

The Affordable Care Act: A Summary on Healthcare Reform

The Wyoming Department of Insurance



State of Wyoming Disclaimer

The Affordable Care Act is a federally-mandated health care and health insurance law. Wyoming citizens and employers are impacted by this law. Wyoming opposed the Affordable Care Act, and joined other states in a lawsuit to have the law overturned. The United States Supreme Court has upheld the law, and the Affordable Care Act will be implemented in Wyoming and across the country.

Because the law impacts Wyoming citizens and employers, we believe it is our obligation to provide relevant factual information. The information is not intended to provide legal advice and it does not include all details found in the Act. Readers are encouraged to consult specific provisions of the Act and obtain advice from appropriate sources as required.

Healthcare Reform – Known As

- “Obamacare”



- Patient Protection & Affordable Care Act



- Affordable Care Act (ACA)



Product Portfolio

- All plans must include essential health benefits.
 - 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
 - Preventative and wellness services and chronic disease management
 - Pediatric services, including oral and vision care

ACA Market Reforms

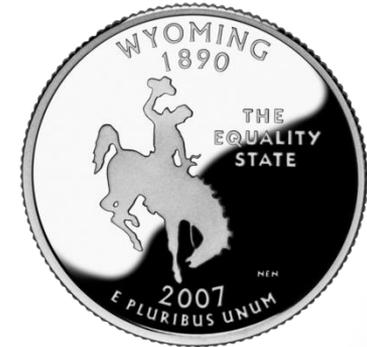


- No Life-Time Limits
- No Annual Limits on Essential Health Benefits
 - There may be visit limitations and/or pre-authorizations required for plans issued or renewed beginning January 1, 2014, but no annual dollar limits.
- Guarantee Issue & Renewal
 - Unless premiums are not paid or fraudulent
- Extends coverage to dependent(s) to age 26
 - Coverage extends through the end of the month which they turn 26
- Preventive Care Covered
 - Considered an essential health benefit

No Underwriting, Only Rating

- Age Rating Standards
 - Age Bands – 3:1 Maximum Age Bands
 - 0-20
 - 21-63
 - 64+
- Coverage Make-up Rating
 - Single, Family
 - Premium is collected for parents & dependents age 21 years and older
 - No more than 3 children (dependents under age 21) used to determine total premium
- Location Rating
 - Geographic
 - Determined by ZIP code
 - 3 Zones in Wyoming – Cheyenne, Casper & all others
- Tobacco Use Rating
 - Maximum of 1.5 times the non-tobacco user rate
 - Applies to the portion of the premium attributed to the individual family member

Plan Options



- Platinum
 - 90% of health care expenses the plan covers
- Gold
 - 80% of health care expenses the plan covers
- Silver
 - 70% of health care expenses the plan covers
- Bronze
 - 60% of health care expenses the plan covers

Plan Design

- A child-only plan must be offered at the same metal tier as any health plan that the issuer offers.
 - Limited to individuals who are under age 21 as of the beginning of the plan year.
- A catastrophic plan is available to individuals who are under age 30, who are exempt from the individual mandate due to a hardship, or where cost of coverage exceeds 8% of income. A catastrophic plan does not meet a specific AV but complies with the maximum out-of-pocket limit.
- Each issuer selling in the Marketplace must offer at least one silver level, one gold level, and a child-only.

How much will my health insurance cost?



