

THE AFFORDABLE CARE ACT:

Overview and Update on Wisconsin Implementation

November 21st, 2013



Outline

- What is the ACA?
- Who is uninsured in Wisconsin?
- Stage 1 ACA: What's already happened?
- Stage 2 ACA (+ State Changes): What's coming?
 - Health Insurance Marketplace/Exchange
 - BadgerCare Plus Changes
 - Small Business Options & Large Employer Impact
- Pulling it all together
- Take-away Messages

What is the ACA?

- Stands for “Affordable Care Act”
 - AKA “Obamacare”
- Health insurance reform (became law: 3/23/2010)
- Different parts affect different groups of people & there are two main stages
 - Stage 1 focuses on patient protections
 - (ALREADY in effect)
 - **Stage 2 focuses on expanding coverage**
 - (beginning October 1st, coverage begins Jan. 1st)

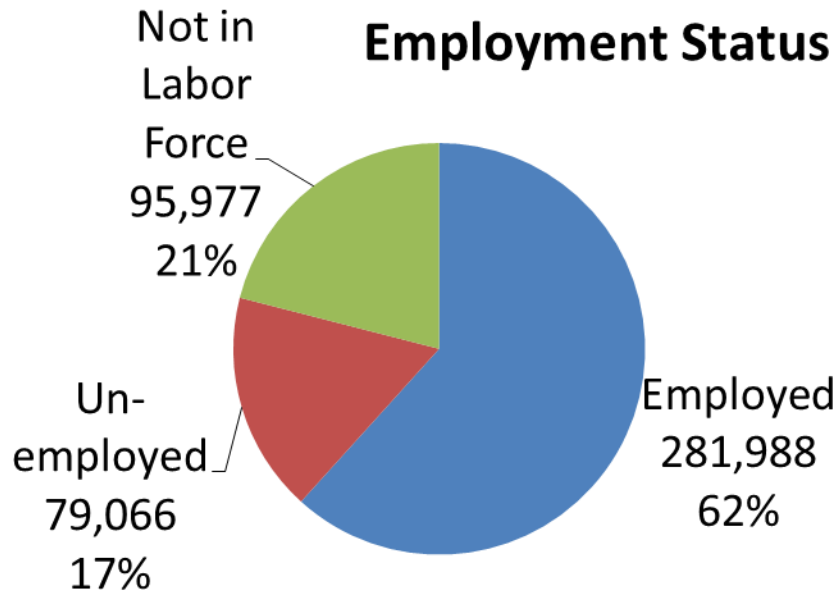
BY THE NUMBERS:

**Who is Uninsured
in Wisconsin?**

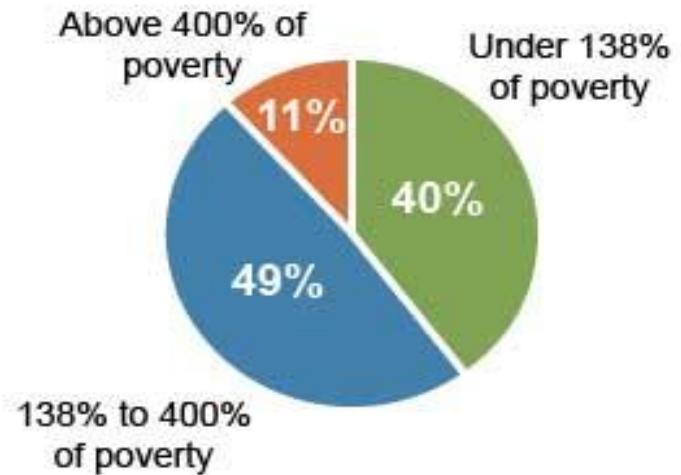
Uninsured Wisconsinites

OVER 500,000 WISCONSINITES ARE UNINSURED

Employment Status



Uninsured in Wisconsin by Income Relative to poverty level



SOURCE: Census Bureau

Wisconsin Budget Project

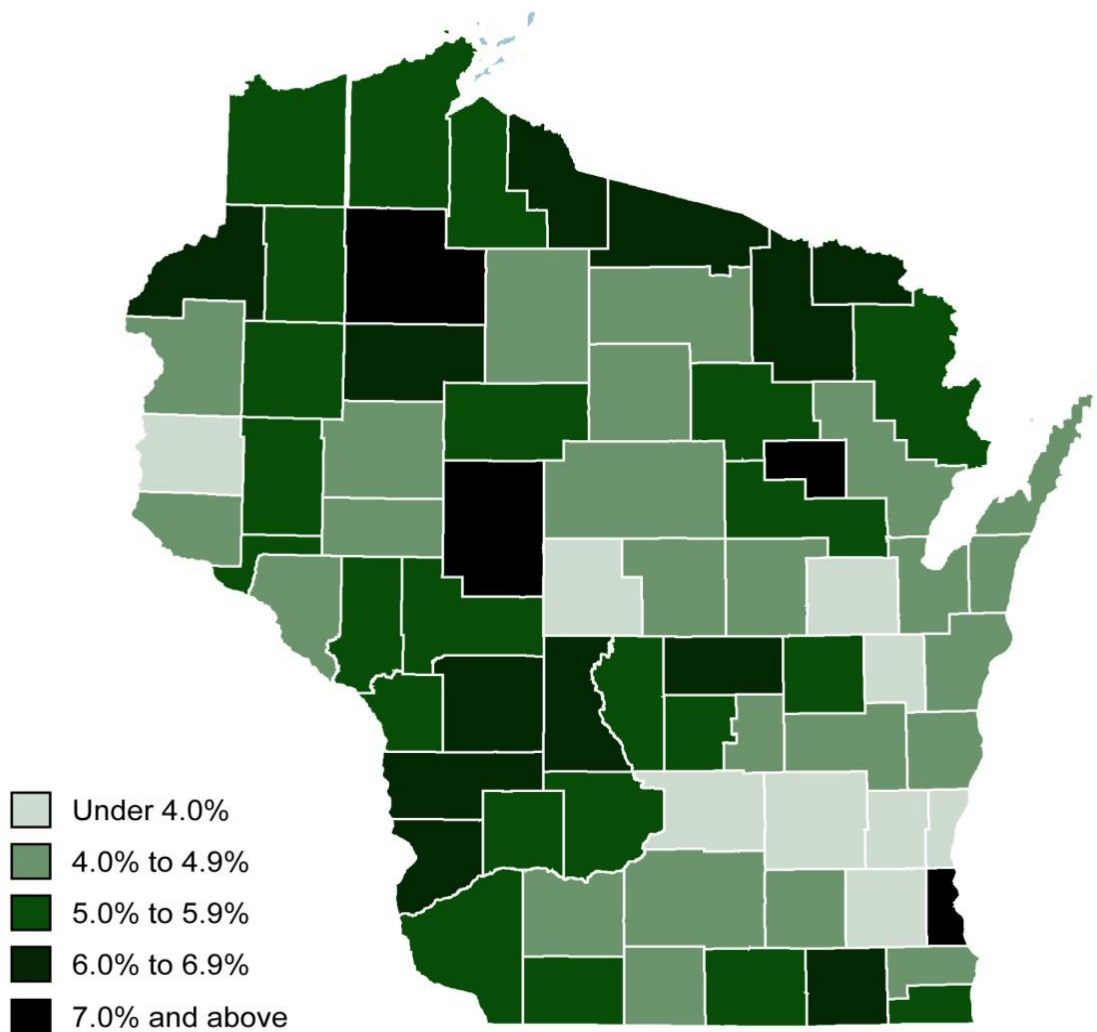
Note: Does Not Include Transitioning BadgerCare Adults
2011 U.S. Census, ACS Public Use Microdata Sample

2013 Federal Poverty Levels for a family of 4:

Below 100% FPL	100-149% FPL	150-199% FPL	200-299% FPL	300% +	400% +
< \$23,550	\$23,550 - \$35,324	\$35,325 - \$47,099	\$47,100 - \$70,650	\$70,650 - \$94,200	\$94,201+

Both Rural & Urban Uninsured

Percent of Non-Elderly Adults Who Are Uninsured
and Under 138% of Poverty



STAGE 1 : What Already Happened?



ALREADY IN EFFECT cont...

- Outlaws insurance denials based on preexisting conditions for **KIDS**
 - (provision extends to adults in 2014)
- Young adults can stay on parents' policies until they are 26
- Eliminates lifetime limits
- Phases out annual limits (gone in 2014)
- Can't drop coverage after a person gets sick or for an honest mistake on your insurance application

ALREADY IN EFFECT cont...

- Insurance must spend at least 80% of your premiums on medical care
 - (rebate checks were due by August 1)
- Double digit premium increases must be publicly reviewed & are subject to approval
- Small business tax credits: Up to 35% back if providing employees health insurance (\$40 billion in credits by 2019)

ALREADY IN EFFECT cont...

- Many preventive care services must now also be offered by private insurance **without** co-pay or deductible.
- Includes things such as:
 - Mammograms, blood pressure screenings, many cancer screenings, immunizations, diet & losing weight, quitting smoking, etc.
 - Full list at www.healthcare.gov
- Over 1.1 million Wisconsinites already benefiting!

ALREADY IN EFFECT cont...

NO major Medicare changes, just enhancements:

- Preventive services such as checkups & screenings with no Part B co-pay or deductible.
- 50% discount on brand-name drugs when you hit the “donut hole” coverage gap.
- Solvency of Medicare extended through efficiencies, fighting waste, prevention, ending subsidies to insurance companies.
 - Note: Medicare Advantage Enrollment Up 10% from 2012

STAGE 2 : Beginning NOW **(Individual Mandate & Marketplace)**

**Key parts of the health care law
go into effect on January 1, 2014
to help expand coverage**



STARTS JAN 1st, 2014

Individual mandate BEGINS in 2014:

- This penalty will be assessed retrospectively when an individual files taxes for the year.

