

Overview of the Affordable Care Act and the Federally Facilitated marketplace.

September 2015

AFFORDABLE CARE ACT OVERVIEW

- » The Affordable Care Act was enacted in March 2010.
- » The primary goal of the Affordable Care Act is to decrease the number of uninsured Americans and to reduce the overall costs of healthcare.
- » Over 10.2 million people have enrolled through the Marketplace in 2015
 - › 8.7 million: 87% received an advance premium tax credit
 - › 5.9 million: 57% received cost sharing reductions

AFFORDABLE CARE ACT

» The Affordable Care Act:

- › Establishes a Health Insurance Marketplace in each state to help individuals obtain health insurance.
 - Nebraska has a federal health insurance marketplace.

- › Provides for premium tax credits and cost sharing reductions to help eligible low income and middle income individuals purchase health insurance through the Marketplace.

AFFORDABLE CARE ACT: THE MARKET PLACE

» Marketplace:

- › Commercial insurance market where individuals and employers can shop for private health insurance plans. Individuals and employers may be eligible for tax credits.

- › Consumers have a variety of choices in health plan selection and may be eligible for insurance affordability programs.
 - Blue Cross Blue Shield
 - United Health Care
 - Medica
 - Aetna/Coventry

NEBRASKA MARKETPLACE

» Federally Facilitated Marketplace (Nebraska)

- › Feds set standards and operate the Exchange
- › State maintains oversight of health plans and may coordinate with the federal Exchange
- › Plans charged 3.5% of premium per month

» Plan Management Marketplace (Nebraska)

- › Letter of Intent from DOI that the state will fulfill QHP certification functions and/or consumer assistance functions
- › Plans need only submit to state regulator

Individual Mandate

Individuals required to have minimum qualified coverage beginning January 1, 2014

Penalties	2014	\$95 per adult up to \$285 or 1% of household income, whichever is higher
	2015	\$395 per adult up to \$885 or 2% of household income, whichever is higher
	2016	\$695 per adult up to \$2,085 or 2.5% of household income, whichever is higher

Penalty for a child is $\frac{1}{2}$ that of an adult

Penalties indexed to the growth of CPI after 2016

Individual Mandate



IRS is prohibited from filing liens or charging interest for penalties. No fines or criminal charges for nonpayment.

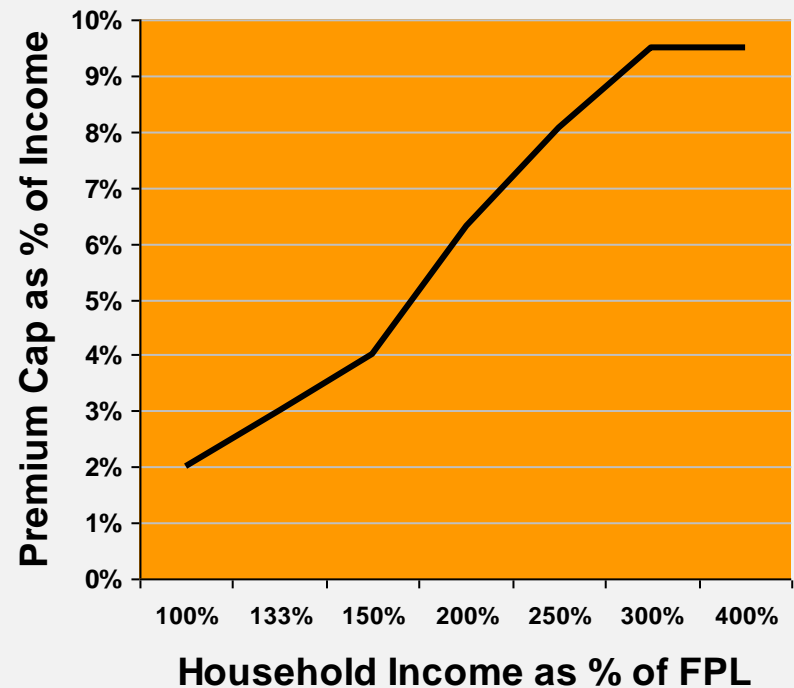
Exemptions:

- Cost of coverage is more than 8% of household income
- Religious objection
- Financial hardship
- Lost insurance coverage due to the Affordable Care Act

