What Healthcare Providers Need to Know about the Affordable Care Act (ACA)
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Hopkins Center for Health Disparities Solutions

“Exploration and Intervention for Health Equality...”

Designated a “National Center of Excellence” by the National Institutes of Health, National Institute on Minority Health and Health Disparities
MARBLESTONE
Consulting Group

Andrea Thompson
Michael Thompson
Discussion Points

- Define the Affordable Care Act (ACA)
- Describe main changes since the ACA went into effect
- Outline how the ACA may affect you and your family
- Describe how the ACA may affect your work as a healthcare provider
- Answer your questions
“The Signing of ACA”
(Obamacare)
March 2010
Affordable Care Act: The Purpose

1. Make health insurance available to more people
2. Make health insurance more affordable
3. Make health insurance easier to understand
Key Activities to Date

- Individual Mandate
- Young Adult Coverage
- No Pre-Existing Conditions
- No Lifetime Limits
- Medicaid Expansion
- The Healthcare Insurance Marketplace
Individual Mandate (Shared Responsibility)

Starting in 2014, you **MUST** have health coverage or pay a penalty.

Accepted forms of coverage:
- Public insurance
- Employer-sponsored insurance
- An individual policy (purchase on your own)
- A policy through the Marketplace

You may have to pay a fee with your tax return (Starting when you file your 2014 tax return in 2015)
What is the penalty?

<table>
<thead>
<tr>
<th>Year</th>
<th>Flat Dollar Amount</th>
<th>Percentage of Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$95</td>
<td>1%</td>
</tr>
<tr>
<td>2015</td>
<td>$325</td>
<td>2%</td>
</tr>
<tr>
<td>2016</td>
<td>$695</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

- You pay the higher amount between flat dollar amount and the percentage.
- The penalty for minors is half the amount of adults.
Who’s exempt?

- Belong to a certain religious organization.
- Have a coverage gap of less than three months.
- Are in jail or prison.
- Are in a hardship situation, as defined by Health and Human Services.
- Are an undocumented immigrant
- Live outside the U.S.
- Make too little income to file taxes
- Cannot afford coverage
- Are a member of an Indian tribe
A child under age 26, can stay on his or her parent’s health plan.

This applies even if the child is:

• Married
• Living outside the family home
• Financially independent
• Have coverage offered at work
Pre-Existing Conditions

If you have a pre-existing condition, you cannot be denied health insurance

- If you under 19 today, you cannot be denied
- As of Jan 1, 2014, no one can be denied
No Lifetime Limits

Insurance companies cannot stop paying for essential health benefit services simply because your claims are high.

Essential health benefits are a set of health care service categories that must be covered by plans in the Marketplace (examples: ER and Maternity)
What if you can’t afford insurance?

Depending on your income, you may be able to get help in the form of:

1. Discounts (credits) against your premium or
2. Help with out-of-pocket costs in your plan (cost sharing).

• Income must fall between 100% and 400% of the federal poverty level. For example, that’s $11,490 and $45,960 per year for an Individual.
Medicaid Expansion

As part of the Supreme Court ruling on the ACA, each state had the option to expand Medicaid.

Perceived Benefits of expansion:

- Close the coverage gap of people who make too much to qualify for Medicaid but too little to buy private insurance
- Shift 100% of costs from State to Federal government, from 2014 to 2017 – 90% thereafter
Medicaid Expansion continued. . .

Current breakdown of states with and without Medicaid expansion.

1. Number of states expanding: 26
2. Number of states **not** expanding: 25
Medicaid Expansion continued...
What Happens To Medicare?

- Medicare coverage is protected
- More preventive services
- Save money on brand-name drugs
- Donut hole will be closed by 2020
What happens with COBRA in 2014?

Under the ACA, individuals will have the option to avoid COBRA and purchase private insurance through the Marketplace.
The Health Insurance Marketplace
When can you enroll in the Marketplace?

Marketplace Initial Open Enrollment:
  • Started October 1, 2013 and ends March 31, 2014
  • Annual Open Enrollment periods after that start on October 15 and end on December 7
  • Special Enrollment Periods available only under certain conditions during the year
Marketplace Types

The are three types of Marketplaces:

1. **Federally Facilitated Marketplace (FFM)** – run entirely by the federal government (NJ and PA, under www.healthcare.gov)
2. **Partnership** – run primarily by state with assistance from the federal government (DE – called “Choose Health”)
3. **State** – run entirely by the state (MD – called “Maryland Health Connection”)

How the Marketplace Works

- There’s **One** process to determine eligibility for:
  - Qualified health plans through the marketplace
  - New tax credits to lower premiums
  - Reduced cost sharing
  - Medicaid
  - Children’s Health Insurance Program (CHIP)

- Offers choice of plans and levels of coverage
- Insurance companies compete for business
How the Marketplace Works

1. **Create an account**
   First you’ll provide some basic information. Sign up for Marketplace emails now and we’ll let you know as soon as you can create an account.

2. **Apply**
   Starting October 1, 2013 you’ll enter information about you and your family, including your income, household size, and more. Visit Healthcare.gov to get a checklist to help you gather the information you’ll need.

3. **Pick a plan**
   Next you’ll see all the plans and programs you’re eligible for and compare them side-by-side. You’ll also find out if you can get lower costs on monthly premiums and out-of-pocket costs.

4. **Enroll**
   Choose a plan that meets your needs and enroll! Coverage starts as soon as January 1, 2014.

6/20/13
Understanding the Marketplace
Marketplace eligibility requires you to
- Live in its service area
- Be a U.S. citizen or national
- Be a non-citizen and lawfully present in the U.S. for the entire period for which enrollment is sought
- Not be in jail or prison
Special Enrollment Options

To enroll in the Marketplace outside of the normal period without penalty, you need a qualifying life event change.