2014	Greater of \$95 per adult, or 1% of taxable income.
2015	Greater of \$325 per adult, or 2% of taxable income.
2016	Greater of \$695 per adult, or 2.5% of taxable income.
Post 2016	Penalty increases annually based on a cost of-living adjustment.

Exemptions: No Filing Requirement because income is too low, Short coverage gap, unaffordable coverage options (more than 8% income), No MA expansion in your state, religious conscience, health care sharing ministry, Indian tribes, hardship, incarceration, not lawfully present

STARTS JAN 1st, 2014 cont...

Individual mandate BEGINS in 2014 in concert with:

- Preexisting condition exclusions outlawed for *everyone*, no discriminatory practices, like gender rating.
 - Only age, location & smoking status can affect rate
 - HIRSP ending March 31st, 2014 ←
- Expansion of Medicaid (BadgerCare).
 - In WI this expansion is only for childless adults up to 100% FPL
- Creation of competitive health insurance marketplace (exchange).
 - Individual tax credits to help middle class pay for insurance in exchange.
 - Cost-Sharing assistance to help lower-income individuals/families on exchange pay for their healthcare.
- Increase small business tax credit to up to 50%.



STARTS JAN 1st, 2014 cont...

Essential Health Benefits (EHB)

- Minimum benefits for Medicaid, non-group and small group plans in and out of exchanges
- 10 Categories in the ACA:
 - i. Ambulatory patient services
 - ii. Emergency services
 - iii. Hospitalization
 - iv. Maternity and newborn care
 - v. Mental health and substance use disorder services, including behavioral health treatment
 - vi. Prescription drugs
 - vii. Rehabilitative and habilitative services and devices
 - viii. Laboratory services
 - ix. Preventive and wellness services and chronic disease management
 - x. Pediatric Services, including oral and vision care
- Wisconsin's default plan in 2014 & 2015 is: United Healthcare Choice Plus
 - This will be reassessed in 2016!
- EHB does NOT apply to large group employer plans



**Obama says insurers
can continue to offer
existing non-compliant
plans to existing
customers in 2014**

STARTS JAN 1st, 2014 cont...

Creation of a Marketplace for individuals and small businesses (SHOP):

- Achieves efficiencies by pooling into larger groups.
- Financial Assistance available for most
- Apples to apples comparison, chose private insurance based on price, quality, coverage (4 precious metal tiers).
- Members of Congress will be required to purchase their health coverage through the Exchange.

PLAN TIERS IN MARKETPLACE

Plan Tiers:

Plan Level	Actuarial Value	Meaning the plan is:
Platinum	90%	Expected to cover 90% of the cost of benefits on average
Gold	80%	Expected to cover 80% of the cost of benefits on average
Silver	70%	Expected to cover 70% of the cost of benefits on average
Bronze	60%	Expected to cover 60% of the cost of benefits on average



*People **under 30** and some people with limited incomes may buy what is called a "**catastrophic**" health plan. It protects you from very high medical costs.

FINANCIAL ASSISTANCE IN MARKETPLACE

Premium Tax Credit (subsidy)

- Must be used within the Marketplace
- Must be ineligible for government-sponsored coverage or affordable employer-sponsored insurance.
- Available for incomes between 100% FPL - **400% of FPL**
- Subsidy = Cost of 2nd lowest Silver Plan minus Premium based on income/poverty

Cost-Sharing Assistance

- Must be used within the Marketplace
- Must be ineligible for government-sponsored coverage or affordable employer-sponsored insurance.
- Helps with out-of-pocket expenses like co-pays, co-insurance, deductibles
- Must be on a **SILVER** plan to get this assistance
- Available for incomes between 100% FPL - **250% of FPL**

MARKETPLACE CALCULATOR

Credit calculator:

healthreform.kff.org/SubsidyCalculator.aspx

Calculator estimates that a 40 year old with family of four, making \$60,000 would:

- Have a premium of \$12,130 for the year
- With a tax credit of \$7,193
- Leaving the family with \$4,937 to pay (\$411/month)