SUBSIDIES: PREMIUM TAX CREDIT

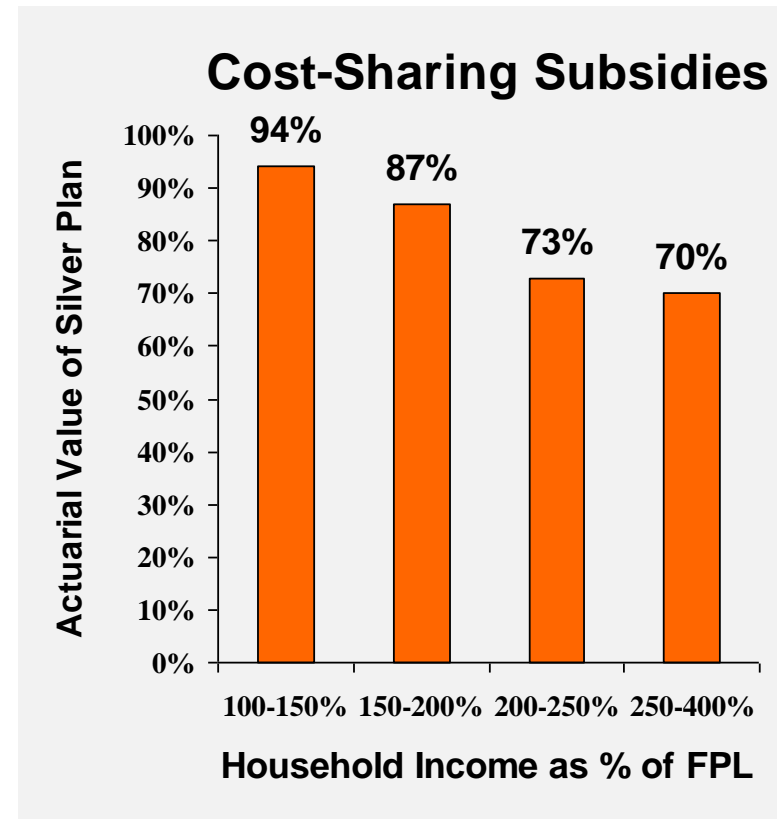
- » Available from 100% - 400% FPL.
- » Covers the difference between premium for the second-lowest-cost Silver plan and a percentage of income.
- » Advanced to insurer.

Premium Tax Credits



SUBSIDIES: REDUCED COST-SHARING

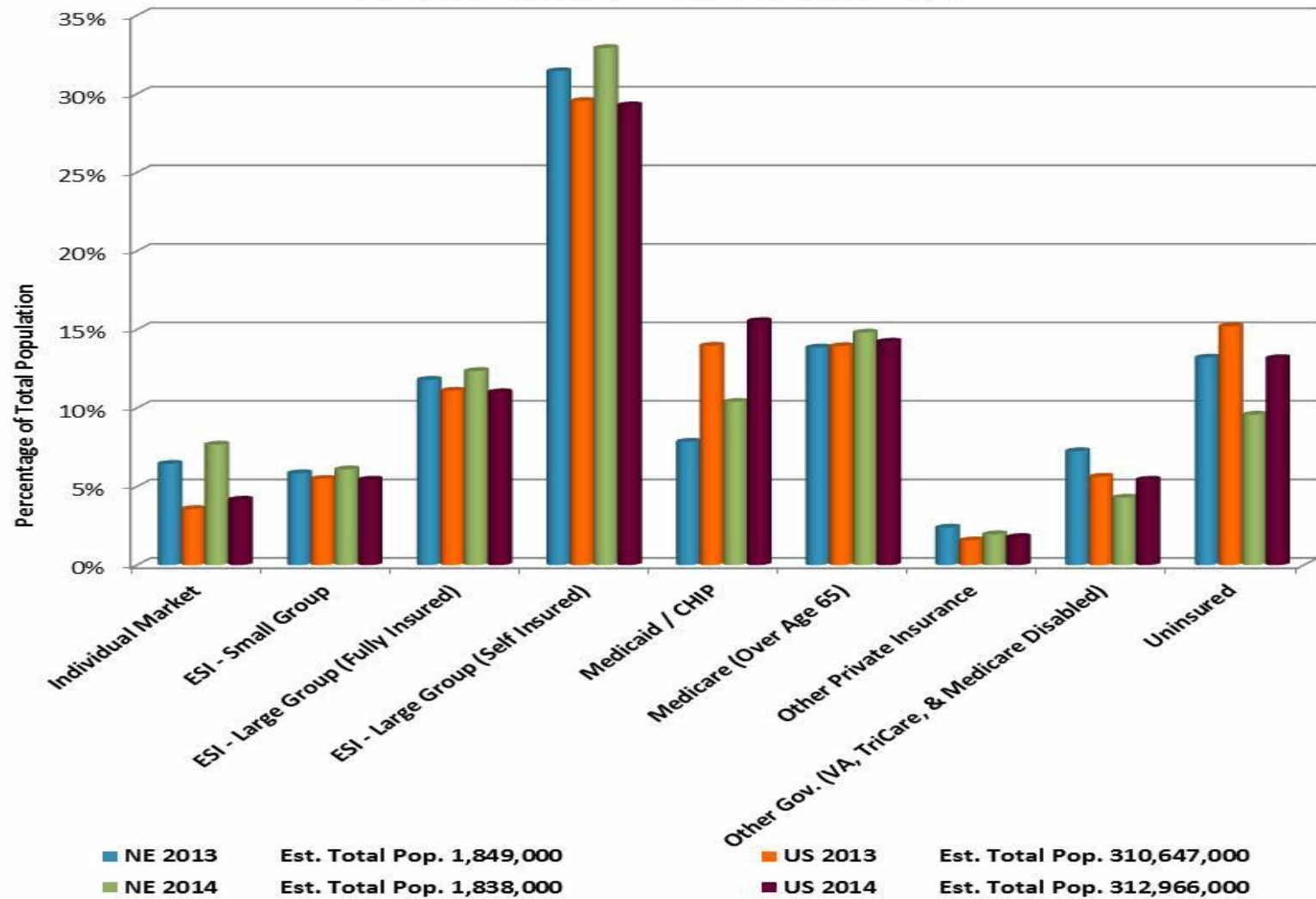
- » Available from 100% - 250% FPL.
- » Increases actuarial value of silver plan.
- » First achieved by reducing out-of-pocket limit.
- » Advanced to insurer.