Examples include:

- Have a child
- Get married
- Move to a new state
- Lose a job
Qualified Health Plans cover Essential Health Benefits, which include at least these 10 categories:

<table>
<thead>
<tr>
<th>Essential Health Benefits</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulatory patient services</td>
<td>Prescription drugs</td>
</tr>
<tr>
<td>Emergency services</td>
<td>Rehabilitative and habilitative services and devices</td>
</tr>
<tr>
<td>Hospitalization</td>
<td>Laboratory services</td>
</tr>
<tr>
<td>Maternity and newborn care</td>
<td>Preventive and wellness services and chronic disease management</td>
</tr>
<tr>
<td>Mental health and substance use disorder services, including</td>
<td>Pediatric services, including oral and vision care (pediatric oral services may be provided by stand-alone plan)</td>
</tr>
<tr>
<td>behavioral health treatment</td>
<td></td>
</tr>
</tbody>
</table>
Four Main Plan Levels

Tiers serve two main purposes:
- To create standardized levels of insurance for individuals and small businesses
- To serve as benchmarks for premium credits and cost-sharing subsidies

<table>
<thead>
<tr>
<th>Tier</th>
<th>Paid by the plan</th>
<th>Paid by the insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronze</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Silver</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Gold</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Platinum</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>Catastrophic coverage</td>
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</tbody>
</table>
What is a Catastrophic Plan?

A plan that covers **essential health benefits** but has a very **high deductible**. It’s a kind of "safety net" coverage in case you have an accident or serious illness.

- Includes 3 primary care visits
- Does **not** provide services like prescription drugs or shots.
- Has lower monthly payments than traditional health insurance plans.

So, you must pay thousands of dollars out-of-pocket before full coverage kicks in.
Who’s Eligible for Catastrophic Plans

• Young adults under 30 years of age
• Those who obtain a hardship exemption from the marketplace

(No added discounts, such as tax credits on premiums are available)
1. Advanced Premium Tax Credits
   • lower premiums

2. Cost sharing discounts
   • reduces out-of-pocket expenses such as deductibles and co-insurance
Lower Premium Costs

To lower plan costs, you may be eligible for help with your Premium. You can either take a Credit right away or get a Refund at tax time.

Eligibility is based on the following:

• Household income and family size at (end of year)
• Income between 100% and 400% of the federal poverty level (example: $11,490-$45,960 for an Individual in 2013)
• Getting qualified health insurance through the Marketplace
• Not qualifying for government health plans (Medicaid)
• Having affordable insurance at work
Free Preventive Services

You won’t be charged for services that are defined as “Preventive” - examples include:

- Blood pressure screening
- Cervical cancer screening
- Obesity screening and counseling
- Depression screening
- Domestic and interpersonal violence screening
- Immunizations (vaccines)
Medicaid and the Children’s Health Insurance Program (CHIP)

- Eligibility for coverage extended under new law
- Simplifies eligibility
- Coordinated with new Qualified Health Plan coverage
  - No wrong door if you apply through the Marketplace
  - Streamlined application for affordability program
Medicaid Eligibility in 2014

- Creates new opportunities for states to expand Medicaid eligibility to
  - Adults ages 19 to 64 with incomes of up to 133% of the Federal Poverty Level (FPL) $15,282 for Individual $31,322 for Family of 4 (2013 amounts)
  - Ensures Medicaid coverage for all children
    - With incomes of 133% of FPL
  - Shifts to simplified way of calculating income to determine Medicaid Eligibility
    - Known as Modified Adjusted Gross Income (MAGI) – based Method
Healthcare Professionals

How may your work change?
The ACA and HCP’s

- Free Preventive Care
- Public Health Programs
- Cracking Down on Fraud
- Rebuild the Primary Care Workforce
- More People on Medicaid
- Increased Payments for Rural HCP’s
- Constructing more community health centers
- Improving Healthcare Quality
- Transitional Care for Seniors leaving the hospital
- New Innovations
- Linking Payment to Outcomes
- Integrated Health Systems (ACO’s)
- Reducing Paperwork and Administrative Costs
• Fighting Health Disparity
• Bundle Payments
• Increasing Medicaid Payments for Primary Care
• Coverage for Individuals participating in clinical trials
• Paying Physicians Based on value not volume
• Culturally and Linguistically appropriate services
Eligibility Challenges

• The eligibility rules for the ACA are highly complex

• Different family members may qualify for different public programs such as CHIP and Medicaid

• Family members may be split across different insurance issuers and delivery systems
Example of “Split” Eligibility

“A pregnant mother, her 5 year old child and her husband have a household income which is 150% FPL or $35,325”

• Mother qualifies for Medicaid until 60 days postpartum, then she transitions to the advanced premium tax credit program.

• Father qualifies for the premium tax credit program.

• Newborn will qualify for Medicaid until age one, then transition to CHIP

• The five year old qualifies for CHIP
Split Eligibility Insurance Cards
Recommendations

1. Develop a “cheat sheet”
2. Train staff on healthcare basics as well as overview of the ACA
3. Prepare for the high probability of churn (changes in insurance type based on conditions such as losing or gaining income)
Points to Remember

- The Marketplace is the new way to find and buy health insurance
- Qualified Individuals can shop for health insurance that fits their budget
- Individuals and families may be eligible for lower costs on their monthly premiums and out-of-pocket costs
- Newly insured individuals will require special attention and different systems
Points to Remember continued . .

- Insurance will continue to be sold outside of the Marketplace
- Purchase from Marketplace not required
- The Marketplace is the only place to get the premium tax credits and cost sharing reductions
Questions ?
Thanks for joining us!

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