

# **THE AFFORDABLE CARE ACT: THE AFFORDABLE COVERAGE OPTIONS AND CONSIDERATIONS IN 2014 THE NEW HEALTH INSURANCE: MARKETPLACE AND MEDICAID**

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Jacksonville Area Center for Independent Living

# WHAT IT MEANS FOR YOU

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- ✘ The Affordable Care Act (ACA) was signed into law on March 23, 2010
- ✘ This federal law focuses on consumer choices and protections and makes it easier and more affordable for:
  - ✘ Individuals
  - ✘ Families
  - ✘ Small Businesses
- ✘ To find and enroll in health insurance, even if they have not had coverage in the past.

# HOW TO ENROLL

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- ✘ Online
- ✘ Telephone
- ✘ Paper application
- ✘ See in-person counselors- navigators

# MY ROLES ARE:

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- ✘ Provide, be available and assistance to the deaf and HH individuals and small employers
- ✘ Explain eligibility criteria and enrollment process.
- ✘ I am not to make decision for the person that I am helping.
- ✘ I am not to be paid by the person I am assisting or receive any type of finder's fee or commission.
- ✘ I do not make the final decision on the health coverage, the final decision on eligibility is made by the marketplace or if filed through ABE, by the state agency
- ✘ Overall, all info with my consumers are confidential

# WHAT HAPPENS IN 2014?

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- ✘ Healthy or sick- essential health insurance coverage
- ✘ Individuals will be required to carry health insurance or face a penalty (fine)
- ✘ Employers (50 and over) can VOLUNTARILY offer affordable coverage to all full-time employees; failure to offer coverage in 2015, however, could result in penalty to that employer
- ✘ Health insurance coverage purchased on a new Health Insurance Marketplace takes effect
- ✘ Medicaid expansion takes effect

# WHAT IS MARKETPLACE?

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- ✘ A Marketplace is a designed website to help you apply for coverage, compare insurance options, and enroll in the health coverage that is best for you and your family. Families who do not have access to other affordable, quality coverage, such as Medicare, Medicaid, or employer-sponsored insurance, may also be eligible for financial help to reduce the cost of their monthly premiums and medical expenses.

# TIMELINE FOR ENROLLMENT

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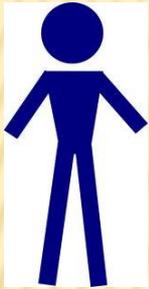
- ✘ Open enrollment October 1st, 2013
- ✘ Consumers who enroll by December 15 will have coverage starting January 1, 2014

# WHAT ELSE HAPPENS IN 2014?

- ✘ Health insurance companies can only rate you on:
  - + Age
  - + Where you live
  - + Tobacco-use
  - + Family size
- ✘ Health insurance coverage will grow more comprehensive, but out-of-pocket costs will be limited
- ✘ Health insurance coverage premiums/out-of-pocket costs could be subsidized on the new Health Insurance Marketplace

# THE INDIVIDUAL MANDATE

No Health Insurance Coverage in 2014?

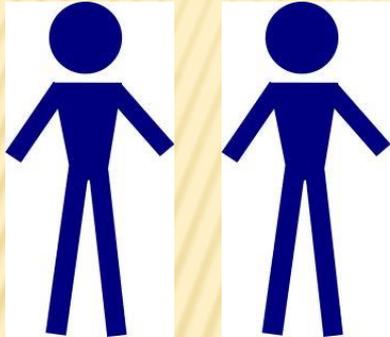


**PENALTY of \$95/year  
OR  
1% of Taxable Income,  
Whichever is greater**

*(Penalties are paid per adult in household with \$47.50  
(50%) penalty applied per child in the household, with  
cap of \$285 per family)*

# THE INDIVIDUAL MANDATE

No Health Insurance Coverage in 2015?

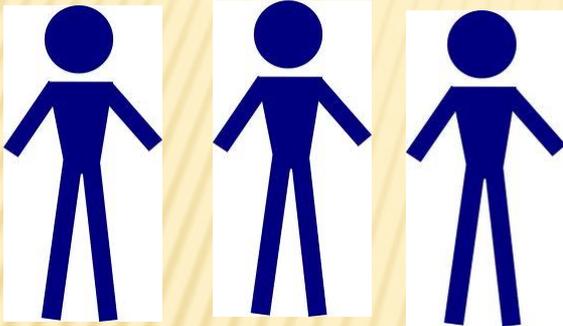


PENALTY of \$325/year  
OR  
2% of Taxable Income,  
Whichever is greater

*(Penalties are paid per adult in household with a  
\$162.50 per child (50% penalty applied per child in  
the household, with cap of \$975 per family)*

# THE INDIVIDUAL MANDATE

No Health Insurance Coverage in 2016?