2013 Federal Poverty Level Table

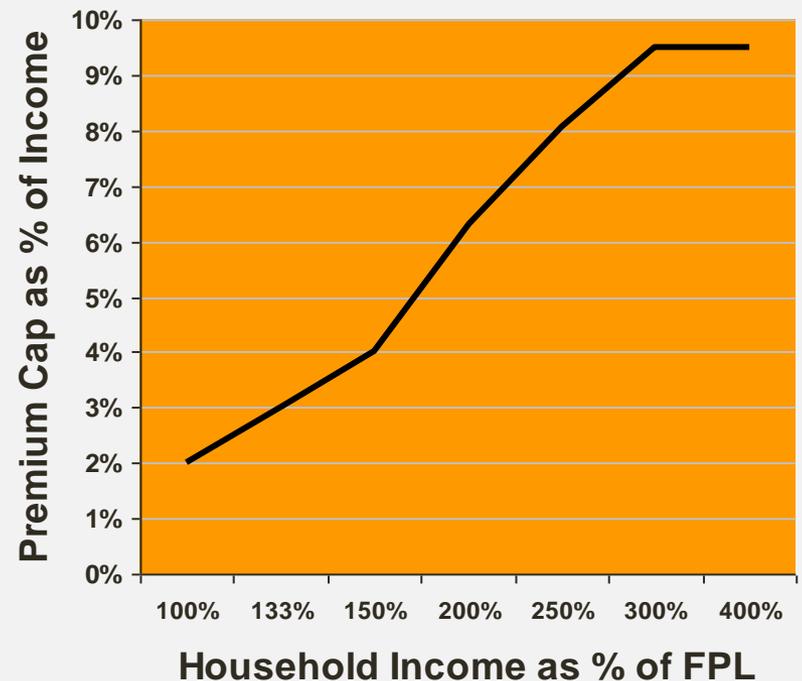
Household Size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	15,510	20,628	23,265	31,020	46,530	62,040
3	19,530	25,975	29,295	39,060	58,590	78,120
4	23,550	31,322	35,325	47,100	70,650	94,200
5	27,570	36,668	41,355	55,140	82,710	110,280
6	31,590	42,015	47,385	63,180	94,770	126,360
For each additional person, add	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

- Updated annually by HHS—usually in late January

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
- Must purchase coverage in the Marketplace
- Calculated based upon estimated income recipients
- May have to repay excess credits if actual income is higher

Premium Tax Credits



Premium Tax Credit Calculation

- Example: Family of 4 with income of \$50,000
- The premium tax credit is based on the second lowest silver plan. The family's expected contribution is a percentage of the family's household income.
 - Income as a Percentage of FPL: 224%
 - Premium cap as a percent of income 7.14%
 - Premium for Second Lowest Silver: \$14,000 (\$1,166 per month)
 - Expected Family Contribution: \$3,570
 - **Premium Tax Credit: \$ 10,430 (\$14,000 - \$3,570)**
 - Premium for Plan Family Chooses: \$14,000
 - Actual Family Contribution: \$3,570

Premium Tax Credit Calculation

- Example: The family can then choose what plan to purchase. The amount of subsidy they receive will be based on the second lowest silver plan.

	Annual Cost of Premium	Tax Credit	Actual Family Contribution
Platinum	\$18,300	\$10,430	\$7,870
Gold	\$15,600	\$10,430	\$5,170
Silver	\$14,000	\$10,430	\$3,570
Bronze	\$11,800	\$10,430	\$1,370

Cost-Sharing Reductions

- Lowers the out-of-pocket costs at the point of service and has the effect of increasing the actuarial value of a plan.
- Only available to individuals enrolled in a silver-level qualified health plan through the Marketplace.
- The amount varies with income:

Income Level	Benefit Level is Increased to:
100 -- 150% FPL	94%
150+ -- 200% FPL	87%
200+ -- 250% FPL	73%

- There will be no cost-sharing for a Tribal member with household income below 300% FPL.
- There will be no cost-sharing for any Tribal member who receives care from Indian Health Services or related provider.
- Due to mid-year income fluctuations, reconciliation will occur annually.

Medical Loss Ratio

- The ACA requires consumers receive more value for their premium dollar
- Insurance companies will be required to spend 80 percent of premium dollars on medical care and health care quality improvements
- This means insurance companies must limit the amount of premium dollars spent on administrative costs
- If an insurance company does not meet the 80 percent requirement, the company must issue a rebate.

