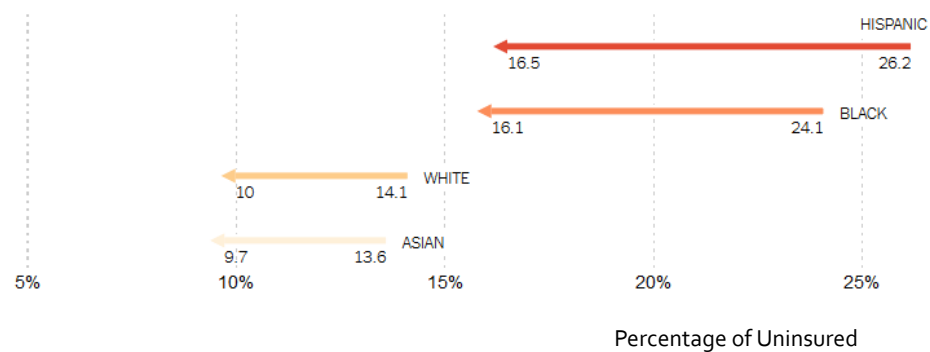


New York Times, 29 October 2014

OncoLink
Penn Medicine est. 1994

One year in to the ACA

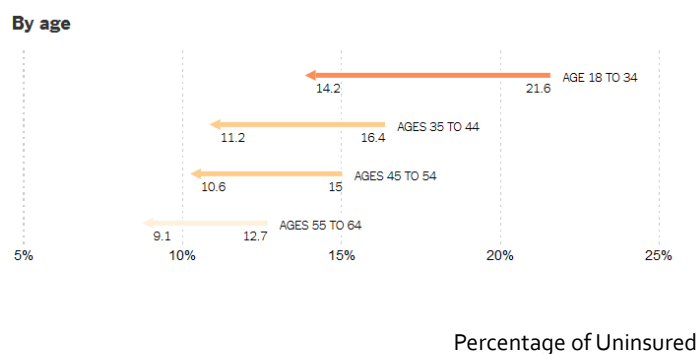
By race



New York Times, 29 October 2014

OncoLink
Penn Medicine est. 1994

One year in to the ACA



New York Times, 29 October 2014



How Does the ACA Improve Healthcare Access for Consumers?

- Provides free preventive services (mammograms, colonoscopies, cancer screenings, yearly check ups).
- Permits adults up to age 26 to be covered under their parent's insurance policy .
- Bans policy cancellations when you get sick (rescissions).
- Bans lifetime caps in insurance coverage.
- Bans annual caps in insurance coverage.
- Bans denial of coverage based on pre-existing conditions.
- Bans denial of coverage based on gender, age, or genetic information.



What are Essential Health Benefits

- Essential health benefits, increase the adequacy of health insurance coverage.
- **ALL** health insurance policies MUST include these
 - Ambulatory patient services
 - Emergency services
 - Hospitalization
 - Maternity and newborn care
 - 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
 - Pediatric services, including oral and vision care.



What preventive care services for adults are covered under the ACA?



- Abdominal Aortic Aneurysm one-time screening for men of specified ages who smoked
- Alcohol misuse screening and counseling
- Aspirin use for men and women of certain ages
- Blood pressure screening for all adults
- Cholesterol screening for adults of certain ages or at higher risk
- Colorectal cancer screening for adults over 50
- Depression screening for adults
- Type 2 Diabetes screening for adults with high blood pressure
- Diet counseling for adults at higher risk for chronic disease
- HIV screening for all adults at higher risk
- Immunization vaccines for adults
- Obesity screening and counseling for all adults
- Sexually transmitted infection (STI) prevention counseling for adults at higher risk
- Tobacco Use screening for all adults and cessation interventions for tobacco users



What preventive services for women are covered under the ACA?



- Anemia screening on a routine basis for pregnant women
- Bacteriuria urinary tract or other infection screening for pregnant women
- BRCA counseling about genetic testing for women at higher risk
- Breast cancer Mammography screenings every 1 to 2 years for women over 40
- Breast cancer Chemoprevention counseling for women at higher risk
- Breastfeeding comprehensive support and counseling from trained providers, as well as access to breastfeeding supplies, for pregnant and nursing women*
- Cervical cancer screening for sexually active women
- Chlamydia infection screening for younger women and other women at higher risk
- Contraception: Food and Drug Administration-approved contraceptive methods, sterilization procedures, and patient education and counseling, not including abortifacient drugs*
- Domestic and interpersonal violence screening and counseling for all women*



What preventive services for women are covered under the ACA?



