

Health Insurance Webinar Series:

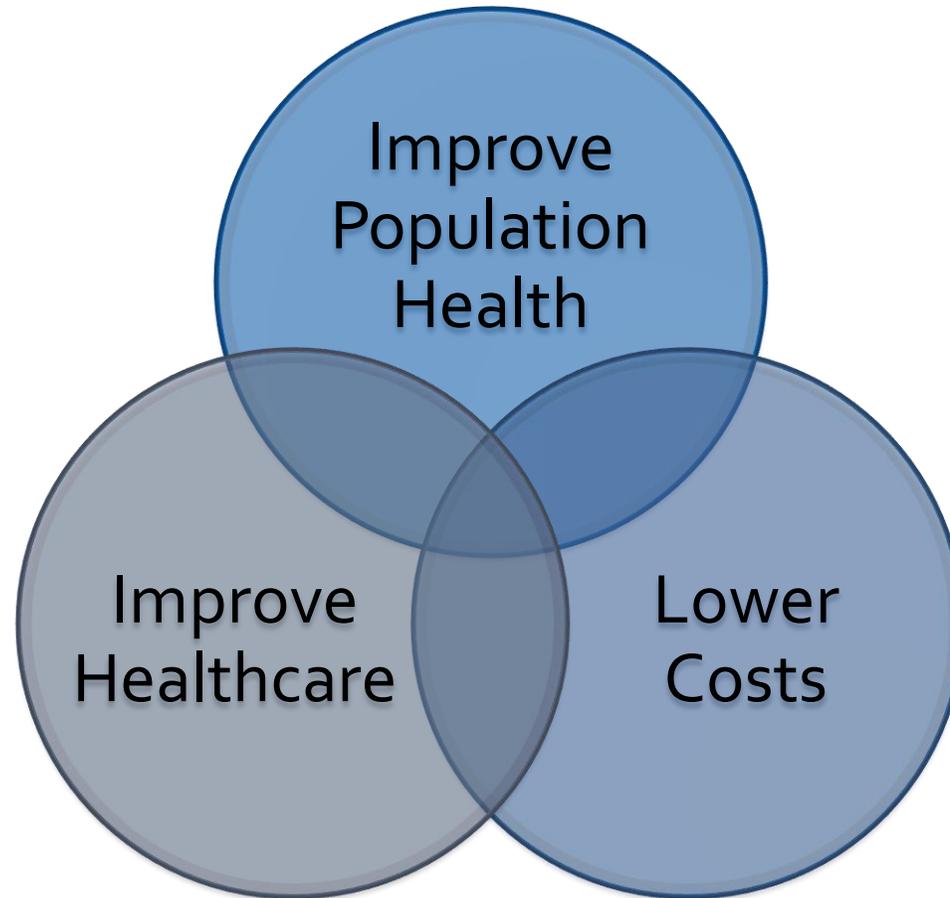
The Affordable Care Act Updates for 2017

What is the Affordable Care Act (ACA)?