Nebraska's
Insurance Market Post ACA

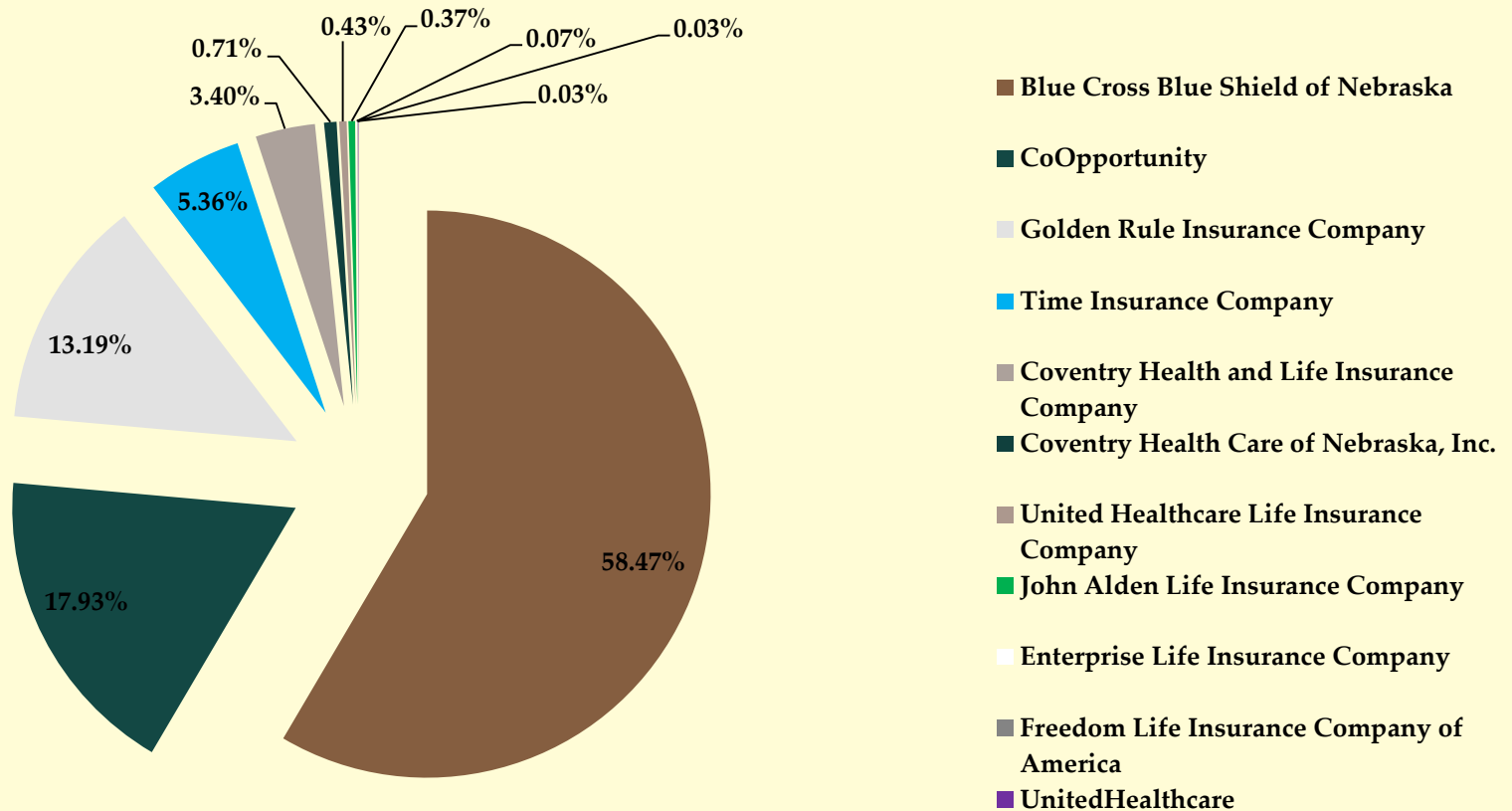
NEBRASKA'S INSURANCE MARKET

Figure 1
Nebraska and U.S. Distribution of Health Insurance Market
By Total Population for 2013 and 2014