- Folic Acid supplements for women who may become pregnant
- Gestational diabetes screening for women 24 to 28 weeks pregnant and those at high risk of developing gestational diabetes*
- Gonorrhea screening for all women at higher risk
- Hepatitis B screening for pregnant women at their first prenatal visit
- Human Immunodeficiency Virus (HIV) screening and counseling for sexually active women*
- Human Papillomavirus (HPV) DNA Test: high risk HPV DNA testing every three years for women with normal cytology results who are 30 or older*
- Osteoporosis screening for women over age 60 depending on risk factors
- Rh Incompatibility screening for all pregnant women and follow-up testing for women at higher risk
- Tobacco Use screening and interventions for all women, and expanded counseling for pregnant tobacco users
- Sexually Transmitted Infections (STI) counseling for sexually active women*
- Syphilis screening for all pregnant women or other women at increased risk
- Well-woman visits to obtain recommended preventive services*

**= no cost share/free services*



What preventive services for children are covered by the ACA?



- Alcohol and Drug Use assessments for adolescents
- Autism screening for children at 18 and 24 months
- Behavioral assessments for children of all ages
- Blood Pressure screening for children
- Cervical Dysplasia screening for sexually active females
- Congenital Hypothyroidism screening for newborns
- Depression screening for adolescents
- Developmental screening for children under age 3, and surveillance throughout childhood
- Dyslipidemia screening for children at higher risk of lipid disorders
- Fluoride Chemoprevention supplements for children without fluoride in their water source
- Gonorrhea preventive medication for the eyes of all newborns
- Hearing screening for all newborns
- Height, Weight and Body Mass Index measurements for children
- Hematocrit or Hemoglobin screening for children



What preventive services for children are covered by the ACA?



- Hemoglobinopathies or sickle cell screening for newborns
- HIV screening for adolescents at higher risk
- Immunization vaccines for children from birth to age
- Iron supplements for children ages 6 to 12 months at risk for anemia
- Lead screening for children at risk of exposure
- Medical History for all children throughout development
- Obesity screening and counseling
- Oral Health risk assessment for young children
- Phenylketonuria (PKU) screening for this genetic disorder in newborns
- Sexually Transmitted Infection (STI) prevention counseling and screening for adolescents at higher risk
- Tuberculin testing for children at higher risk of tuberculosis
- Vision screening for all children



The Individual Mandate

- Probably the most controversial part of the legislation: *beginning in 2014 all individuals must have health insurance coverage.*
- So, do I have to buy a plan?
 - The short answer is, "YES."
 - If you do not have employer sponsored coverage.
 - If you are not eligible for Medicaid.
 - If you cannot be covered under your parent's plan.

...BUT, there are EXCEPTIONS!



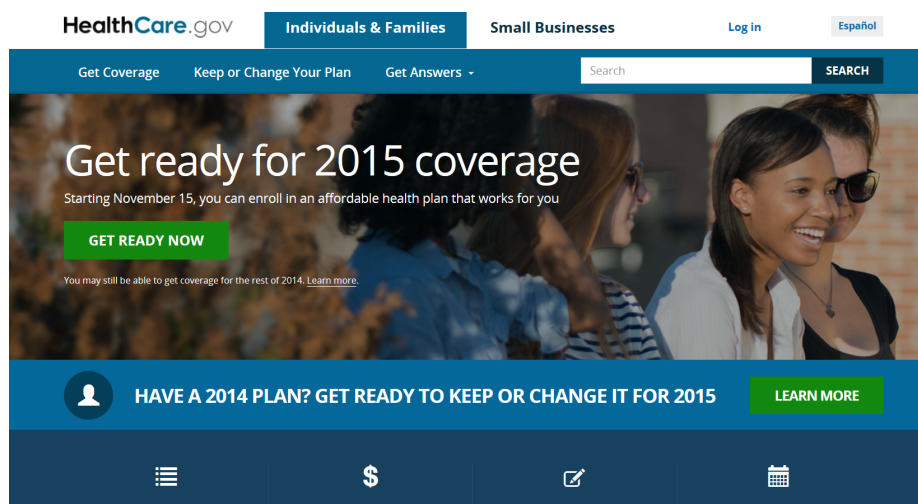
The Individual Mandate

- The answer is "NO" if,
 - You have employer sponsored health insurance.
 - You already have Medicaid or some other form of health insurance coverage that meets criteria under the ACA to provide ESSENTIAL HEALTH BENEFITS.
 - You have Medicare, Cigna, Keystone 65, Aetna Medicare.
 - Why? Because you HAVE insurance---*the Marketplace is for individuals who do not have insurance.*
 - ACA plans are not MEDIGAP plans.



The Individual Mandate: Exceptions

- Religious objections (must meet specific criteria).
- Financial hardship (health insurance coverage would cost more than 8% of income).
- Taxpayers with income <\$9750 (single under 65-filing threshold).
- Members of Indian tribes.
- Member of health care sharing ministry.
- Incarcerated individuals.
- Americans living abroad for > 1 year.