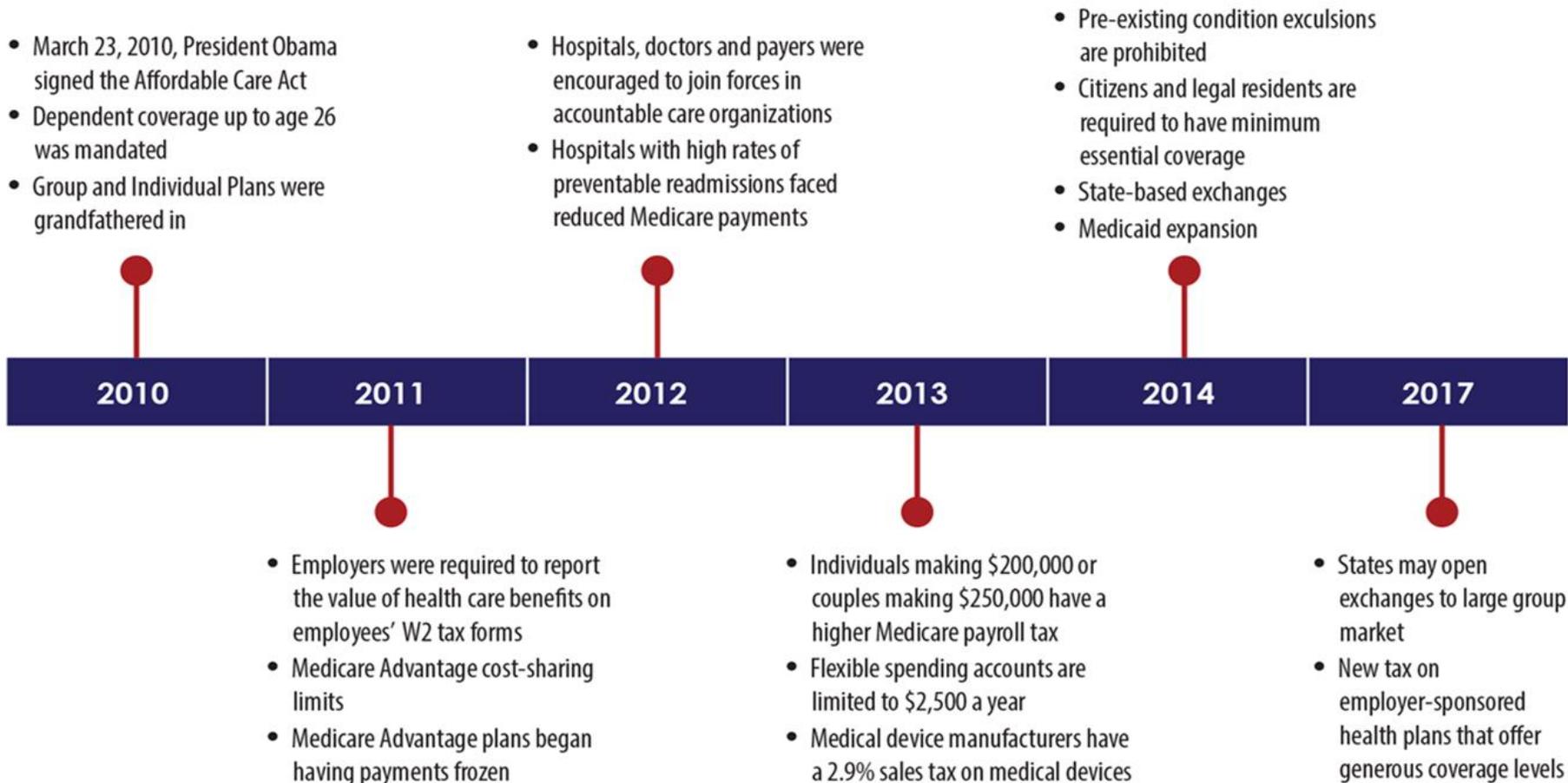
- The Patient Protection and Affordable Care Act (PPACA) of 2010 or Affordable Care Act (ACA), is the new health care reform law in America and is often called by its nick-name, Obamacare.
- It is the LAW OF THE LAND!
- It has been phased in over the last 6 years.



What are the Goals of the ACA?



Affordable Care Act Timeline



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.
- Requires MOST individuals to have health insurance coverage through the individual mandate.

The Individual Mandate

- Probably the most controversial part of the legislation: *as of 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.
 - You are not eligible for Medicaid.
 - You cannot be covered under your parent’s plan.

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 or a Medicare Advantage Plan
 - Why? Because you HAVE insurance---the Marketplace is for individuals who do not have insurance.
 - ACA plans are not MEDIGAP plans.

Exceptions to the Individual Mandate

- 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.
- Members of health care sharing ministry.
- Incarcerated individuals.
- Americans living abroad for > 1 year.

How Do I Get Insurance Coverage?

- Through the Healthcare Marketplace
- www.healthcare.gov



The screenshot shows the HealthCare.gov website homepage. At the top, there is a navigation bar with the following elements: the logo "HealthCare.gov", a "Learn" button, a "Get Insurance" button, a "Log in" link, and a language selector for "Español". Below this is a secondary navigation bar with "Individuals & Families", "Small Businesses", and "All Topics" (with a dropdown arrow), a search input field, and a "SEARCH" button. The main content area features a large banner with a smiling woman's face on the right. The text on the banner reads: "The Health Insurance Marketplace is Open!" followed by "Enroll now in a plan that covers essential benefits, pre-existing conditions, and more." and "Plus, see if you qualify for lower costs." A prominent green button labeled "APPLY NOW" is centered below the text. At the bottom of the banner, there is a dark bar with the text "WANT TO LEARN MORE FIRST?" and a "START HERE" button. Below the banner is a row of five navigation links: "Get covered: A one-page guide", "Find the Marketplace in your state", "Get lower costs on health insurance", "See what Marketplace insurance covers", and "Get help with your application".