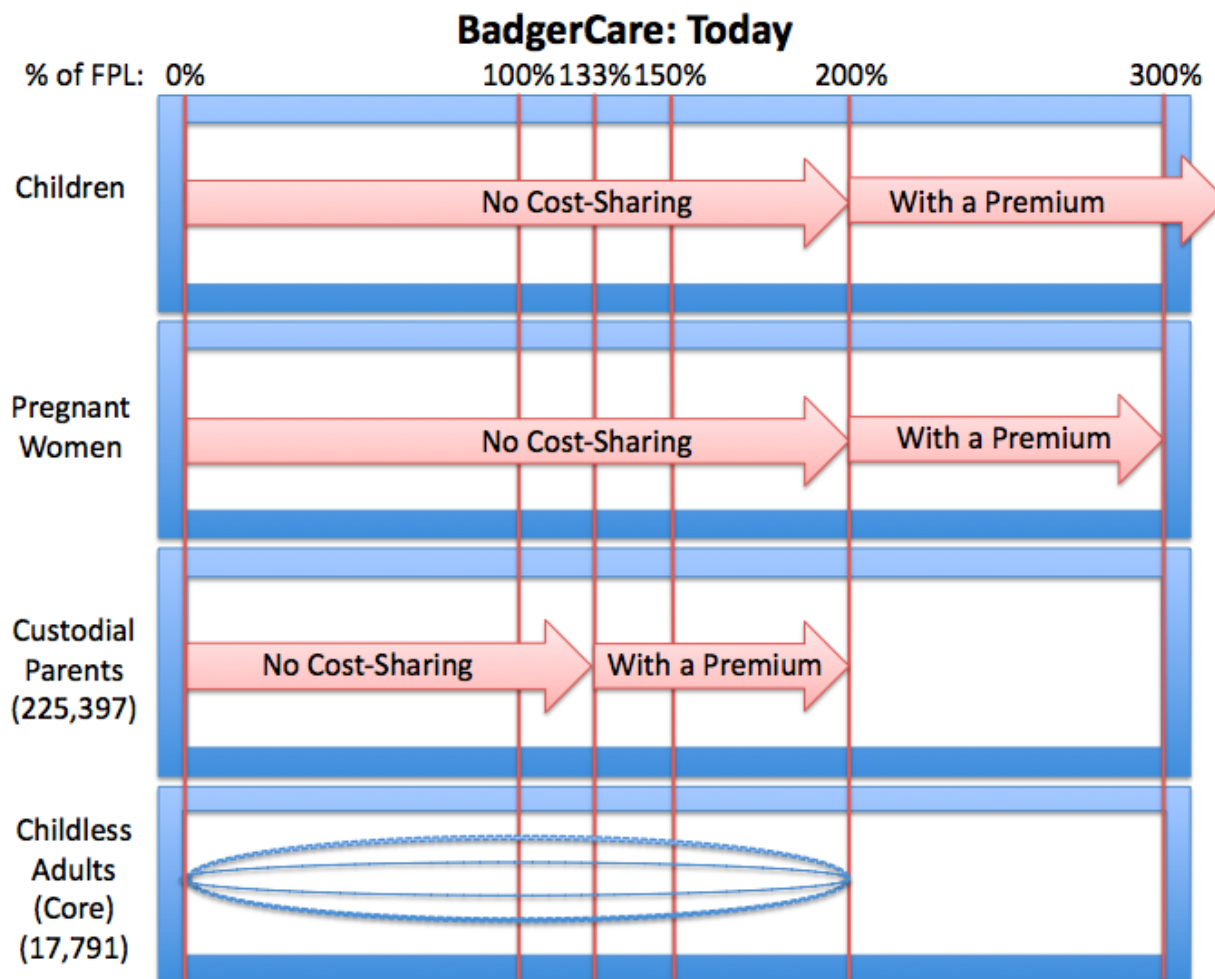
Maximum Out-Of-Pocket (for all plans unless you get cost-sharing assistance)

- \$6,350 for individual
- \$12,700 for families

BadgerCare Changes....