PENALTY of \$695/year  
OR  
2.5% of Taxable Income,  
Whichever is greater

*(Penalties are paid per adult in household with 50% penalty applied per child in the household, with cap of \$2,085 per family)*

# OTHER MANDATED (REQUIRED) INSURANCE



## How it is like car insurance:

- Everyone who is licensed to drive is legally required to have minimum levels of car insurance.

## How is it not like car insurance:

- Having a car accident or getting a ticket results in penalties for not having car insurance and could result in higher premiums.
- The only entity that can “fine” you for not having it, is the IRS.
- Getting sick or having an “accident” won’t automatically cause premiums to increase in 2014.

# WHAT HAPPENS IF I DON'T SIGN UP FOR HEALTH INSURANCE IN 2014?

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- ✘ No penalty will be assessed until federal/state income taxes are filed in 2015
- ✘ Tax filing forms will likely require basic information on your health coverage; employers and insurance companies are required to verify individual tax filing
- ✘ If owed a tax refund in 2015, penalty can ONLY be withheld from refund
- ✘ IRS CANNOT garnish wages or take any other adverse actions they are authorized to take for failing to pay income taxes
- ✘ No health insurance coverage could mean other financial problems if medical issues require medical treatment without insurance

The New Health Insurance Marketplace and Medicaid

# HEALTH INSURANCE OPTIONS IN 2014

# THE HEALTH INSURANCE MARKETPLACE



1. Select an option to start your travel search	<input checked="" type="radio"/> <b>SAVE!</b> Flight + Hotel	<input type="radio"/> Hotel + Car		
	<input type="radio"/> Hotel Only	<input type="radio"/> Flight + Hotel + Car		
	<input type="radio"/> Flight Only	<input type="radio"/> Car Only		
	<input type="radio"/> Cruise			
2. Enter your origin and destination cities	From: <input type="text"/>	To: <input type="text"/>		
3. Choose your travel dates	Depart Date: <input type="text" value="mm/dd/yyyy"/> <input type="calendar"/>	Depart Time: <input type="text" value="Anytime"/> <input type="dropdown"/>		
	Return Date: <input type="text" value="mm/dd/yyyy"/> <input type="calendar"/>	Return Time: <input type="text" value="Anytime"/> <input type="dropdown"/>		
4. Choose the number of hotel rooms and guests	Rooms: <input type="text" value="1"/> <input type="dropdown"/>	Adults (18-64): <input type="text" value="2"/> <input type="dropdown"/>	Minors (2-17): <input type="text" value="0"/> <input type="dropdown"/>	Seniors (65+): <input type="text" value="0"/> <input type="dropdown"/>
<input type="button" value="Search Now"/>				
<a href="#">See Advanced Search Options</a>				

# THE HEALTH INSURANCE MARKETPLACE

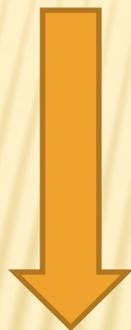
## What is it?

The marketplace is an online portal that provides individuals, families, and small employers a more centralized option to shop and compare health insurance plans that may be eligible for a subsidy to help cover premiums and out-of-pockets costs.



# FINANCIAL ASSISTANCE ON THE MARKETPLACE

Household income between 134% and 400% of the Federal Poverty Level AND ineligible for coverage through your employer or your spouse/parent's employer?



You and your family members may be eligible for premium assistance and a cost-sharing subsidy to help you buy a plan on the Marketplace.