The Healthcare Marketplace



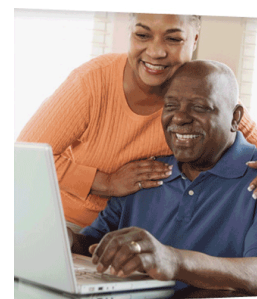
The Healthcare Marketplace

- Encourages the individual to act as a consumer of a product.
- The individual is shopping for a private plan.
- Plans are offered thru established health insurance companies.
- The marketplace offers choice and affordability options.
- The marketplace encourages comparison shopping and active consumer involvement
- An educated consumer is the BEST customer.



How Does it Work?

- In 2013, individual states chose if they wanted to run their own exchange, enter into a collaborative exchange with other states (pooling risk) or utilize the federal exchange (healthcare.gov).
- Healthcare.gov is also known as "the marketplace."
- Any individual looking for health insurance coverage can start at healthcare.gov; if they are in a state with a state managed exchange they will be directed to that site for further enrollment information.



Who is Eligible to Purchase a Plan through the Marketplace?

- Live in United States
- US Citizen or lawfully present
- Not incarcerated
- Individual or family
- Employee of small business with less than 50 FTE's (beginning in 2015)
- Premium tax credits and cost sharing available to those who meet financial qualifications

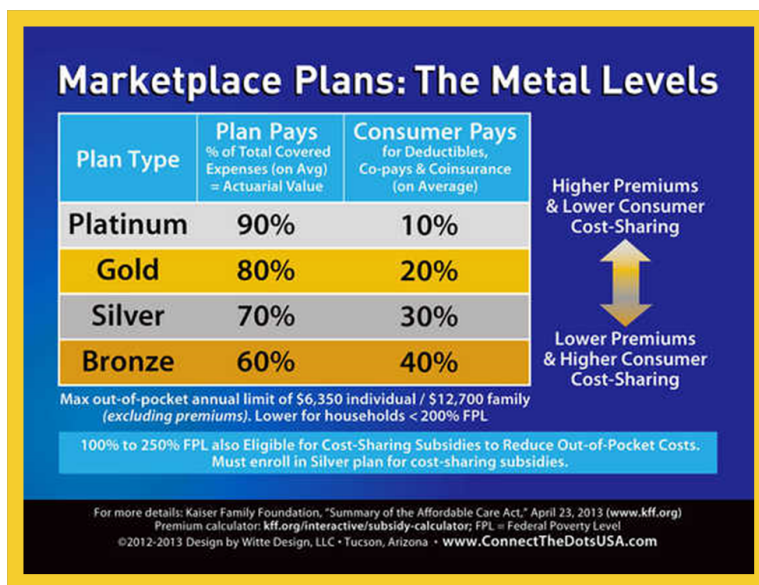


For 2015

- It's important to review coverage and costs.
 - Don't just default into continuing with the plan selected for 2014.
- More insurance companies are offering ACA plans.
 - There is greater variety in providers and plan services.
- Premium prices in many states for 2015 plans have GONE DOWN.
- Open enrollment (the period of time when you can make changes to your existing coverage) begins November 15, 2014.
 - Enroll as of December 15, 2014 for January 2015 coverage.
 - Open enrollment ends February 15, 2015.



What Do the Plans Look Like?



What about Catastrophic Coverage?

- BARE BONES!
- Has a deductible of \$6350 annually. This is the same as the MOOP.
- Only available to those under the age of 30
 - Recently expanded to include those with financial hardship or who have had a policy cancelled.

How do the Plans Differ?

- **Networks of participating doctors and hospitals**
 - Includes where the individual may be capitated for labs, imaging and other procedures.
- **Co-Payments**
 - Can vary greatly by plan and by TYPE of visit (primary care vs. specialist).
- **Prescription drug coverage**
 - Which drugs are covered?
 - What tier is the drug?
 - Higher cost for specialty/high dollar medications.
 - Some plans include a SEPARATE deductible for pharmaceutical costs.



It's Called the Affordable Care Act for a Reason

- Included in the law is a provision for subsidies and cost sharing.
 - The lower the individual's income, the more assistance they will receive towards PREMIUM assistance and OUT OF POCKET costs.
- **Premium tax credits**
 - Lower monthly premium
 - Applies at enrollment
 - Only applies to plans purchased within the healthcare marketplace
 - Based on income and family size
- **Cost-sharing subsidies**
 - Lowers deductibles, co-pays and co-insurance amounts
 - Only applies to silver level or below plans
 - Based on income and family size



Who Qualifies for Financial Assistance?