State-Based Decisions

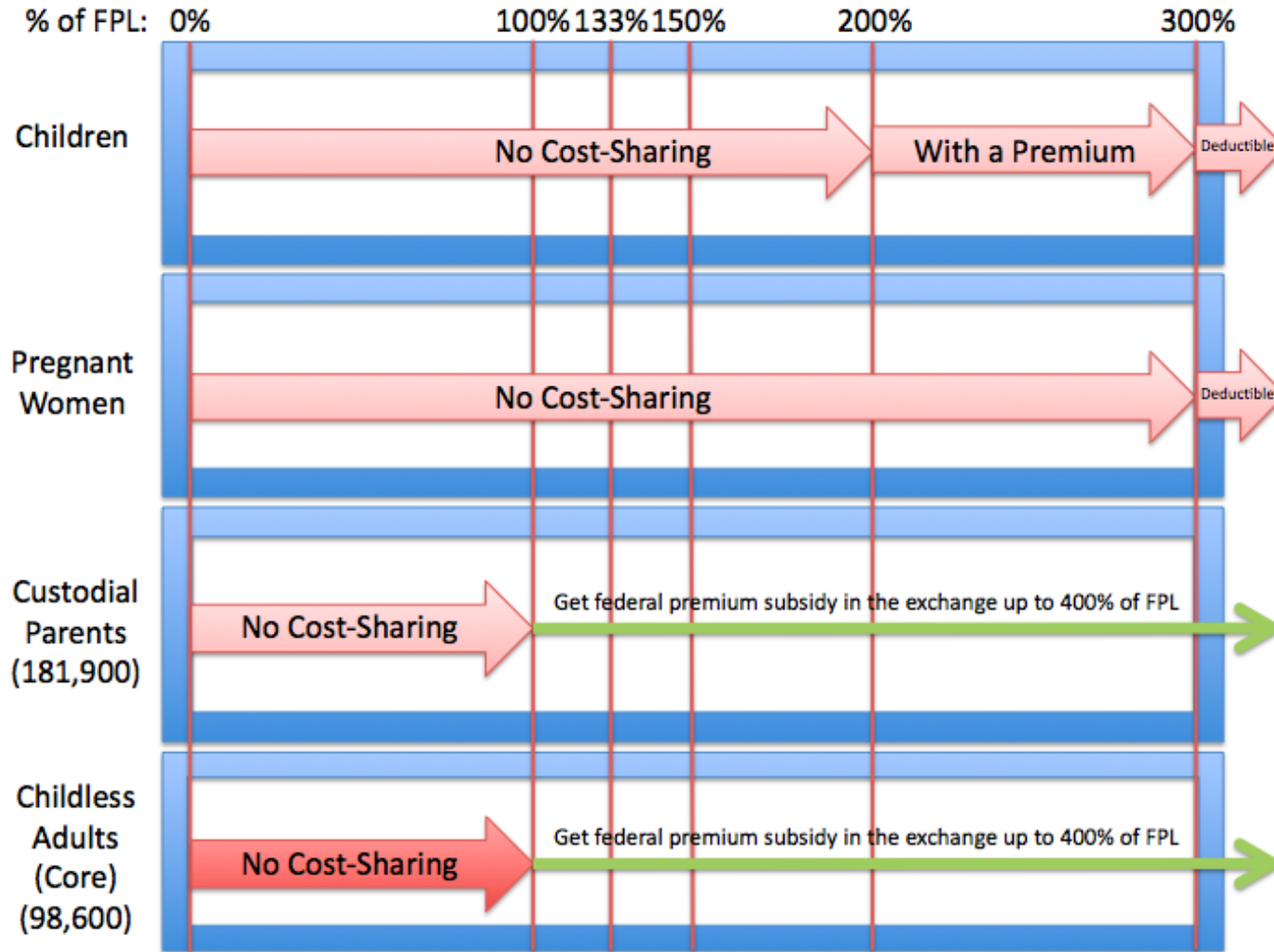
BadgerCare Coverage: NOW



Source: Community Advocates Public Policy Institute

BadgerCare Coverage: FUTURE

Governor's Plan to Begin January 1, 2014



**THESE TWO
CHANGES
DELAYED UNTIL
APRIL 1 !!!**

Source: Community Advocates Public Policy Institute

AMERICAN INDIANS & ALASKA NATIVES MARKETPLACE COVERAGE

NOT subject to tax penalty for not having insurance starting in 2014 & beyond

Insurance/Coverage Options Include:

- Tribal Health Programs/Indian Health Service
- Medicaid/BadgerCare Plus
- Private Health Plan bought in the Marketplace

MEDICAID:

- Under MAGI rules, all of the income from Tribal Per Capita payments from gaming revenue are counted as income (used to be a \$500 per month disregard).
- Tribal members are exempt from paying BC+ premiums and co-pays. To receive these exemptions, verification of tribal membership or descent from a tribal member is required (tribal enrollment card, document issued by tribe, tribal census document, medical record card from Indian health care provider).

MARKETPLACE:

- IF a member of a federally recognized tribe, you do not have to pay out-of-pocket costs like deductibles, copayments, and coinsurance if your income is below 300% FPL (around \$70,650 for a family of 4)
- Can enroll in Marketplace health insurance *any* month, not just during the yearly open enrollment period.
- If enrolled in a private health insurance plan through the Marketplace, can get services from IHS and/or from providers on the Marketplace plan.

The Wonderful World of MAGI

MAGI = Modified Adjusted Gross Income

- This is how income is determined for Medicaid/BadgerCare & for purposes of the Premium Tax Credit (PTC) and cost-sharing eligibility on the Marketplace
- HOWEVER, BadgerCare and the Marketplace do not make the same determination!!!

Marketplace will determine MAGI for the household:

Adjusted gross income (AGI, as defined by IRS)
+ excluded foreign income
+ tax exempt interest
+ non-taxable social security benefits = **MAGI**

HOUSEHOLD SIZE HAS A HUGE IMPACT ON INCOME DETERMINATION

- Household size based on expected federal filing status

The Wonderful World of MAGI

Household for PTC = individuals for whom a taxpayer claims a deduction for a personal exemption

- Self and spouse
 - (note: married couples must file together in order to get PTC or cost-sharing assistance)
- Dependents, which includes children and other individuals (elderly parents, etc)

Household for MA/BC+ are based on each individual applicant and expected filing status

- If not filing taxes, then Medicaid relationship rules apply

Comparing MAGI for Medicaid & Marketplace

Medicaid	Marketplace (Premium Tax Credits)
<ul style="list-style-type: none">• Household size does <u>not</u> always equal tax unit• <u>Individual determination</u> of household – may vary across family members	<ul style="list-style-type: none">• Household equals tax unit• Members of tax unit have same household size