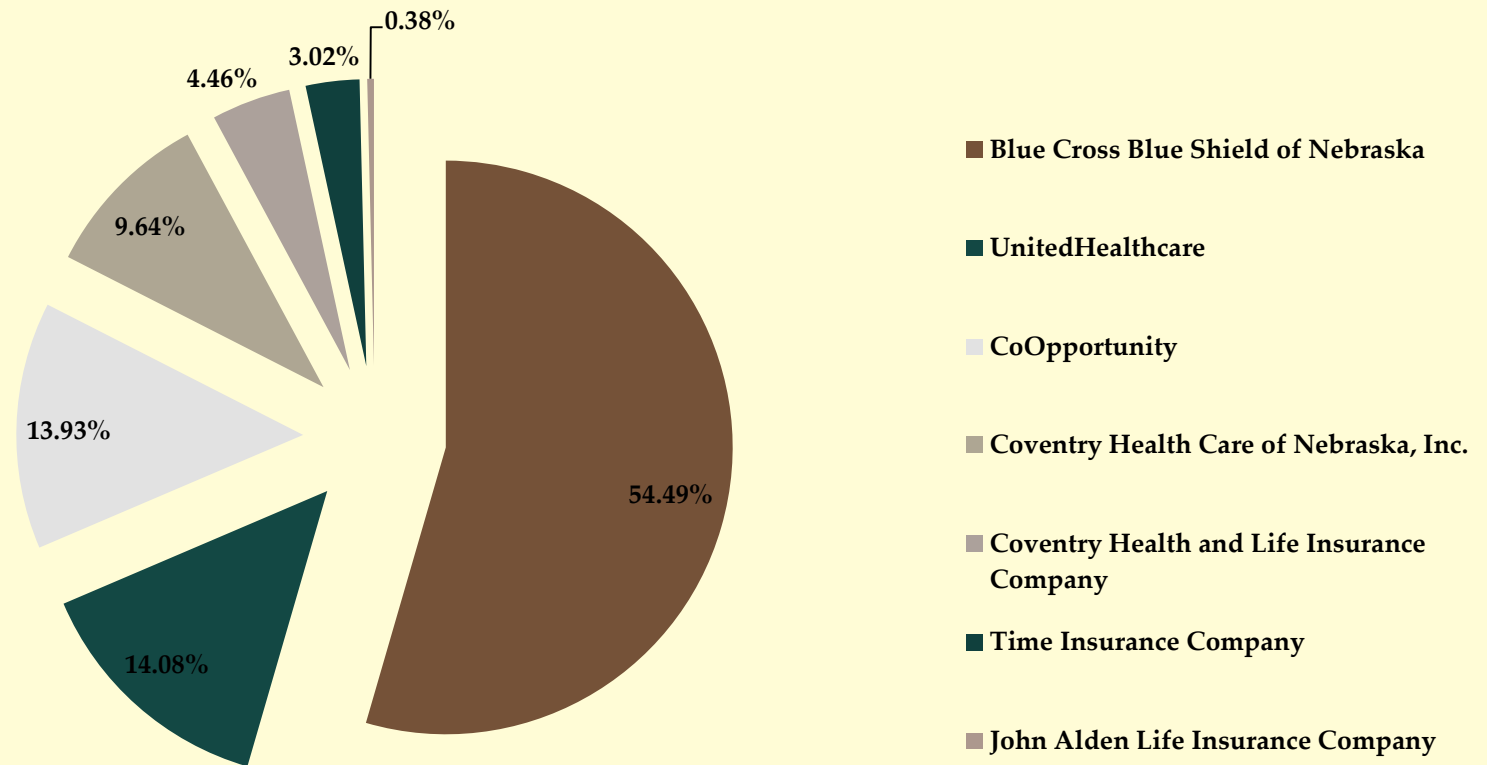
NEBRASKA'S INSURANCE MARKET

Figure 13B
Nebraska Individual Health Insurance Market
Percentage of Covered Lives, 2014



