

# Health Insurance Webinar Series:

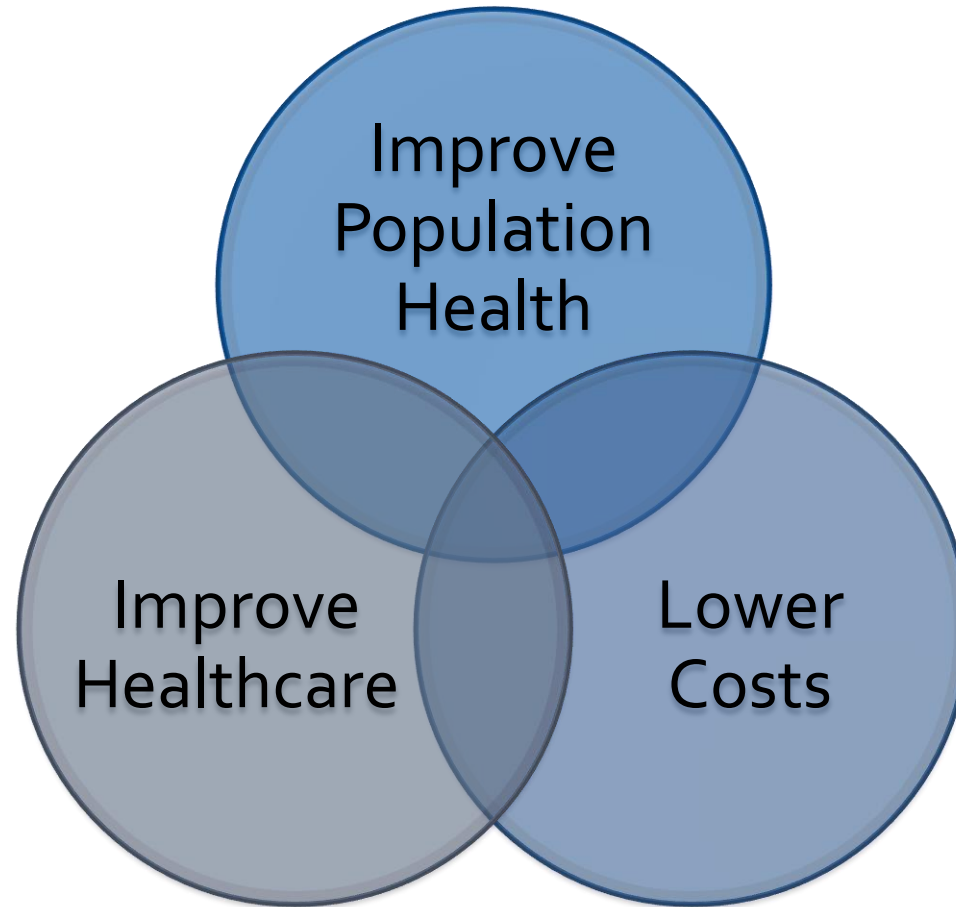
## The Affordable Care Act Updates for 2017