Income (% Poverty)	Premium Cap (% of income on 2 nd lowest silver)	Cost-Sharing Subsidies? (OOP Limit Indiv./Family)
Under 100%	No Cap	No (\$6,350 / \$12,700)
100% - 133%	2.0%	Yes (\$2,250 / \$4,500)
133% - 150%	3% - 4%	Yes (\$2,250 / \$4,500)
150% - 200%	4% - 6.3%	Yes (\$2,250 / \$4,500)
200% - 250%	6.3% - 8.05%	Yes (\$5,200 / \$10,400)
250% - 300%	8.05% - 9.5%	No (\$6,350 / \$12,700)
300% - 400%	9.5%	No (\$6,350 / \$12,700)
Over 400%	No Cap	No (\$6,350 / \$12,700)

Source: Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2014 Final Rule

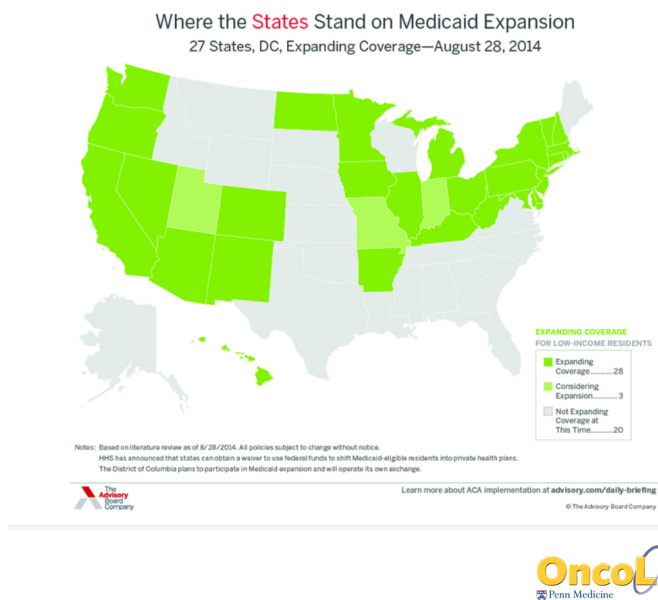


FAQ: Can an Employee who has access to employer sponsored health insurance buy a plan in the marketplace and be eligible for financial assistance?

- Yes, an individual has the right to opt out of employer sponsored coverage but only if
 - The employer offers coverage that is not **AFFORDABLE** or **ADEQUATE**.
 - Costs > 9.5% of employee's income.
 - Covers less than 60% of health care costs (i.e less than a bronze plan).



What about the Medicaid Expansion?



Case Study

- Joe is a 34 year old married man who bought a bronze level ACA plan for himself and his spouse (= family) in March 2014.
- He was diagnosed with colon cancer in April 2014.
- He is eligible for a subsidy based on his income. His premium for his plan is \$75 per month.
- He has a \$5,000 deductible.
- He has a \$6,350 individual/ \$12,700 aggregate family out of pocket maximum.
- What are some challenges this patient may face in financing the cost of his care?

Important Upcoming Dates

- Medicaid and CHIP enrollment is open YEAR ROUND
- Next ACA open enrollment dates
 - November 15, 2014-February 15, 2015.
 - Must enroll by December 15th for coverage to begin January 1, 2015.
 - Coverage initiation dates are dependent on the date enrollment is completed.
 - Coverage is not retroactive.



What if I Miss Open Enrollment?

- You may still be able to purchase an ACA plan if
 - You experience a "qualifying life event", a change in your life that can make you eligible for a Special Enrollment Period to enroll in health coverage.
 - Examples of qualifying life events are moving to a new state, certain changes in your income, changes in your family size (for example, if you marry, divorce, or have a baby), or loss of other credible insurance coverage



HEALTH CARE IN AMERICA

2.6 trillion dollars
spent annually

The U.S.A.
Ranks 50th
In life expectancy

50 million Americans
are uninsured

SINCE THE AFFORDABLE CARE ACT

105 million Americans
No longer have lifetime
limits on insurance

30 million
Americans
Are expected to gain
insurance coverage

86 million Americans
Have obtained a free
preventive service

3.1 million young adults
Have stayed on their parents'
insurance plan until age 26

17 million Americans
With pre-existing conditions
will have access to insurance

QUESTIONS?

Resources

- www.healthcare.gov
- Kaiser Family Foundation www.kff.org
 - <http://kff.org/health-reform/report/taking-stock-and-taking-steps-a-report-from-the-field-after-the-first-year-of-marketplace-consumer-assistance-under-the-aca/>
 - For consumers: understanding health reform. <http://kff.org/aca-consumer-resources/>
 - Marketplace enrollment as a share of the potential marketplace population. <http://kff.org/health-reform/state-indicator/marketplace-enrollment-as-a-share-of-the-potential-marketplace-population/>



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