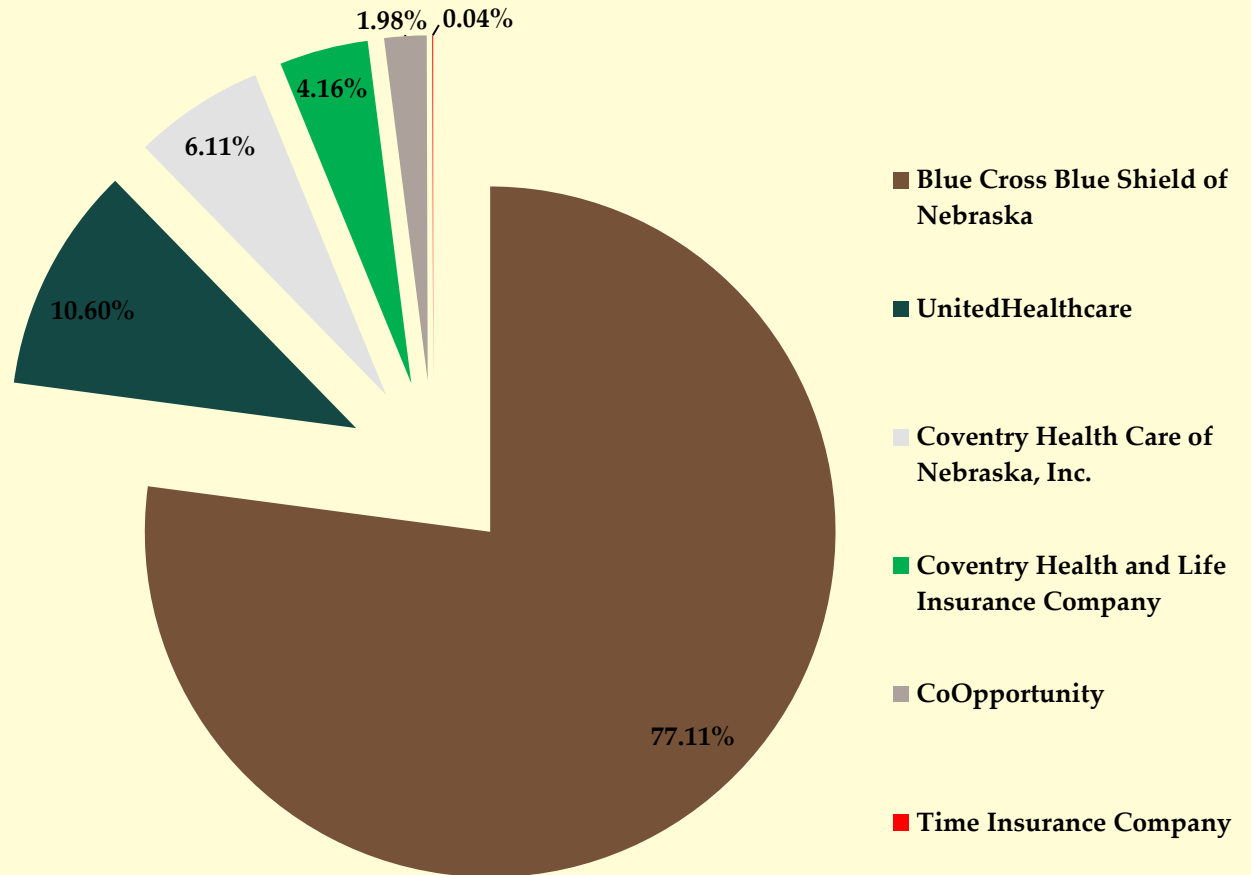
NEBRASKA'S INSURANCE MARKET

Figure 14B
Nebraska Small Group Health Insurance Market
Percentage of Covered Lives, 2014