When Can I Purchase a Plan Through the ACA?

- Open Enrollment for ACA plans November 1, 2016-January 31, 2017

2017 OPEN ENROLLMENT
Dates and deadlines you need to know

The infographic features a teal background with a white border. At the top, the title '2017 OPEN ENROLLMENT' is in large, bold, purple letters, with the subtitle 'Dates and deadlines you need to know' in white. Below this, a horizontal dotted line connects three calendar icons. Each icon is a small calendar with a different colored header (green, purple, and blue). Under each icon, a date is listed in white, followed by a description of the deadline in white text.

| Date | Description |
|---------------|---|
| Dec. 15, 2016 | Last date to enroll for coverage effective January 1, 2017 |
| Jan. 15, 2017 | Last date to enroll for coverage effective February 1, 2017 |
| Jan. 31, 2017 | Last date to enroll for coverage effective March 1, 2017 |

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 the Marketplace 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 live in a state with a state managed exchange they will be directed to that site for further state specific enrollment information.

Who Can Buy a Plan Through the Marketplace?

- Must 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

What Kinds of Plans are Available?

| |  |  |  |  |
|-------------------------------|--|---|---|---|
| | Platinum | Gold | Silver | Bronze |
| Monthly Cost | \$\$\$\$ | \$\$\$ | \$\$ | \$ |
| Cost When You Get Care | \$ | \$\$ | \$\$\$ | \$\$\$\$ |
| Good Option If You... | plan to use a lot of health care services | want to save on monthly premiums while keeping your out-of-pocket costs low | need to balance your monthly premium with your out-of-pocket costs | don't plan to need a lot of health care services |

How do the Plans Differ

- Out of Pocket Costs
- Networks of participating doctors and hospitals
 - Includes where the individual may be capitated for labs, imaging and other procedures.
- 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.

When Comparing Plans, It's Important to DO THE MATH

Independence Blue Cross · Keystone HMO Bronze

Bronze HMO | Plan ID: 33871PA0040004

Estimated monthly premium

\$224

Premium before tax credit: \$256

Deductible ⓘ

\$6,000

Estimated Individual Total

Out-of-pocket maximum ⓘ

\$6,850

Estimated Individual Total

Annual Premium Cost \$2688

Co-Insurance 60/40

Healthcare costs = \$4500

Deductible = \$6000

Out of pocket total = \$4500

+ Premium = \$7188

UnitedHealthcare · Silver Compass HSA 2000-1

Silver HMO | Plan ID: 24872PA0010004

Estimated monthly premium

\$291

Deductible ⓘ

\$2,000

Estimated Individual Total

Out-of-pocket maximum ⓘ

\$6,500

Estimated Individual Total

Annual Premium Cost \$3492

Co-Insurance 70/30

Healthcare costs = \$4500

Deductible = \$2000

30% of \$2500 = \$750

Out of pocket total = \$2750

+ Premium = \$6242

ACA Catastrophic Plans

- Only for individuals under the age of 30 and those with “hardship exemptions”
- Low monthly premiums
- Primary goal is to protect the individual from high medical costs; basically protects the individual from worst case scenarios
- High deductible plans (typically \$6350 annually)
- After deductible is met, costs for essential health benefits are paid by the plan
- Covers 3 primary care visits per year at no cost
- Covers ACA mandated free preventive services
- Premium tax credits and costs sharing do not apply to these plans

Is it *REALLY* Affordable?