# What is the Affordable Care Act (ACA)?

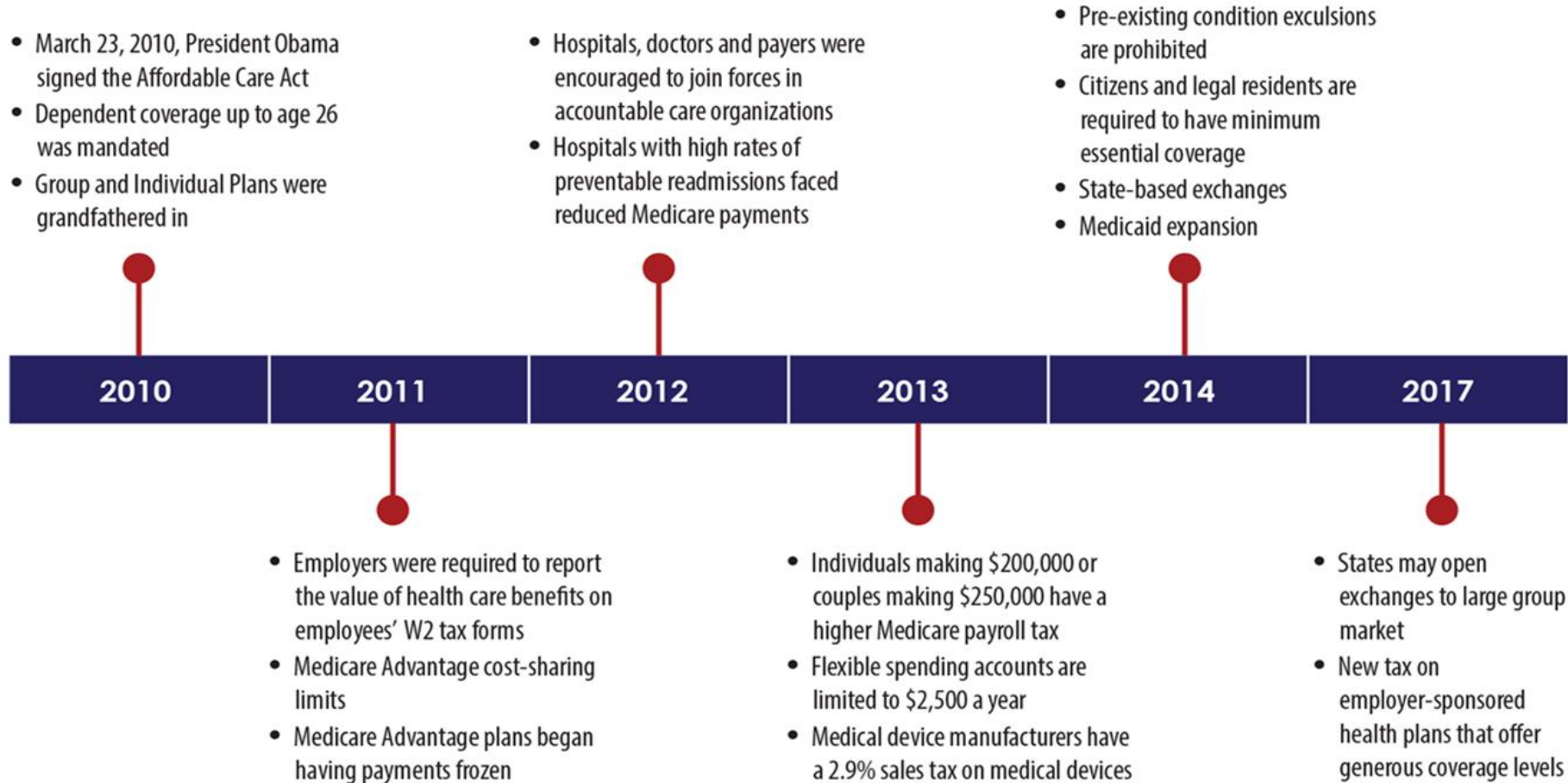
- The Patient Protection and Affordable Care Act (PPACA) of 2010 or Affordable Care Act (ACA), is the new health care reform law in America and is often called by its nick-name, Obamacare.
- It is the LAW OF THE LAND!
- It has been phased in over the last 6 years.