NEBRASKA'S INSURANCE MARKET

Figure 15B
Nebraska Large Group Health Insurance Market
Percentage of Covered Lives, 2014



NEBRASKA'S INSURANCE MARKET

Figure 3

Nebraska (NE) and United States (US) Population (Including Over Age 65)

By Market Population and Percentage of Total Population

Calendar Year 2013 (pre-ACA) & 2014 (post-ACA)

Market	2013		2013 (%)		2014		2014 (%)	
	NE	US	NE	US	NE	US	NE	US
Individual	118,897	11,079,447	6.4%	3.6%	141,412	13,024,369	7.7%	4.2%
Small Group (0-50)	107,828	17,046,417	5.8%	5.5%	112,270	17,012,181	6.1%	5.4%
Large Group (51+)*								
Fully Insured	218,131	34,484,065	11.8%	11.1%	227,116	34,414,807	12.4%	11.0%
Self Insured	580,595	91,785,615	31.4%	29.5%	604,512	91,601,272	32.9%	29.3%
Medicaid	145,308	43,374,117	7.9%	14.0%	190,827	48,597,331	10.4%	15.5%
Medicare (Aged)	256,341	43,287,435	13.9%	13.9%	271,624	44,507,600	14.8%	14.2%
Private	44,316	4,879,275	2.4%	1.6%	35,895	5,579,654	2.0%	1.8%
Other Government**	133,835	17,474,910	7.2%	5.6%	78,637	17,004,390	4.3%	5.4%
Uninsured	243,552	47,236,398	13.2%	15.2%	176,167	41,223,695	9.6%	13.2%
Total	1,848,803	310,647,679			1,838,460	312,965,299		

Health Insurance Marketplace and the ACA

HEALTH PLANS

- » All health plans that want to participate in the marketplace must be certified to meet the minimum standards.
- » Health plans will be standardized into 4 coverage tiers based on the percentage of the total allowed cost of benefits paid by a health plan on average.
 - › Bronze Plans cover 60% of the costs
 - › Silver Plans cover 70% of the costs
 - › Gold Plans cover 80% of the costs
 - › Platinum Plans cover 90% of the costs

ESSENTIAL HEALTH BENEFITS

- » All health plans offered through the Marketplace must include 10 required Essential Health Benefits:
 - › Ambulatory patient services
 - › Emergency services
 - › Hospitalization
 - › Maternity and newborn care
 - › Mental health and substance use disorders 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
- » Health Plans must comply with new market reforms, as applicable.
- » The Essential Health Benefits will cover all things in the plan selected for Nebraska. The current plan is the based off of the BCBS Plus Plan.

SPECIAL ENROLLMENT PERIODS

- » Loss of minimum essential coverage.
- » Marriage, birth, or placement for adoption.
- » Gain citizenship or qualifying immigration status.
- » Enrollment errors by the Marketplace.
- » Qualified health plan violates its contract.
- » Domestic Violence
- » Change in eligibility for tax credits or cost sharing reductions.
- » Gain access to new plans as a result of a move.
- » American Indians may enroll or change qualified health plans one time per month.
- » Exceptional circumstances.
- » Enrolled in a non-qualifying employer coverage.

NEBRASKA ENROLLMENT 2014

» Marketplace	Number	% of total
› Total:	36,336	100%

» APTC Enrollment

› Total	32,255	88.8%
› Average Credit:	\$217	per month

» CSR Enrollment

› Total	20,024	55.1%
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» Tiers	Enrollment
› Catastrophic	266
› Bronze	7,535
› Silver	23,232
› Gold	3,035
› Platinum	2,268

NEBRASKA ENROLLMENT 2015

» **Marketplace** **Number** **% of total**
› Total: 63,380 100%

» **APTC Enrollment**

› Total 56,910 89.8%
› Average Credit:\$257 per
month

» **CSR Enrollment**

› Total 32,234 50.9%

» **Tiers** **Enrollment**
› Catastrophic 522
› Bronze 21,479
› Silver 37,430
› Gold 3,798
› Platinum 151