- 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 Under the ACA?

| 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

| Family Size | 100% | 133% | 138% | 250% |
|-------------|----------|----------|----------|----------|
| 1 | \$11,770 | \$15,654 | \$16,242 | \$29,425 |
| 2 | \$15,930 | \$21,186 | \$21,983 | \$39,825 |
| 3 | \$20,090 | \$26,719 | \$27,724 | \$50,225 |
| 4 | \$24,250 | \$32,252 | \$33,465 | 60,625 |

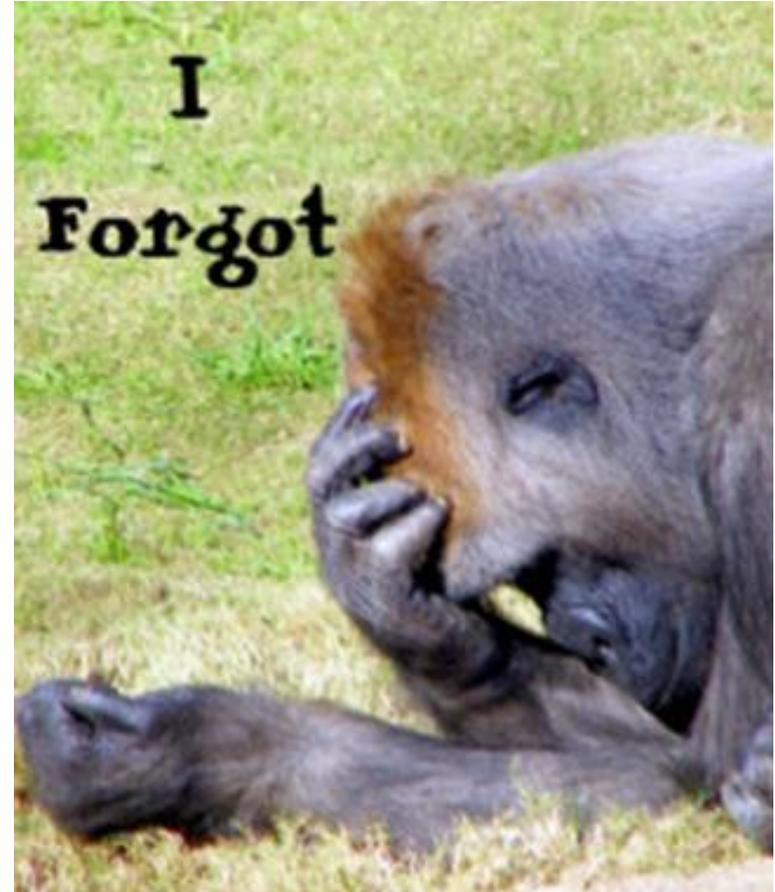
What if I Decide NOT to Purchase a Plan?

- If you can afford health insurance coverage but chose not to purchase a plan you are subject to a penalty for NOT having coverage.
- In 2017 the penalty is whichever is the higher of these two amounts
 - 2.5% of your yearly income above \$10,150; with the maximum being the national average annual premium for a bronze level plan (estimated around \$4500-\$5000) or
 - In 2016, the flat fee penalty was \$695 for an adult, \$347.50 per child under 18-family maximum is \$2085. This amount will be adjusted for inflation for 2017.
- If you are uninsured for part of the year, you will pay 1/12 of the yearly penalty for each month you are uninsured
 - Doesn't apply if you are uninsured for less than 3 months
- Penalties are paid when you file your federal tax income return for the year (or months in a year) when you did not have coverage