# 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.



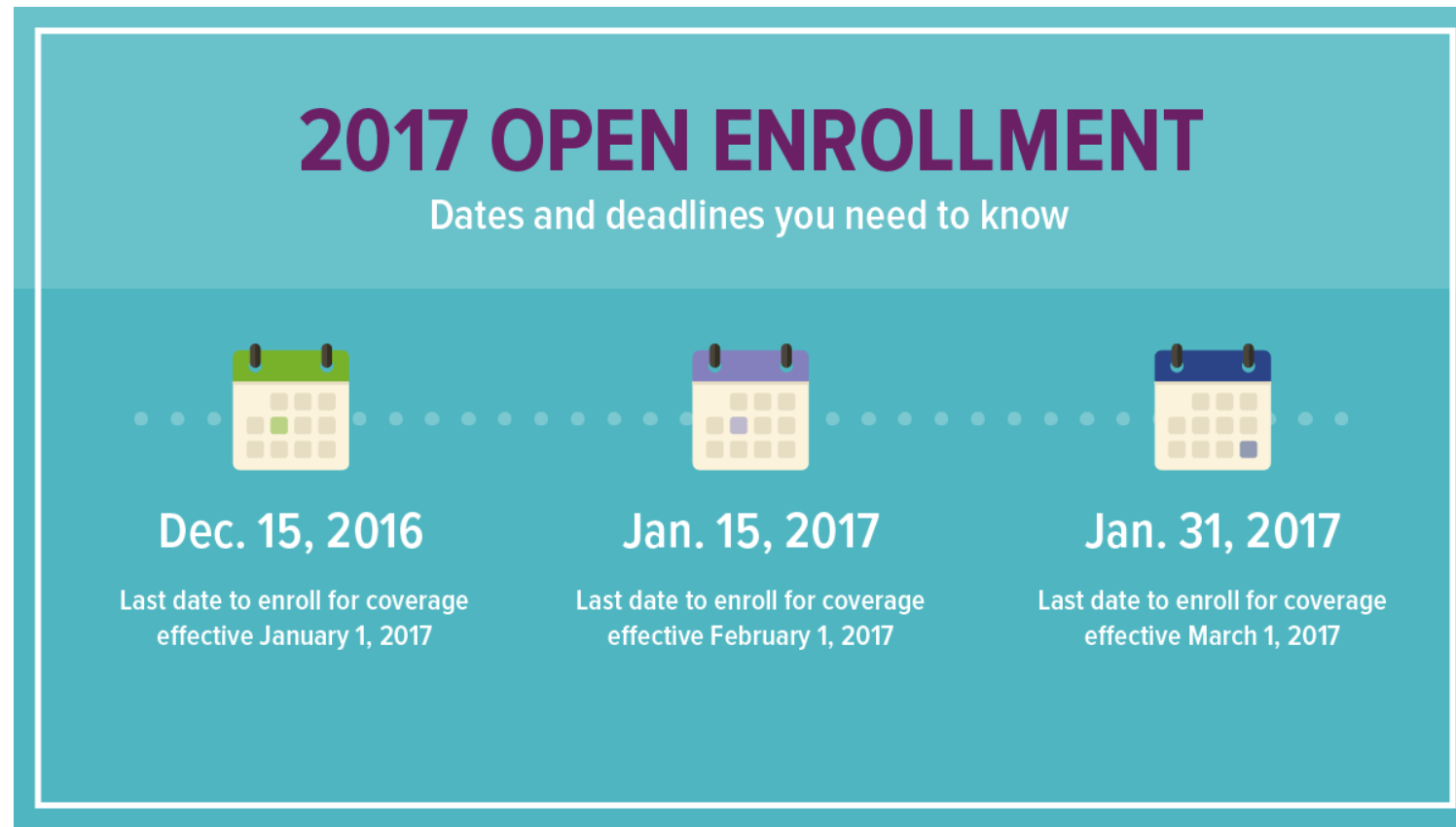
# How Do I Get Insurance Coverage?

- Through the Healthcare Marketplace
- [www.healthcare.gov](http://www.healthcare.gov)



# When Can I Purchase a Plan Through the ACA?

- Open Enrollment for ACA plans November 1, 2016-January 31, 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 <sup>nd</sup> 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

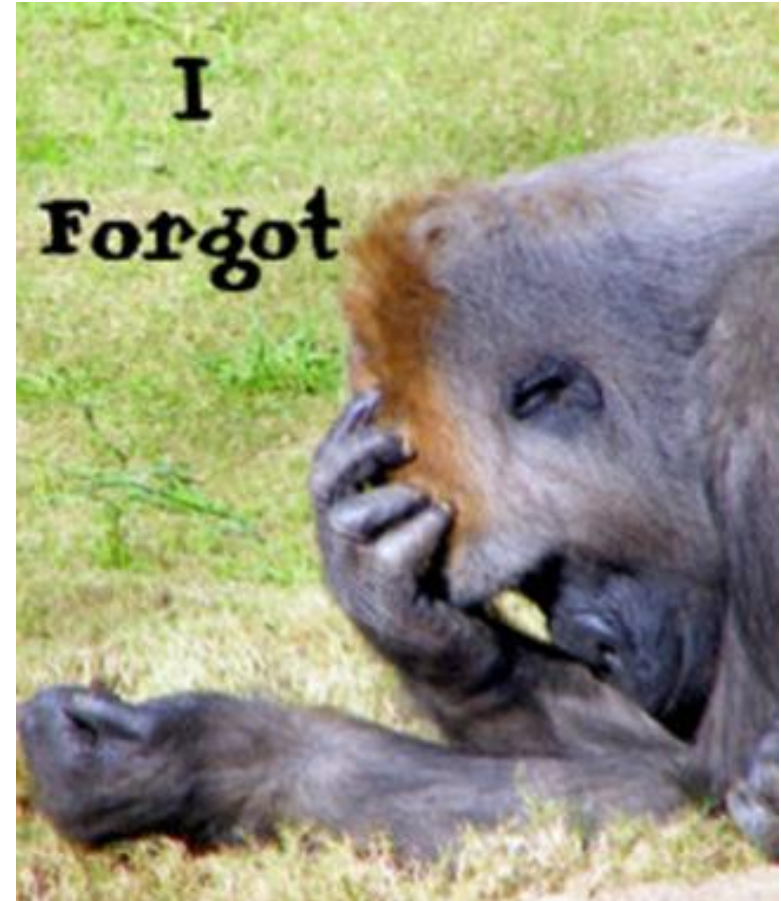
# What if I Decide NOT to Purchase a Plan?