Medical Loss Ratio (MLR)

- Individual Policies
 - Entire block of “Individual” policies is used to calculate the MLR
- Small Group Policies
 - Entire block of “Small Group” policies is used to calculate the MLR
- Large Group Policies
 - Entire block of “Large Group” policies is used to calculate the MLR



What should I do?

- Keep the insurance I have
- Purchase insurance through the federal Marketplace
- Purchase insurance outside the federal Marketplace
- Do nothing



Grandfathered Plans

- Coverage in which individuals were enrolled prior to March 23, 2010, are exempt from most provisions of the ACA.

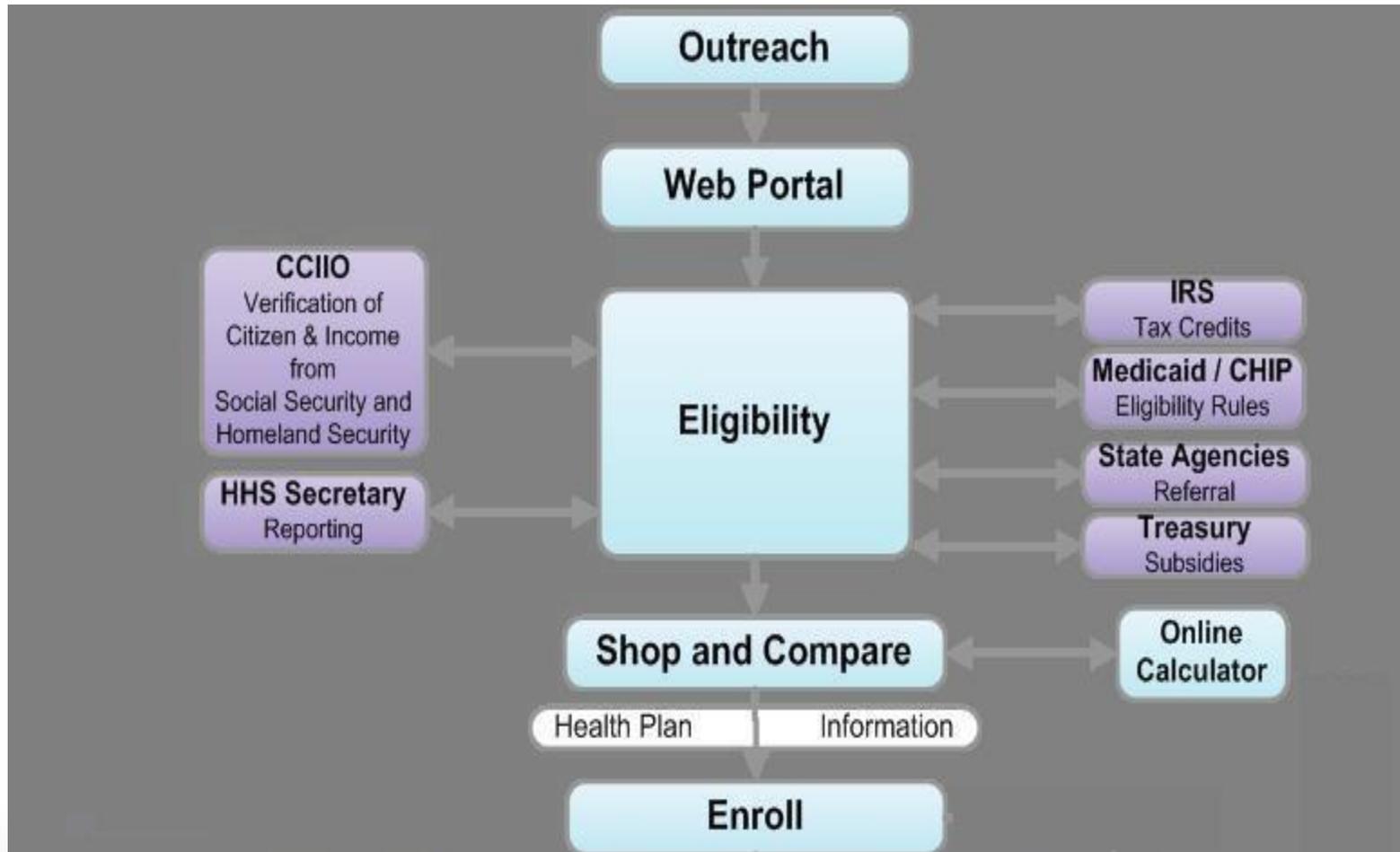
Provisions that DO Apply:

- No lifetime limits on essential health benefits
 - Can only rescind coverage for fraud or intentional misrepresentation
 - Extension of dependent coverage to age 26
 - Medical loss ratios
 - No annual limits on essential health benefits (group only)
 - No preexisting condition exclusions (group only)
- Grandfather status can be lost
 - Grandfathered plans will satisfy individual mandate
 - **Check with insurance agent or company to see if your current plan qualifies for grandfathered status.**

What is a Marketplace (exchange)?

- Virtual Marketplace for an “apples to apples” comparison of benefits and costs
- Cost assistance is only available through the Marketplace
- Qualifies individuals for Medicaid, CHIP or premium subsidies
- Offers only qualified health plans and dental plans
- Two marketplaces
 - One for Individuals
 - One for Small Groups
- Three types of marketplaces
 - State-based
 - Partnership with federal government
 - Federally-facilitated marketplace (Wyoming)
- You can still purchase insurance directly from an insurance carrier or agent.
- On October 1, 2013 you can enroll for health insurance at:
www.healthcare.gov

Marketplace



Consumer Process & Applying for Coverage



If eligible for Medicaid and/or CHIP, the consumer's account is transferred to the state for enrollment next steps



Marketplace Application Checklist

- Use the checklist below to help you gather what you need to apply for coverage.
 - Social Security Numbers (or document numbers for legal immigrants)
 - Employer and income information (for example, pay stubs or W-2 forms)
 - Policy numbers for any current health insurance plans



Individual Coverage and Enrollment

Effective Date	For Coverage Purchased:
January 1, 2014	On or before December 15, 2013
February 1, 2014	Between 12/16/2013 – 1/15/2014
March 1, 2014	Between 1/16/2014 – 2/15/2014
April 1, 2014	Between 2/16/2014 – 3/15/2014
May 1, 2014	Between 3/16/2014 -3/31/2014

Enrollment Periods

- Initial open enrollment period will be October 1, 2013 – March 31, 2014.
- Annual enrollment after the first year will occur between October 15 – December 7.
- Special enrollment periods are 60 days from the triggering event.

Special Enrollment

The Marketplace is responsible for determining the date the special enrollment period begins. Special enrollment triggers include:

- An individual or dependent losing minimum qualified coverage;
- An individual gaining or becoming a dependent through marriage, birth, adoption, or placement of adoption;
- An individual experiencing an error in enrollment;
- When a plan or issuer substantially violates a material provision of the contract in which the individual is enrolled;
- An individual becomes newly eligible or newly ineligible for subsidies or a change in cost-sharing reductions; or
- When new coverage becomes available as a result of a permanent move.

Coverage Examples

Coverage Period: [See instructions]

Coverage for: _____ | Plan Type: _____



This is only a summary. If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at [www.\[insert\]](http://www.[insert]) or by calling 1-800-[insert].