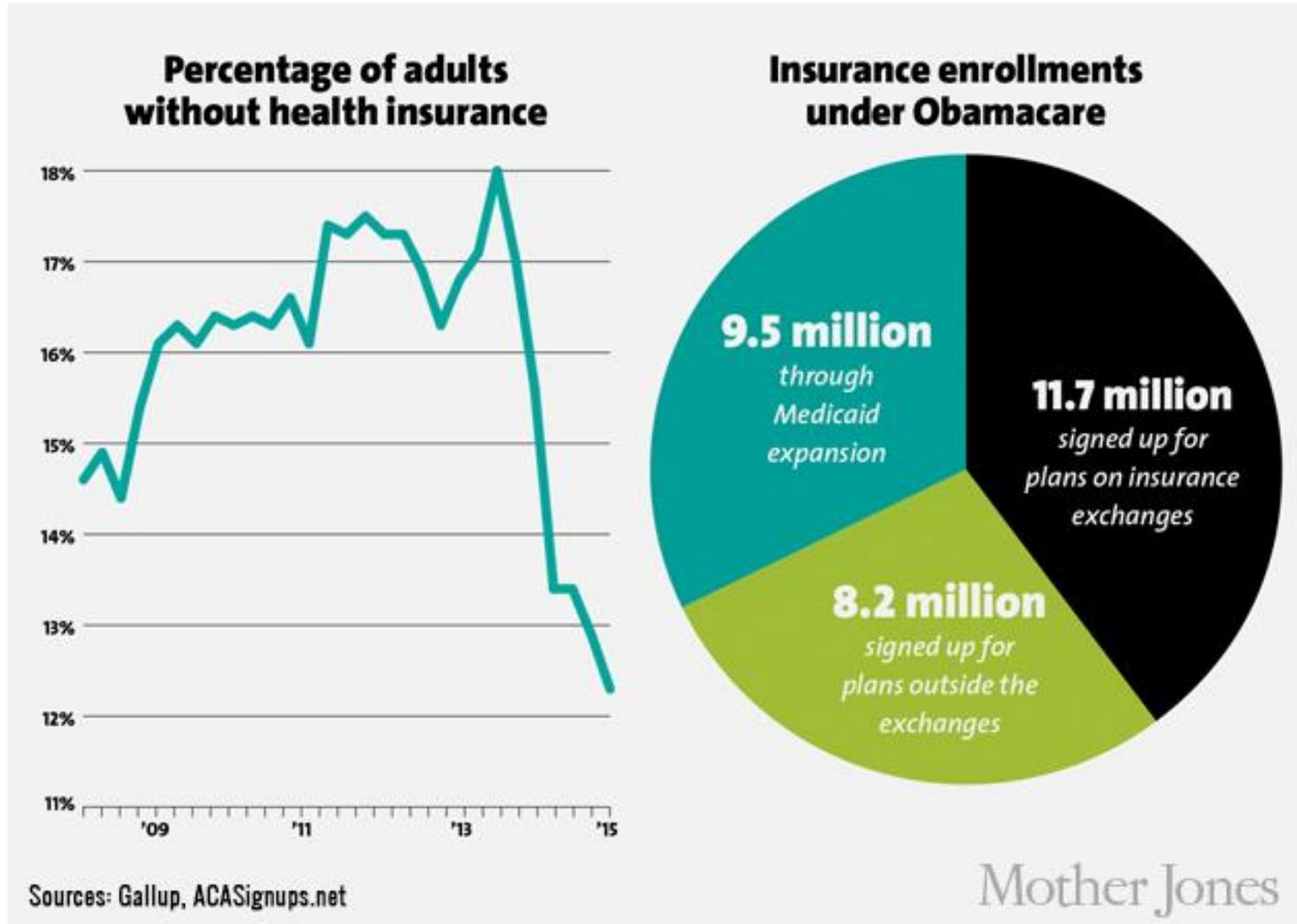
What if I Miss Open Enrollment?

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



Impact of the ACA



Impact of the ACA

- Up to 129 million Americans with pre-existing conditions can no longer be denied health coverage or charged higher premiums because of their health status.
- 86 million Americans with private insurance have gained coverage for at least one free preventive health services including mammograms, birth control and immunizations.
- 60 million Americans gained expanded mental health and substance abuse disorder benefits.
- Medicare part D recipients have saved nearly 10 billion dollars as the ACA closes the coverage gap or “donut hole.”
- 105 million Americans no longer have lifetime limits on their health insurance
- 3.1 million young adults have maintained their health insurance coverage by staying on their parents insurance plans until the age of 26.

Resources

- www.healthcare.gov
- Kaiser Family Foundation www.kff.org
 - For consumers: understanding health reform. <http://kff.org/aca-consumer-resources/>

Other Webinars in This Series

www.oncolink.org/insurance

Updated for 2016:

- Medicare A and B
- Medicare Part D
- Medigap plans
- Medicare Advantage plans
- COBRA
- Medicaid
- Health Insurance 101

New for 2016:

- Help is Available: Financial Assistance Overview
- The Tough Stuff: Late enrollment, penalties and life changing events



For More Information:

- Christina Bach, MBE, LCSW, OSW-C
christina.bach@uphs.upenn.edu