- 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

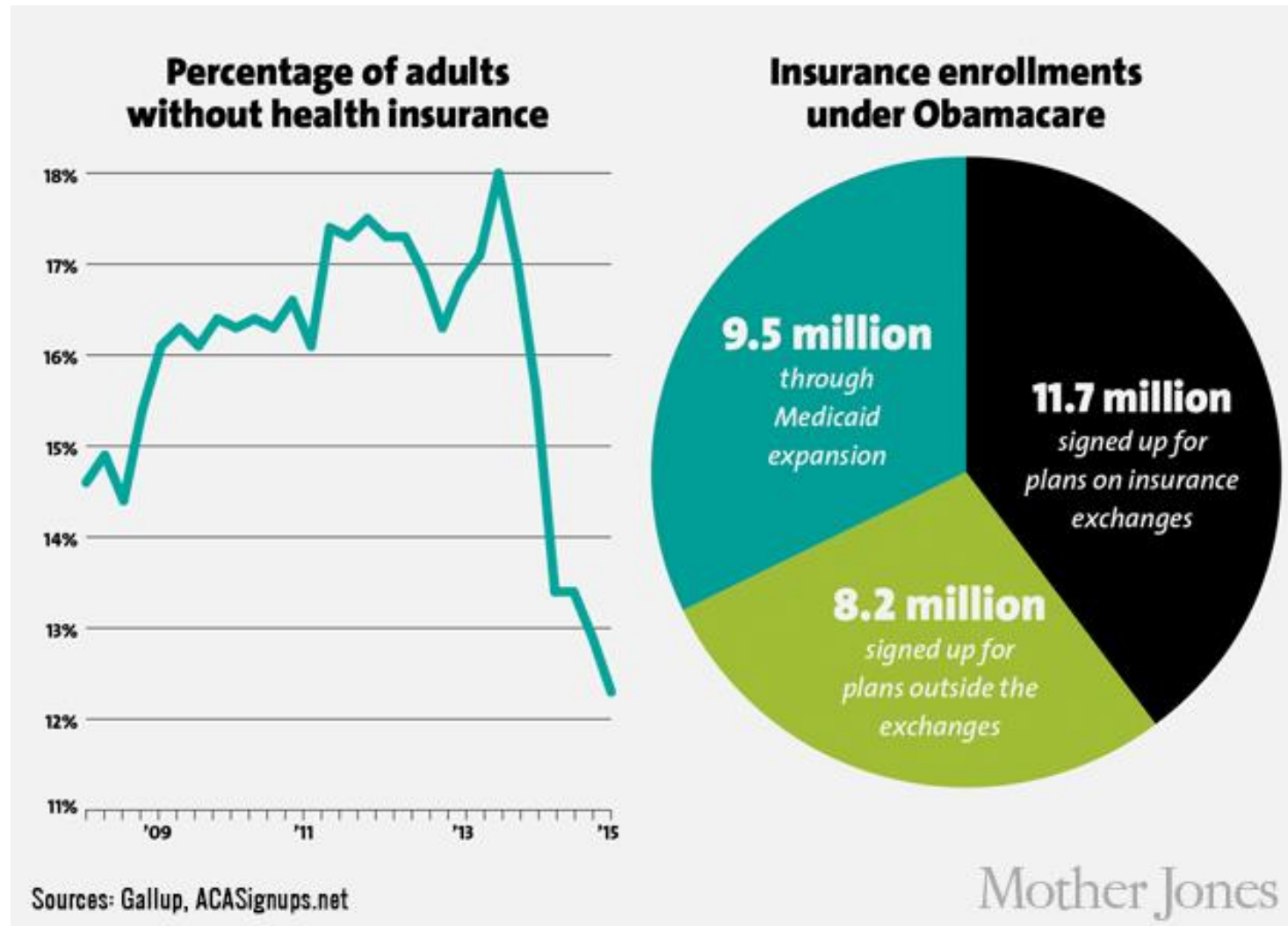
# What if I Miss Open Enrollment?

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



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



# Other Webinars in This Series

## [www.oncolink.org/insurance](http://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:

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