The Wonderful World of MAGI: Example

Example: Non-Married Parents

- Dan and Jen live together with their two children, Drew & Mary
- Dan and Jen both have income
- For taxes, Dan claims the children, Jen files on her own



HOUSEHOLD SIZE:

	Marketplace (Premium Tax Credits)	Medicaid
Dan	3 (Dan, Drew & Mary)	3 (Dan, Drew & Mary)
Jen	1 (Jen)	1 (Jen)
Drew	3 (Dan, Drew & Mary)	4 (Dan, Drew, Mary & Jen)
Mary	3 (Dan, Drew & Mary)	4 (Dan, Drew, Mary & Jen)

STAGE 2 : Beginning NOW **(Employer Responsibility & SHOP Exchange)**

**Key parts of the health care law
go into effect on January 1, 2014
to help expand coverage**



Small Businesses & ACA

You now have **MORE OPTIONS** for your employees.

OPTION
1

Don't offer health insurance
*No penalties or fees if you
have fewer than 50 FTEs**

OPTION
2

Stay with current health
insurance

OPTION
3

Offer health insurance
through the new **SHOP**

Regardless of whether you choose to offer insurance, you must notify your employees about the existence of the new Marketplaces. Model notification forms are available from the US Dept. of Labor and at WisconsinBusinessAlliance.com/ACA

WHAT IS THE SHOP EXCHANGE?

- SHOP: Small Business Health Options Program
- Online health insurance marketplace for small businesses
- All plans include Essential Health Benefits
- Small business owners control the coverage offered to employees
- Small business owners decide how much to pay toward an employee's premium
- You may qualify for a tax credit to offset your costs of providing insurance to your employees

DOES MY BUSINESS QUALIFY TO USE THE SHOP EXCHANGE?

Do you employ at least one person?

YES

NO

If you are self-employed with no employees, you can get coverage through the individual Marketplace, but not through SHOP.

Do you employ 50 or fewer FTEs?

YES

NO

Your business is eligible for SHOP. You can enroll directly through SHOP at healthcare.gov or through your insurance broker.

(If you get insurance through the SHOP, you must offer it to all employees who work 30 hours per week or more)

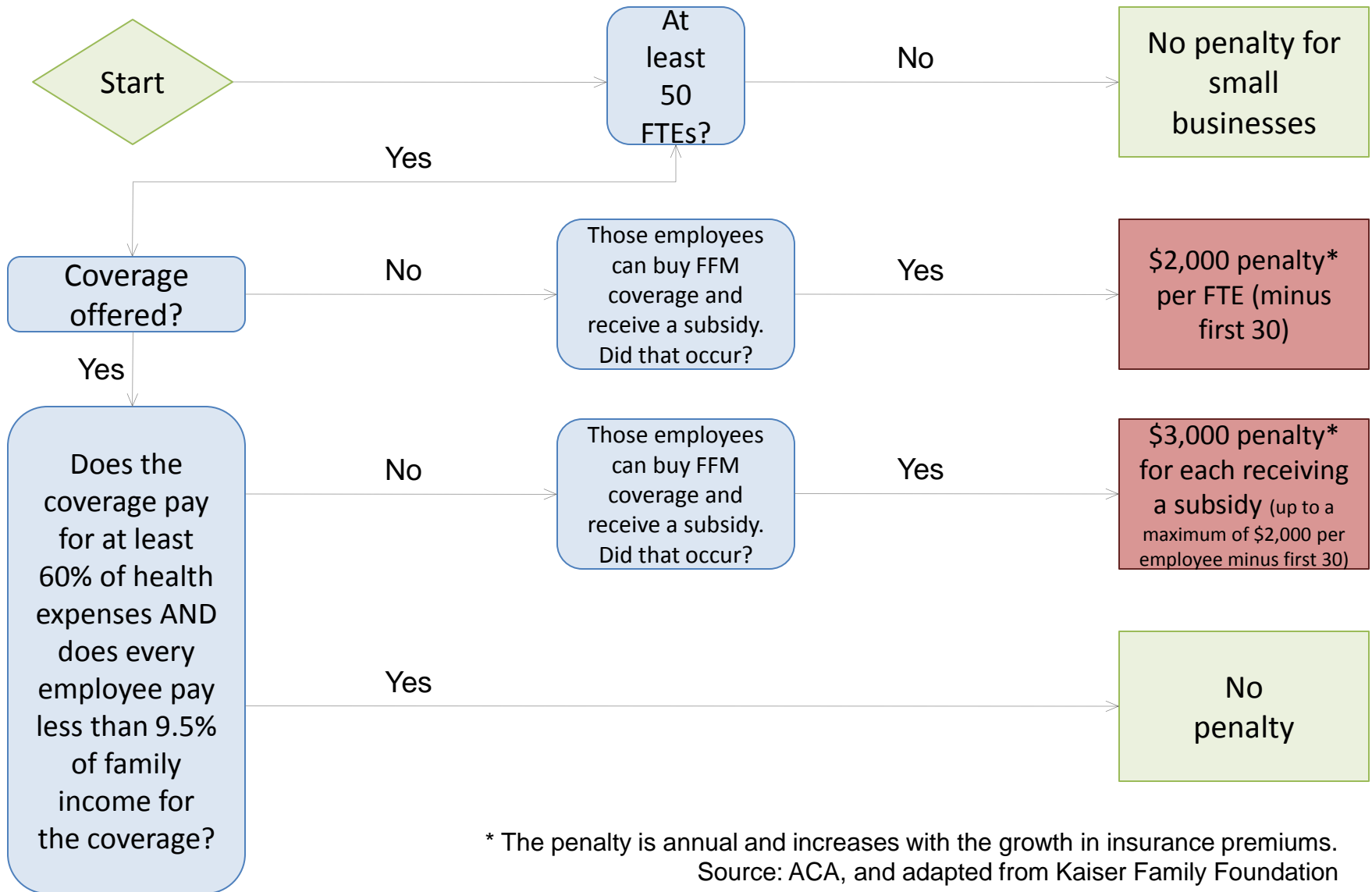
Employer Shared Responsibility:

If you have 50 or more FTEs, talk with your insurance broker or tax preparer about Employer Shared Responsibility provisions that will take effect in 2015

DOES MY BUSINESS QUALIFY FOR TAX CREDITS?

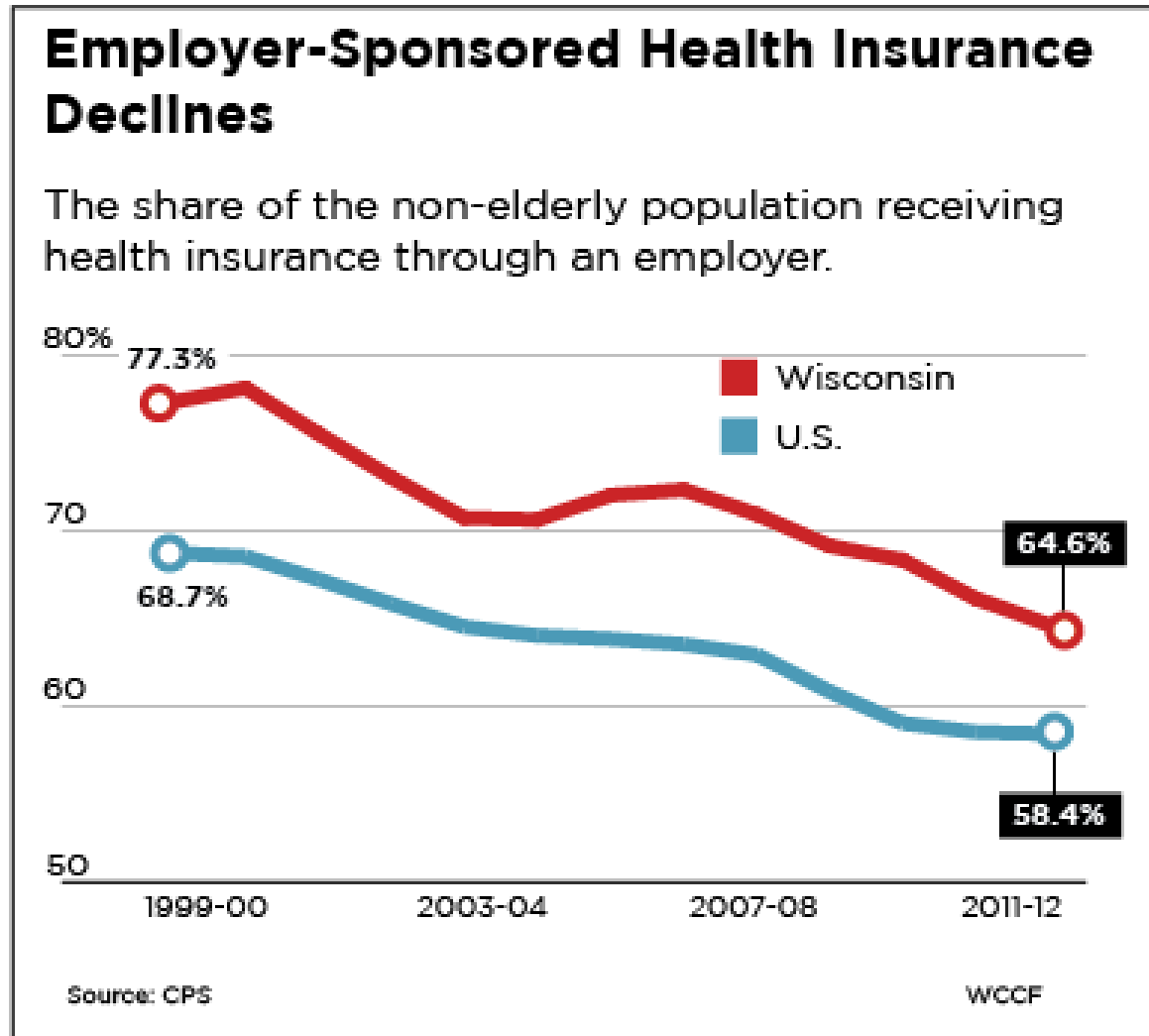
- Can be for-profit businesses or a non-profit
- Must have fewer than 25 FTEs
 - FTE = 40 hours per week
 - changes to 50 employees in 2014
- Must pay at least 50% of employees' premiums
- Employees' annual wages must average to be no more than \$50,000
- Beginning in 2014, tax credit is available *only* for plans purchased through the SHOP