# PREMIUM ASSISTANCE & COST-SHARING SUBSIDY

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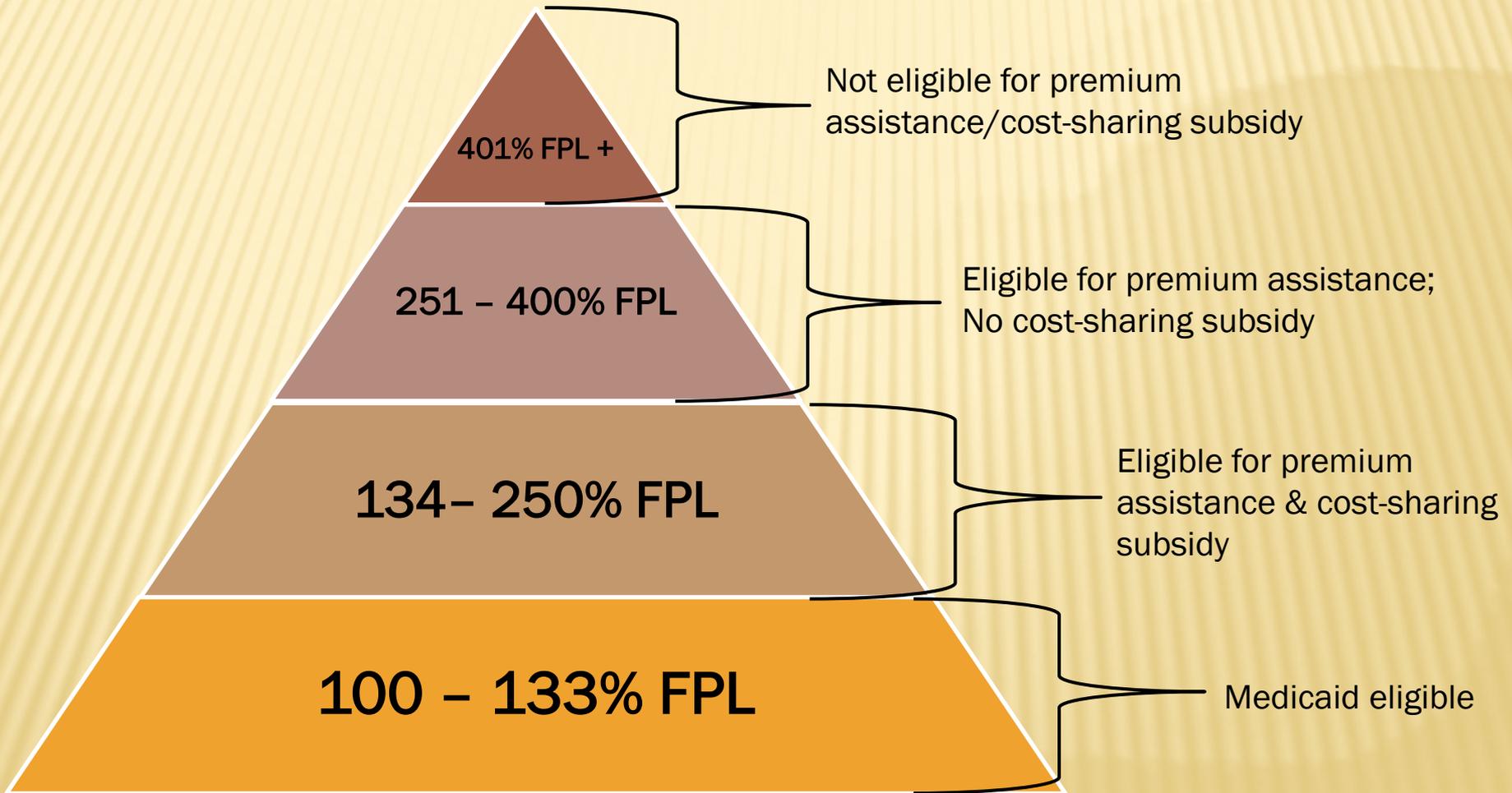
- × **Premium assistance** – available to individuals/families between 100% (or 134% in IL) and 400% FPL that do not have access to affordable employer-sponsored coverage to lower premium costs for plans on the exchange.
- × **Cost-sharing subsidy** – available to individuals/families between 100% (or 134% in IL) and 250% FPL that do not have access to affordable employer-sponsored coverage to limit the selected plan's out-of-pocket costs.

# FEDERAL POVERTY LEVELS - 2013

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
7	35,610	47,361	53,415	71,220	106,830	142,440
8	39,630	52,708	59,445	79,260	118,890	158,520
For each additional person, add	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