Important Questions	Answers	Why this Matters:
What is the overall deductible ?	For In-network providers \$XXXXX per person / \$XXXXX per family. For out-of-network providers \$XXXXX per person / \$XXXXX per family.	You must pay all the costs up to the deductible amount before this plan begins to pay for covered services you use. <u>For Wyoming, In-Network deductibles range from \$100 for a single person/\$200 per family (at 100% of PPL), up to \$6350 single/\$12,500 family.</u> <u>Out-of-Network deductibles range from \$5,000 single/\$10,000 family up to \$8,850 single/\$17,700 family.</u>
Are there other deductibles for specific services?	No	You don't have to meet deductibles for specific services, but see the chart starting on page 3 for other costs for services your plan covers.
Is there an out-of-pocket limit on my expenses?	Yes. For In-network providers \$XXXXX for Single Coverage / \$XXXXX for Family Coverage For out-of-network providers \$12,700 for Single Coverage / \$25,400 for Family Coverage.	The out-of-pocket limit is the most you could pay during a coverage period (usually one year) for your share of the costs of covered services. This limit helps you plan for health care expenses. <u>For Wyoming, In-network out-of-pocket limits range from \$850 single/\$1,700 family (at 100% of PPL), up to \$6,350 single/\$12,700 family.</u> <u>Out-of-network out-of-pocket limits are \$12,700 single, \$25,400 family.</u>
What is not included in the out-of-pocket limit ?	Premiums, balance-billed charges, sanctions, reductions, and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the out-of-pocket limit.
Is there an overall annual limit on what the plan pays?	No.	The chart starting on page 3 describes any limits on what the plan will pay for <i>specific</i> covered services, such as office visits.

Outside the Marketplace

- An issuer can offer only in the Marketplace, only outside the Marketplace, or a combination of both.
- No subsidy or cost sharing reduction outside the Marketplace
- Outside the Marketplace companies may have products that will not qualify as minimum qualified health coverage (Tax penalty)
 - Limited benefit plans
 - Specific illness plans (cancer policy)
 - Need to check with agent/company to see if plan satisfies the Federal mandate
 - Contact agents/brokers/companies to purchase
- Insurers may restrict sales of new policies in the individual market to open enrollment periods that align with those for the federal Marketplace.

How Do I Enroll?



- Online through the Marketplace: www.healthcare.gov (can now create an account in preparation of open enrollment)
- Federal Consumer Hotline: [1-800-318-2596](tel:1-800-318-2596)
- Navigators:
 - Trained and certified to help consumers, small businesses and their employees complete eligibility and enrollment forms
 - Services are free to consumers
 - WY Navigator Grantees: EnrollWyoming; Wyoming Senior Citizens, Inc.
 - Contact Wyoming 2-1-1 (In Wyoming dial 211) (<http://www.wyoming211.org/>)
- Certified Application Counselors:
 - Volunteer organizations (such as social service agencies, hospitals, or other health care providers) can certify staff or volunteers as application counselors
 - Individual will receive training and will perform many of the same functions as navigators, including consumer outreach, and application assistance
- Insurance Agents / Insurance Companies

Health Plans Offered in Wyoming through the Federal Health Insurance Marketplace (Exchange) (Effective 10/1/2013)

Company	Type of Policy
Blue Cross Blue Shield of Wyoming	Individual and Family Plans. <ul style="list-style-type: none"> • Plans range from Bronze to Gold. • A Bronze health savings account (HSA) is offered. • A catastrophic health plan is available.
	Small Group Plans. <ul style="list-style-type: none"> • The “Blue Select” plans range from Bronze to Gold. • A Bronze health savings account (HSA) is offered.
WINhealth Partners	Individual and Family Plans. <ul style="list-style-type: none"> • Plans range from Bronze to Platinum. • A Silver HSA and a Gold HSA are available. • A catastrophic plan is offered. • The Bronze through Platinum plans are offered with a bundled dental plan.
	Small Group. <ul style="list-style-type: none"> • Plans range from Bronze to Platinum. • A Silver HSA and a Gold HSA are available. • The Bronze through Platinum plans are offered with a bundled dental.

To compare specific plans and premiums and to determine whether you are eligible for a subsidy or cost sharing reduction, please visit the federal Health Insurance Marketplace at www.healthcare.gov/.

Remember that the federal government is operating the Health Insurance Marketplace (aka Exchange) for Wyoming at HealthCare.gov. This is the official website for accessing the Health Insurance Marketplace for Wyoming. The website includes information on how to contact a Wyoming navigator for in-person assistance, how to call the federal hot-line and how to online chat with a federal representative.