NEBRASKA'S INSURANCE MARKET

Figure 10

Premiums Offered - Individual Adult Age 40

Rating Region	Metal Tier Level	Ave. Premium Offered		Min. Premium Offered		Max. Premium Offered	
		2014	2015	2014	2015	2014	2015
1	Bronze	\$245.63	\$275.40	\$197.04	\$202.83	\$283.38	\$328.92
	Silver	\$303.59	\$331.52	\$256.25	\$259.07	\$369.56	\$427.79
	Gold	\$352.52	\$400.85	\$307.07	\$305.76	\$401.96	\$485.00
	Platinum	\$406.08	\$530.17	\$406.08	\$530.17	\$406.08	\$530.17
	Catastrophic	\$190.60	\$188.66	\$138.42	\$188.66	\$233.24	\$188.66
2	Bronze	\$245.26	\$286.30	\$197.04	\$209.23	\$283.38	\$326.30
	Silver	\$289.59	\$351.20	\$234.82	\$267.24	\$354.92	\$427.79
	Gold	\$327.74	\$422.98	\$273.57	\$315.37	\$401.96	\$485.00
	Platinum	\$324.50	\$499.00	\$324.50	\$499.00	\$324.50	\$499.00
	Catastrophic	\$179.59	\$188.66	\$157.08	\$188.66	\$220.94	\$188.66
3	Bronze	\$243.73	\$295.54	\$186.95	\$236.06	\$283.38	\$347.33
	Silver	\$281.35	\$369.06	\$218.83	\$301.54	\$354.90	\$427.79
	Gold	\$317.37	\$444.28	\$254.96	\$355.84	\$401.96	\$489.99
	Platinum	\$302.41	\$559.88	\$302.41	\$559.88	\$302.41	\$559.88
	Catastrophic	\$174.75	\$188.66	\$158.04	\$188.66	\$192.15	\$188.66
4	Bronze	\$244.95	\$285.47	\$186.49	\$242.61	\$283.38	\$326.30
	Silver	\$282.95	\$355.62	\$218.30	\$309.91	\$354.90	\$427.79
	Gold	\$318.65	\$425.36	\$209.96	\$365.71	\$401.96	\$485.00
	Platinum	\$301.66	++	\$301.66	++	\$301.66	++
	Catastrophic	\$175.94	\$188.66	\$162.41	\$188.66	\$192.15	\$188.66

CHANGES IN THE ACA

- » Transitional plan extension program(October 2016)
 - › The President asked the states to see if they can allow for the sale of transitional plans for the next two years.
 - › Plans previously purchased by the individual and small group market that do not meet minimum essential plan.
 - › Nebraska will allow for transitional plans as outlined by the federal government
 - › Affects all businesses under 100 FTE

- » Re-enrollment
 - › Automatic

- » Definition of small group
 - › Small group is defined as 1-100 FTE's
 - There is currently legislation in congress to change this back to 1-50 FTE's

ENROLLMENT

- » Annual Open Enrollment 2016
 - › November 1, 2015 – January 31, 2016.
 - › Coverage begins January 1, 2016.
- » Consumers eligible for Medicaid and CHIP can enroll at anytime.

Small Group and SHOP

SMALL GROUP

» 1-100 Employees

- Employee: any individual employed by an employer including full-time and part-time employees
- Employees are counted by averaging the number of employees on business days during the previous year.

» Exclusions

- Does not include an individual or his spouse if the business is wholly owned by the individual or by the individual and his or her spouse

SMALL BUSINESS HEALTH OPTIONS PROGRAM (SHOP)

- » Is a separate Exchange operated by the federal government for small business owners with 100 or less fulltime employees.
 - › Employers are counted by averaging the number of employees on business days during the previous year.
 - › Does not include an individual and his or her spouse when the business is wholly owned by the individual or by the individual and his or her spouse
 - › The federally facilitated SHOP will use the full time employee counting methodology when establishing group size.

- » Open Enrollment: Rolling

SMALL BUSINESS TAX CREDIT

- » Encourages small employers to offer health insurance.
 - › Employers who want to offer insurance for the first time
 - › Employers who want to maintain coverage
- » 2014: Maximum tax credit is 50% of premiums paid the small employer participating in the SHOP.
 - › The maximum credit will go to small employers with ten or less employees paying annual average wages of \$25,000 or less per employee.
 - › Credit phases out at 25 employees and \$50,000 in average annual wages
- » 2014: Tax credit is available to employers for a maximum of two consecutive years
- » Exclusions:
 - › Season workers who worked for the employer on fewer than 120 days during the year
 - › Sole proprietors,
 - › partners in a partnership,
 - › Shareholders owning more than two percent of an S corporation
 - › Any owner of more than five percent of the other
 - › Family members of these owners and partners and dependents.