Source: Families USA

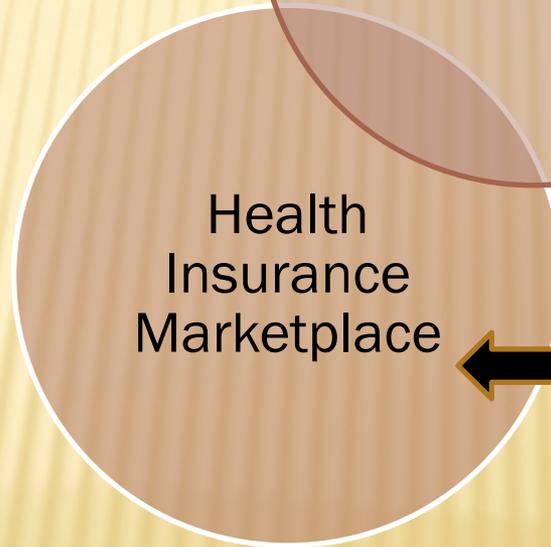
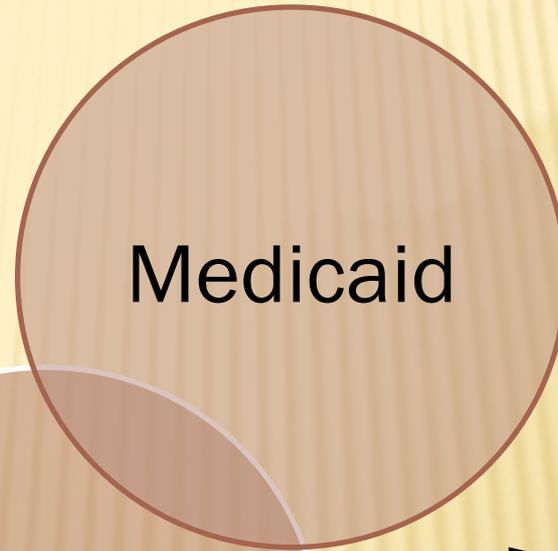
# PREMIUM ASSISTANCE & COST-SHARING SUBSIDY



# PREMIUM ASSISTANCE

Household Income	Annual Dollar Amount (2013)	Premium Limit (as a % of Household Income)	Expected Monthly Premium Contribution
134-150% FPL	\$15,856-\$17,235	3 -4%	\$38-\$57
150-200% FPL	\$17,235-\$22,980	4 – 6.3%	\$57-\$121
200-250% FPL	\$22,980-\$28,725	6.3 – 8.1%	\$121-\$193
250-300% FPL	\$28,725-\$34,470	8.1 – 9.5%	\$193-\$272
300-350% FPL	\$34,470-\$40,215	9.5%	\$272-\$318
350 -400% FPL	\$40,215-\$45,960	9.5%	\$318-\$364

# COVERAGE OPTIONS FOR INDIVIDUALS/FAMILIES IN 2014



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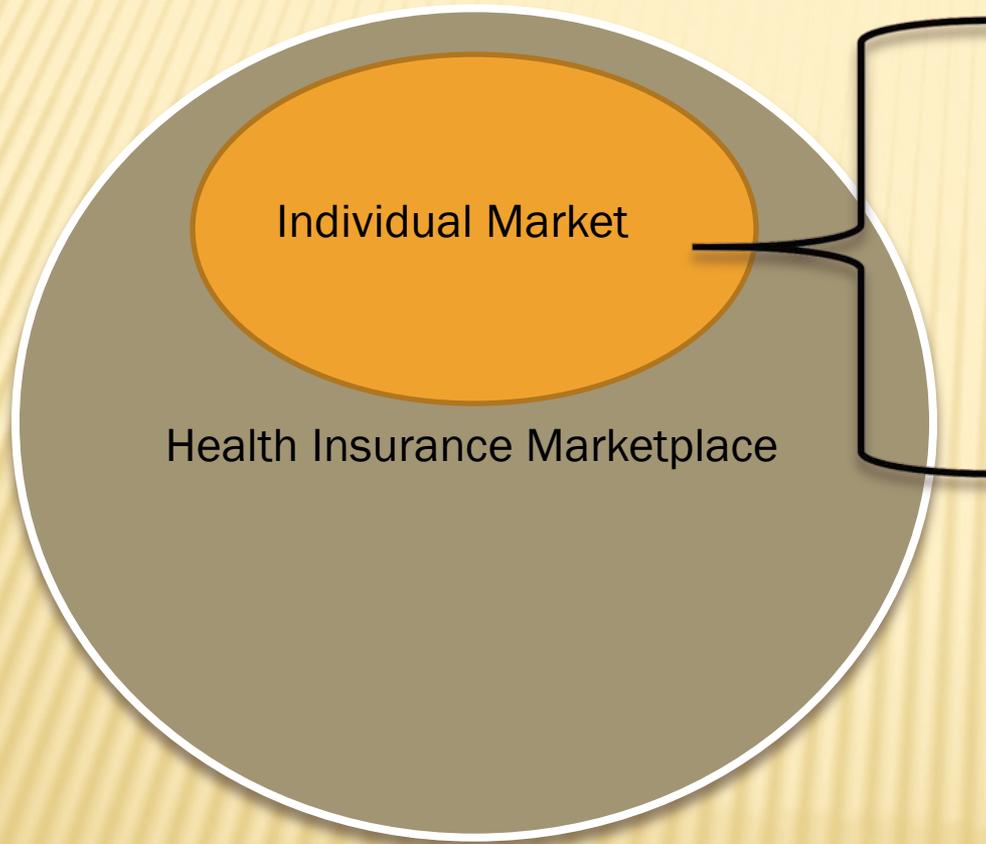
HealthCare.gov