**Insurers Offering Products Outside of the Health Insurance Marketplace (ACA Compliant Plans Effective 1/1/2014)
as of October 1, 2013**

Company	Type of Policy	Website	Telephone
Individual Market			
Altius Health Plans, Inc.	Individual. Available in Lincoln, Sweetwater and Uinta Counties	http://altius.coventryhealthcare.com/	800-377-4161
Blue Cross Blue Shield of Wyoming	Individual	https://www.bcbswy.com/ The site includes a "Find an Agent" feature.	800-442-2376 TDD 800-696-4710
Celtic Insurance Company	Individual	http://www.celtic-net.com/	800-477-7870
MEGA Life and Health Insurance Company	Individual	https://www.megainsurance.com/	800-527-2845
Time Insurance Company (an Assurant Health family company)	Individual	http://www.assuranthealth.com/	800-647-9106
WINhealth Partners	Individual	http://www.winhealthpartners.org/	307-773-1300
Small Group Market			
Altius Health Plans, Inc.	Small Group (in selected Wyoming counties)	http://altius.coventryhealthcare.com/	800-377-4161
Blue Cross Blue Shield of Wyoming	Small Group	https://www.bcbswy.com/ The site includes a "Find an Agent" feature.	800-442-2376 TDD 800-696-4710
John Alden Life Insurance Company (an Assurant Health family company)	Small Group	http://www.assuranthealth.com/	800-647-9106
Time Insurance Company (an Assurant Health family company)	Small Group	http://www.assuranthealth.com/	800-647-9106
United Healthcare Insurance Company	Small Group	http://www.uhc.com/	888-545-5205
WINhealth Partners	Small Group	http://www.winhealthpartners.org/	307-773-1300

These companies are offering policies that include all ACA-required market reforms and essential health benefits. These policies are being offered outside of the Health Insurance Marketplace and may be purchased by contacting the company using the contact information provided. Consumers should be aware that insurance premium tax credits (subsidies) and cost sharing reduction are only available through the federal Health Insurance Marketplace (Exchange) at www.healthcare.gov.

Do I have to do
anything?



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	\$325 per adult up to \$975 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

The IRS is the enforcement arm of the ACA, penalties will be determined annually when personal taxes are filed.

Individual Mandate

- All individuals must have minimum essential coverage or pay a penalty for any month that he/she is not insured (unless exempt).
- Exempt individuals:
 - Individuals who cannot afford coverage (exceeds 8% of household income)
 - Must claim exemption through healthcare.gov
 - Taxpayers with income below the tax filing threshold
 - Certified Tribal members
 - Individuals who qualify for religious exceptions
 - Members of a healthcare sharing ministry
 - Incarcerated individuals
 - Individuals who are not lawfully present in the United States
 - Individuals who are insured through a Government sponsored program
 - Individuals who experience a short coverage gap (<3 months)

Minimum Essential Coverage

- Can be any of the following:
 - Government sponsored programs:
 - Medicare
 - Medicaid
 - CHIP
 - TriCare
 - Peace Corps volunteers
 - Veteran's healthcare program
 - Employer sponsored coverage:
 - COBRA
 - Retiree coverage
 - Individual Market Coverage
 - Grandfathered Coverage
 - Other Coverage
 - Such as the State health benefits high risk pool

Possible Fraud in the ACA

- Asking for money to enroll someone in the Marketplace
- Navigators will not ask for money at all
 - Agents / Brokers are paid by the insurance company
 - There are a few licensed consultants that can charge a fee but as a rule this will be the biggest red flag
- Discount medical cards
- Telling Medicare enrollees that they need a new card or need to change anything because of the ACA (scam during Hurricanes Katrina and Sandy scams were to get the information to get you a laminated waterproof ID card)
- I need to get your information so you can get your “Obama Care” card
- Companies may try to market plans as “ACA compliant” but don’t meet the minimum benefits to avoid the mandate. Check with DOI if you have any questions.
- Anyone cold calling you for information to enroll you in the Marketplace (navigators and consumer assistors will not cold call)
- Anyone trying to enroll you in a health plan if you are enrolled in Medicare



What Size Employee Group Do I Have?