EMPLOYER RESPONSIBILITIES

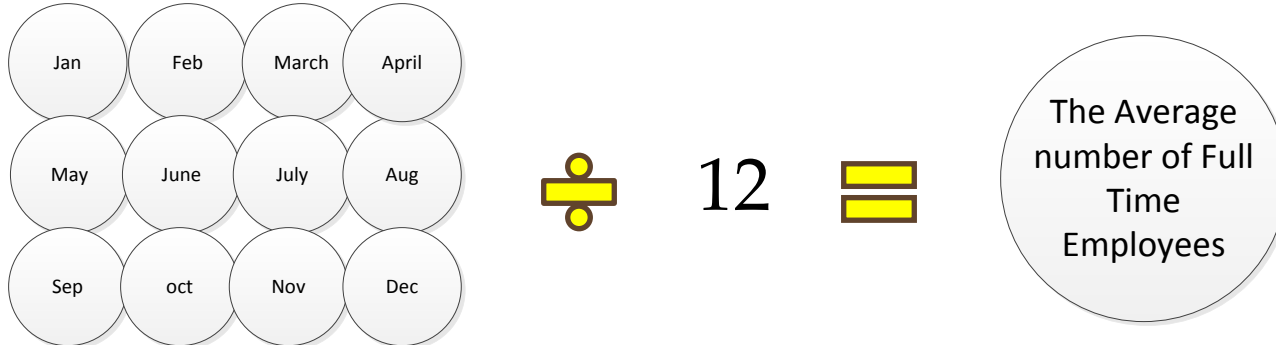
- » Employers over 200 employees must auto-enroll with opt-out
 - › Regulations have not been developed and applicability has been placed on hold.

- » Employers with more than 50 employees are fined if employees qualify for subsidies because cost of coverage for employee exceeds 9.5% of income of employee
 - > Penalty is \$3,000 per employee receiving subsidy up to \$2,000 times number of employees
 - > First 30 employees disregarded in calculating penalties

DETERMINING APPLICABLE EMPLOYER STATUS



- Must count both full time and full time equivalent FTE's
- The calculation is based on info from the previous year



Agents, Navigators Certified
Application Counselors

AGENTS IN THE MARKETPLACE

- » Agents have to be licensed in the state of Nebraska
- » Agents have to complete all FFM training requirements in order to participate in the marketplace.
- » Agents and brokers participating in the FFM or SHOP should expect to be paid the same commission that issuers pay outside of those exchanges.
- » Relationship with the issuers and the FFM
 - › Compensation will be negotiated between the issuer and the agent/broker.
 - › State appointment and commission regulations remain in effect.
 - › A list of agents approved by the FFM is on the NDOI website, however, the list may not be complete because the list from the federal government may not be comprehensive.

NAVIGATORS AND CERTIFIED APPLICATION COUNSELORS

» Navigators

- › Conduct public education and distribute information
- › Facilitate enrollment, but may not advise or enroll
- › Provide referrals to consumer assistance offices
- › HHS has developed standards to ensure that Navigators are qualified and trained

» Certified Application Counselors

- › Similar to Navigators
- › Typically work with the Federally Qualified Health Centers
- › Help Consumers in the application process

» Nebraska requires Navigators and CAC's to be registered with the DOI

NAVIGATOR ENTITIES

» Community Action Partnership of Nebraska

- › \$455,000
- › Operates Statewide.

» HRS/Erase Inc.

- › \$145,000
- › Operates in:
 - Dodge County
 - Saunders County
 - Douglas County
 - Sarpy County

FUTURE ISSUES

- » Network Adequacy
 - › The number of providers in a network
- » Legislation
- » Summary of Benefits
- » Consumer issues with tax credits and appeals
- » Rates

HOW CAN YOU BE READY?

- › www.healthcare.gov
- › www.nehealthinsuranceinfo.gov
- › www.marketplace.cms.gov
- › www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions
- › www.cms.gov/cciiio/index.html
- › www.sba.gov/healthcare
- › www.doi.nebraska.gov
- › <http://www.doi.nebraska.gov/shiip/brochure/out13255.pdf>

QUESTIONS / DISCUSSION