ABE 

 **Get Covered Illinois**  
The Official Health Marketplace



# THE MARKETPLACE



## Target Audience:

- Individuals/families eligible for premium assistance (based on household income & lack of access to minimum essential coverage through their employer.
- Individuals that do not qualify for Medicaid.

# MEDICAID ELIGIBILITY

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- ✘ Health Insurance Marketplace will determine (decide) Medicaid eligibility in 2014 and beyond
- ✘ Medicaid eligibility = no eligibility for subsidized health insurance through the Marketplace
- ✘ Eligibility expands to childless, single adults at or below 133% FPL (\$15,856 in 2013)\*
- ✘ Medicaid benefits enhanced by own essential health benefits

\* Allows for a 5% income disregard

What Plans are Available – Individuals and Families

# HEALTH INSURANCE OPTIONS IN 2014

# COVERAGE BENEFIT PACKAGE OPTIONS - BRONZE



- Lowest Premium
- Ideal for those seeking more affordable plan and do not require a lot of healthcare services
- More out-of-pocket costs imposed; annual out-of-pocket is limited to \$6,350 for individual/\$12,700 for a family
- *Not eligible for a cost-sharing subsidy*

# COVERAGE BENEFIT PACKAGE OPTIONS – SILVER



- 2<sup>nd</sup> lowest premium
- Ideal for those seeking more affordable plan and do not require a lot of healthcare services
- More out-of-pocket costs imposed; annual out-of-pocket is limited to \$6,350 for individual/\$12,700 for a family
- *Only plan eligible for cost-sharing subsidy*

# COVERAGE BENEFIT PACKAGE OPTIONS - GOLD



- 2<sup>nd</sup> highest premium
- Ideal for those requiring more coverage, but not at the highest premium price
- Out-of-pocket costs less than Bronze & Silver; annual out-of-pocket is limited to \$6,350 for individual/\$12,700 for a family
- *Not eligible for a cost-sharing subsidy*

# COVERAGE BENEFIT PACKAGE OPTIONS - PLATINUM



- Most expensive plan
- Ideal for those who have a lot of medical needs and therefore, require more coverage
- Out-of-pocket costs lowest of all plans; annual out-of-pocket is limited to \$6,350 for individual/\$12,700 for a family
- *Not eligible for a cost-sharing subsidy*

# COVERAGE BENEFITS – ESSENTIAL HEALTH BENEFITS

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All Bronze, Silver, Gold, and Platinum Plans must cover the following services and benefits in the following categories:

- Ambulatory patient services - Ambulance
- Emergency services – E.R.
- Hospitalization
- Laboratory services – blood work, X-Ray, ect..
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health services
- Pediatric ( Child) services, including oral ( teeth) and vision( eyes)care
- Prescription drugs
- Preventive and wellness services and chronic disease management
- Rehabilitative and habilitative services and devices

# COVERAGE BENEFIT PACKAGE OPTION - CATASTROPHIC



- “Bare bones” coverage option available to only those age 30 years or younger and those who qualify for a “hardship exemption”
- No essential health benefits covered; only 3 primary care visits
- Any other medical costs claimed must be paid by enrollee up to \$6,350 single/\$12,700 family
- ***Not eligible for a cost-sharing subsidy***

[All plans \(39\)](#)

Catastrophic

Bronze

Silver

Gold

### Narrow your results

Your answers

RESET

### Coverage type

Individual & Family

### Coverage

Medical

### Location

IL - Morgan

### Who needs coverage

You, your spouse, and your children

### Insurance company

[Coventry Health Care](#)

[Health Alliance Medical Plans](#)

[Blue Cross Blue Shield of Illinois](#)

[Land of Lincoln Mutual Health Insurance Co.](#)

**IMPORTANT NOTE:** The prices here don't reflect the lower costs you may qualify for based on household size and income.

Most people who apply will pay [lower monthly premiums](#) than those shown here. Households with yearly incomes up to about \$46,000 for individuals or \$94,000 for a family of 4 will qualify for lower costs. You'll get final quotes for specific plans based on your income and household after you complete a [Marketplace application](#).