How to determine Full Time Equivalents (FTE)?

- ACA refers to FTE rather than actual number of employees.
- To calculate total FTEs, add the following:
 - All employees who work at least 30 hours per week (full time); PLUS
 - Total number of hours worked in a month by part-time employees (<30 hours per week) divided by 120.
- FTE includes seasonal employees if they work more than 120 days per year.

FTE Calculation Example

- Employer has 35 employees regularly working at least 30 hours per week and 16 employees regularly working 24 hours per week (total of 96 hours per month).
- Full time = 35
- Part time = $\frac{[16 \text{ employees} \times 96 \text{ hours}]}{120} = 12.8$
- Total FTE = 47.8
 - Federal government guidelines specify to round down to the nearest whole number

Small Employers

- 1-49 full-time equivalent employees during the preceding calendar year
 - “1” defined as employer and one employee
 - Self-employed individuals will purchase coverage through the individual Marketplace
- There is no penalty for small employers who do not offer health insurance to their employees

SHOP

- Small employers are eligible for SHOP (small business health options program)
 - 70% participation rate needed to use SHOP
 - 2014: Employer chooses plan and coverage level
 - 2015: Employer chooses coverage level and employees choose from insurers offering at that level. SHOP collects and combines premiums and sends to insurers
- Enrollment Period
 - Initial open enrollment: October 1, 2013 – March 31, 2014.
 - Annual enrollment: November 15 – December 15.
 - Special enrollment period of 30 days (60 days for those losing Medicaid or CHIP coverage) from triggering event.
 - Enrollment periods will be the same inside and outside the Marketplace.

Small Business Tax Credit

- How to qualify
 - Buy plan through SHOP at healthcare.gov
 - Employer must have 25 or fewer employees
 - Employees average wages must be less than \$50,000
 - Employer must contribute at least 50% of employees' premium

Large Employers

- 50+ full-time or full-time equivalent employees during the preceding calendar year. The full-time equivalent employee count includes seasonal employees (if they work more than 120 days per year)
- Large employers **MUST** provide minimum qualified and affordable health insurance or pay a penalty.
 - Minimum qualified coverage means that insurance pays for at least 60% of covered healthcare expenses.
 - Affordable means it cannot cost the employee more than 9.5% of that employee's income.



Employer Penalties

- The penalty for large groups (50+ FTE) not providing health insurance, if at least one employee receives a subsidy from the Marketplace, will be \$2,000 per each full-time employee above the first 30 workers.
 - Example: A business employs 55 full-time employees; 2 receive a subsidy. The employer would pay a penalty of \$50,000.
($\$2,000 \times (55-30)$ = penalty).
- The penalty for not providing affordable coverage will be \$3,000 annually for each full-time employee who receives a subsidy from the Marketplace, with a maximum of \$2,000 times the number of full-time employees above the first 30 workers.
 - Example: A business with 55 full-time employees; 2 receive a subsidy. The employer would pay a penalty of \$6,000. ($\$3,000 \times 2$) = penalty. The maximum penalty for this business would be \$50,000.



Self-Insured Groups

- Self-insured groups are not required to:
 - Cover essential health benefits
 - Limit deductibles
 - Justify large rate increases
 - Extend health insurance to anyone who applies (but they cannot discriminate based on a pre-existing condition)
 - Guarantee to renew coverage
 - Standardize cost-sharing tiers based on actuarial value
 - Prohibit higher premiums based on health status

Additional Resources

- Wyoming Insurance Department: <http://doi.wyo.gov/> or toll free at 1-(800)-438-5768
- Access to the federal Health Benefit Marketplace and SHOP and for more information on federal health care reform: www.healthcare.gov
- Wyoming Navigators: 2-1-1
- Marketplace Consumer Hotline: 1-800-318-2596