To find out if you may qualify for lower costs, use [this simple calculator](#).

Showing 14 Silver plans. [Show all plans](#)

#### Blue Cross Blue Shield Solution 4, a Multi-State Plan

Blue Cross Blue Shield of Illinois

PPO | Silver

Estimated monthly premium for You, your spouse, and your children

**\$754.48**

#### Silver \$15 Copay PPO Plan

Coventry Health Care

PPO | Silver

Estimated monthly premium for You, your spouse, and your children

**\$762.74**

#### Pathfinder POS 30/60 2400/4800/30% 5500/11000 Rx5

Health Alliance Medical Plans

POS | Silver

Estimated monthly premium for You, your spouse, and your children

**\$776.46**

# WHAT OPTIONS EXIST IN MORGAN COUNTY?

- ✘ No Platinum Plans available
- ✘ Gold Plans = 11 options available
- ✘ Silver Plans = 12 options available
- ✘ Bronze Plans = 8 options available
- ✘ Catastrophic = 3 options available
- ✘ Health Alliance, Blue Cross Blue Shield, Land of Lincoln Health (new non-profit health insurance company), and Coventry Health Care (Aetna)

# MEDICAID ELIGIBILITY

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- ✘ Extends options for states to expand Medicaid eligibility to adults age 19-65 with incomes up to 133% of the FPL
- ✘ Ensure Medicaid coverage for all children with incomes up to 133% of the PFL
- ✘ Eligibility shifts to simplified method of calculating income to determine Medicaid/CHIP eligibility known as Modified Adjusted Gross Income

# SMALL BUSINESS HEALTH OPTION PLAN

- ✘ SHOP
- ✘ 2-50 full-time employees are not required to provide health insurance coverage
- ✘ You may qualify for employer health care tax credits if you have fewer than 25 full-time equivalent employees making an average of about \$ 50,000 a year or less.
- ✘ To qualify for the Small Business Health Care Tax Credit, you must pay at least 50% of your full-time employees' premium costs. You don't need to offer coverage to your part-time employees or to dependents.
- ✘ Starting 2014, the tax credit is worth up to 50% of your contribution toward employees' premium costs (up to 35% for tax-exempt employers.)
- ✘ The credit is available only if you get coverage through the SHOP Marketplace.

# SPECIAL ENROLLMENT PERIOD

- ✘ SEP
- ✘ May Enroll or Change Qualified Health Plan (QHP)
- ✘ Loss of Minimum essential coverage
- ✘ Gaining or becoming a dependent
- ✘ Gaining lawful presence
- ✘ Enrollment errors of the Marketplace
- ✘ Material contract violation by GPH
- ✘ Gaining or losing eligibility for premium tax credits or cost-sharing reduction
- ✘ Relocation resulting in a new or different QHP selection
- ✘ Exceptional circumstances

# ACA TREATMENT OF EMPLOYER SIZE IN 2014

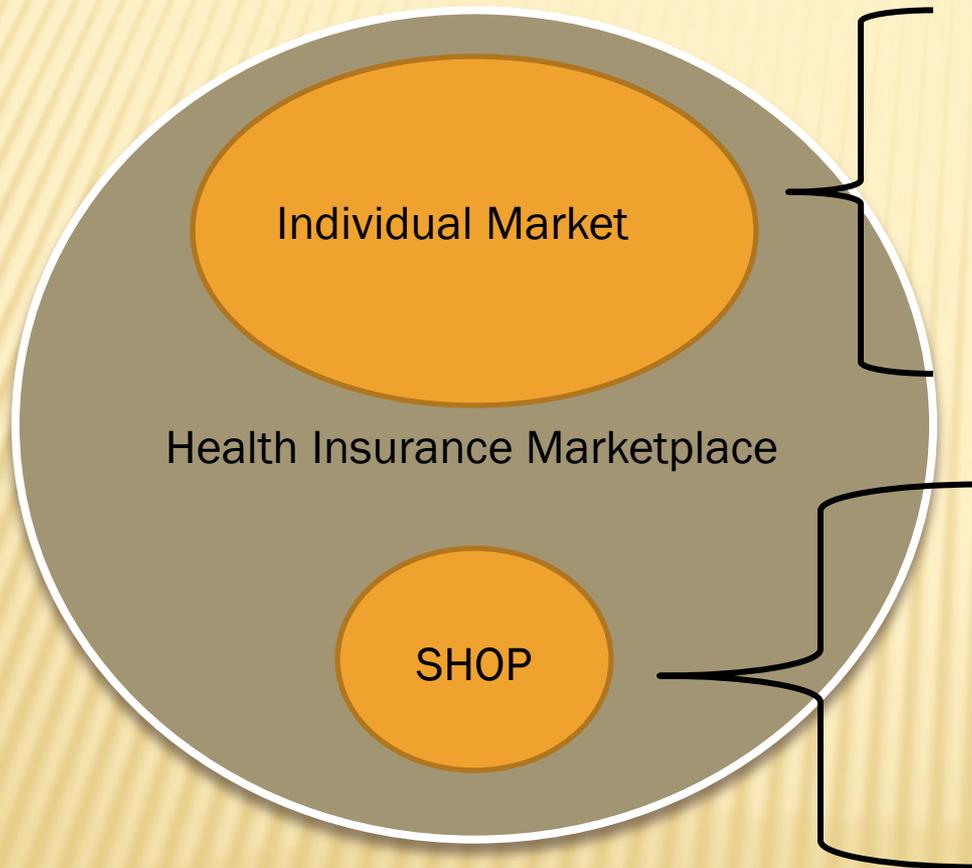
## EMPLOYERS (LESS THAN 50 EMPLOYEES)

- ✘ Exempt from employer coverage responsibilities and penalties
- ✘ Eligible to purchase coverage on the Exchange beginning 2014
- ✘ Small employers (25 employees or less) eligible for tax credit to purchase coverage on the Exchange

## EMPLOYERS (50 EMPLOYEES OR MORE)

- ✘ Required to provide “affordable” coverage or be subject to penalties, **but not until 2015**
- ✘ Employers with 100 employees or less eligible to purchase coverage on the Exchange beginning 2016; state option to open Exchange to larger employers in 2017

# EMPLOYER PLAN SELECTION ON THE MARKETPLACE – LESS THAN 50 FTES



**No Coverage Offered:** Employees will be free to shop/buy coverage on the individual marketplace without subjecting you, the employer, to a penalty in 2015.

## **Small Group Plan Option:**

- Purchase small group plan on SHOP (25 employees or less may get tax credit for SHOP plan);
- In 2015, select metal tier and allow employees to select specific plan within that tier.

# SMALL EMPLOYER TAX CREDIT IN 2014

- ✘ Small Employers – Less than 25 employees
  - + Avg. annual wages cannot exceed \$50,000
  - + Employer premium contribution = 50% or more
  
- ✘ Tax credit available in tax years 2014 – 2016
  - + Up to 50% of employer contributions
  - + Up to 35% of employer contributions for tax-exempt employers

# SMALL GROUP COVERAGE BENEFIT PACKAGE OPTIONS

## Bronze

- 60% of healthcare costs covered

## Silver

- 70% of healthcare costs covered

## Gold

- 80% of healthcare costs covered

## Platinum

- 90% of healthcare costs covered

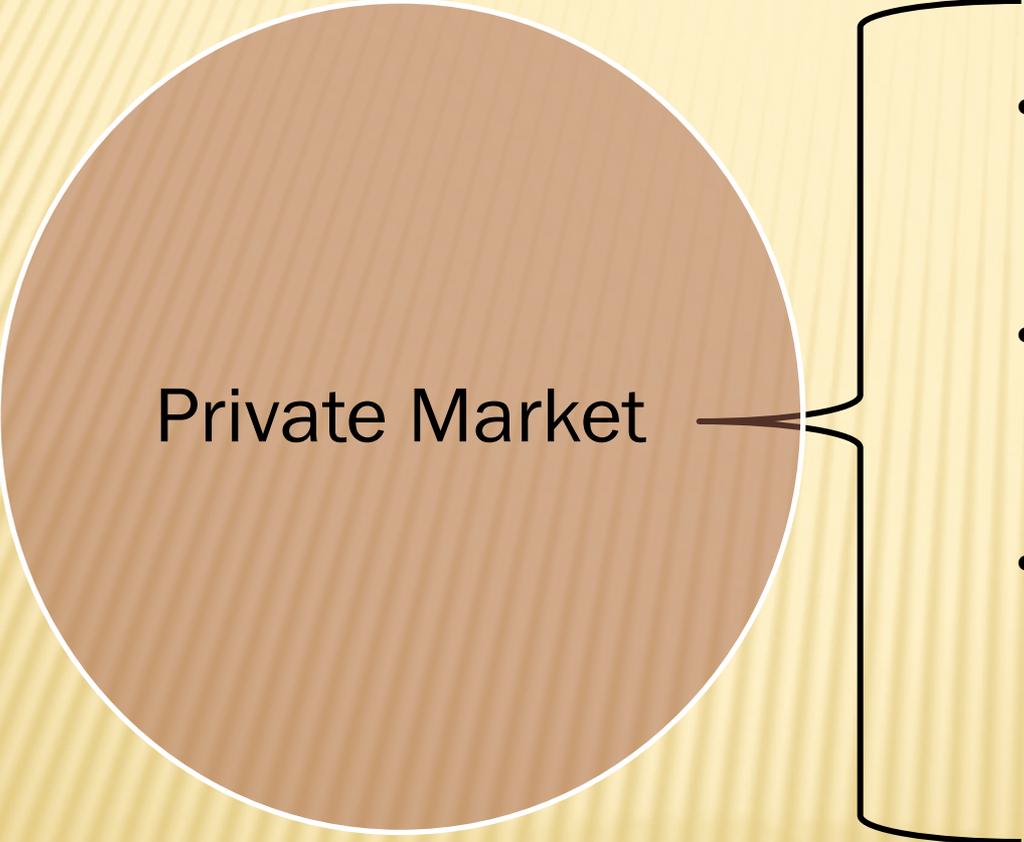
# GROUP COVERAGE BENEFITS – ESSENTIAL HEALTH BENEFITS

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All Bronze, Silver, Gold, and Platinum Plans must cover the following services and benefits in the following categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Laboratory services
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health services
- Pediatric services, including oral and vision care
- Prescription drugs
- Preventive and wellness services and chronic disease management
- Rehabilitative and habilitative services and devices

# EMPLOYER PLAN SELECTION OPTIONS IN 2014



## Private Market

- Group and individual plans still exist on the private/non-Health Insurance Marketplace
- Group/individual plans not eligible for small employer tax credit or premium assistance
- Group/individual plans will be offered as Bronze, Silver, Gold, and Platinum plans with essential health benefits included

# WHAT OPTIONS EXIST IN MORGAN COUNTY?

- ✘ No Platinum Plans available
- ✘ Gold Plans = 11 options available
- ✘ Silver Plans = 13 options available
- ✘ Bronze Plans = 4 options available
- ✘ Health Alliance, Blue Cross Blue Shield, Land of Lincoln Health (new non-profit health insurance company), and Coventry Health Care (Aetna)
- ✘ Online enrollment not available until November; paper-based enrollment to be done through agent/broker

# WHAT HAPPENS IF MY EMPLOYER PROVIDES HEALTH INSURANCE?

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- ✘ If eligible, enroll in employer's health insurance plan (tax free)
- ✘ If you are not-eligible for health insurance or employer's health insurance fails to meet certain standards, health insurance options on the new Health Insurance Marketplace may be available at subsidized rates (based on household income)
- ✘ Medicaid coverage available (based on household income)
- ✘ Private individual/family plans offered at unsubsidized rates (may not have same tax-free benefits)
- ✘ Medicare coverage available (age 65 and older)

# WHAT HAPPENS IF MY EMPLOYER DOES NOT PROVIDE HEALTH INSURANCE?

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- ✘ Health insurance options may be available on the new Health Insurance Marketplace at subsidized rates (based on household income)
- ✘ Medicaid coverage available (based on household income)
- ✘ Private individual/family plans offered at unsubsidized rates
- ✘ Medicare coverage available (age 65 and older)
- ✘ Spouse's or parent's employer offer health insurance?

# WHERE DO I GO FOR MORE INFORMATION?

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- ✘ Get Illinois Covered – Another Access Point to Healthcare.gov:  
[www.getcoveredillinois.gov](http://www.getcoveredillinois.gov)
  
- ✘ Healthcare.gov – the Health Insurance Marketplace:  
[www.healthcare.gov](http://www.healthcare.gov)
  
- ✘ ABE – [www.abe.gov](http://www.abe.gov)
  
- ✘ Illinois in-person counselor organizations:
  - + Illinois Association of Community Action Organizations
  - + Illinois Network of Centers for Independent Living
  - + Illinois Association of Public Health Administrators
  - + Campaign for Better Health Care

## QUESTIONS?

Help Available at  
JACIL  
15 Permac Road  
Jacksonville, IL 62650

[www.jacil.org](http://www.jacil.org)  
[info@jacil.org](mailto:info@jacil.org)

TollFree  
888-317-3287  
1-217-245-8371

Contact Information:

[deloris@jacil.org](mailto:deloris@jacil.org)

VP (217) 408. 2668