LARGE EMPLOYERS & ACA



Decline in Employer-sponsored Insurance

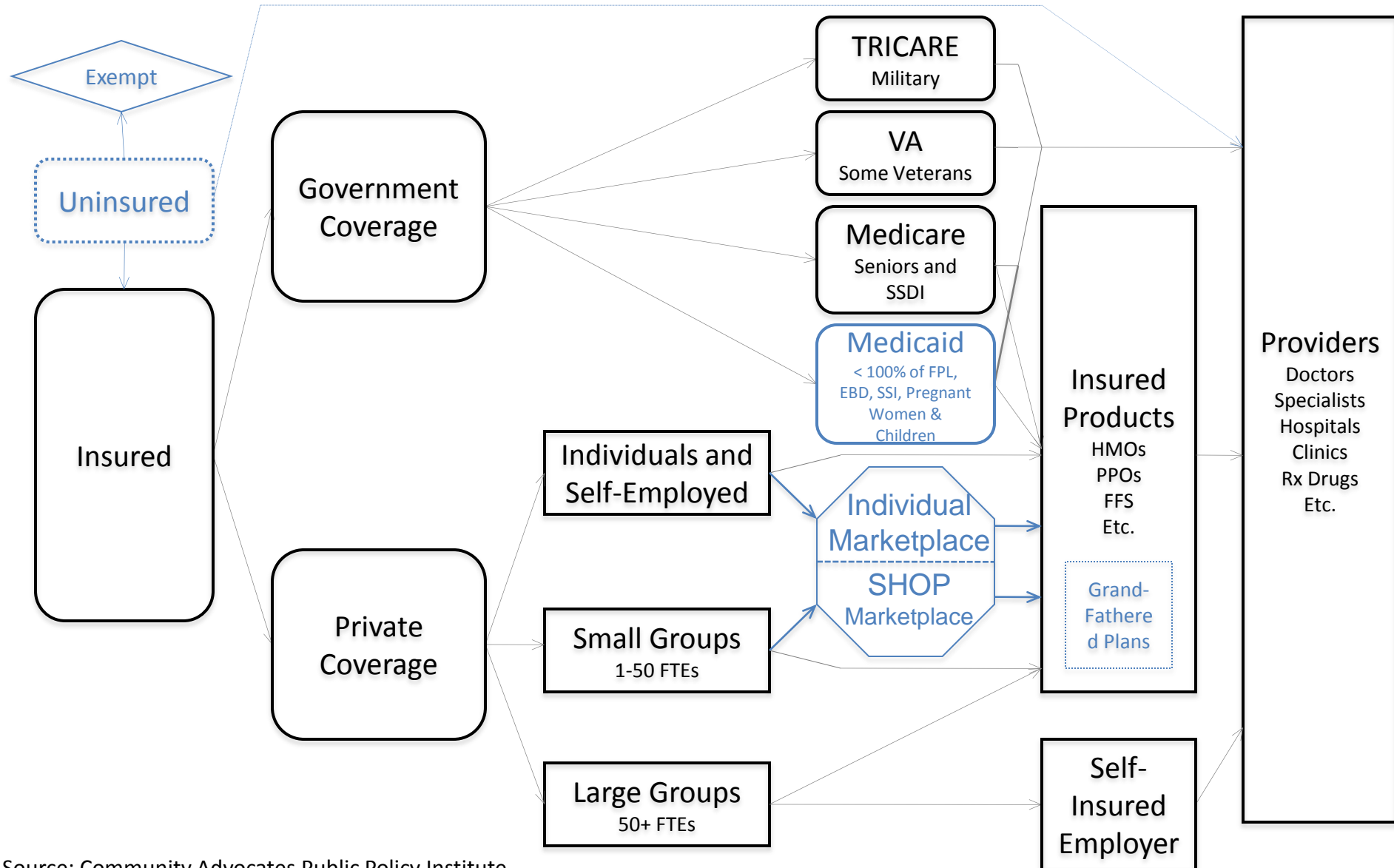
(CPS data for non-elderly population: 2000 to 2011)



PULLING IT ALL TOGETHER









WI INSURANCE FLOW CHART



Future of Insurance in WI

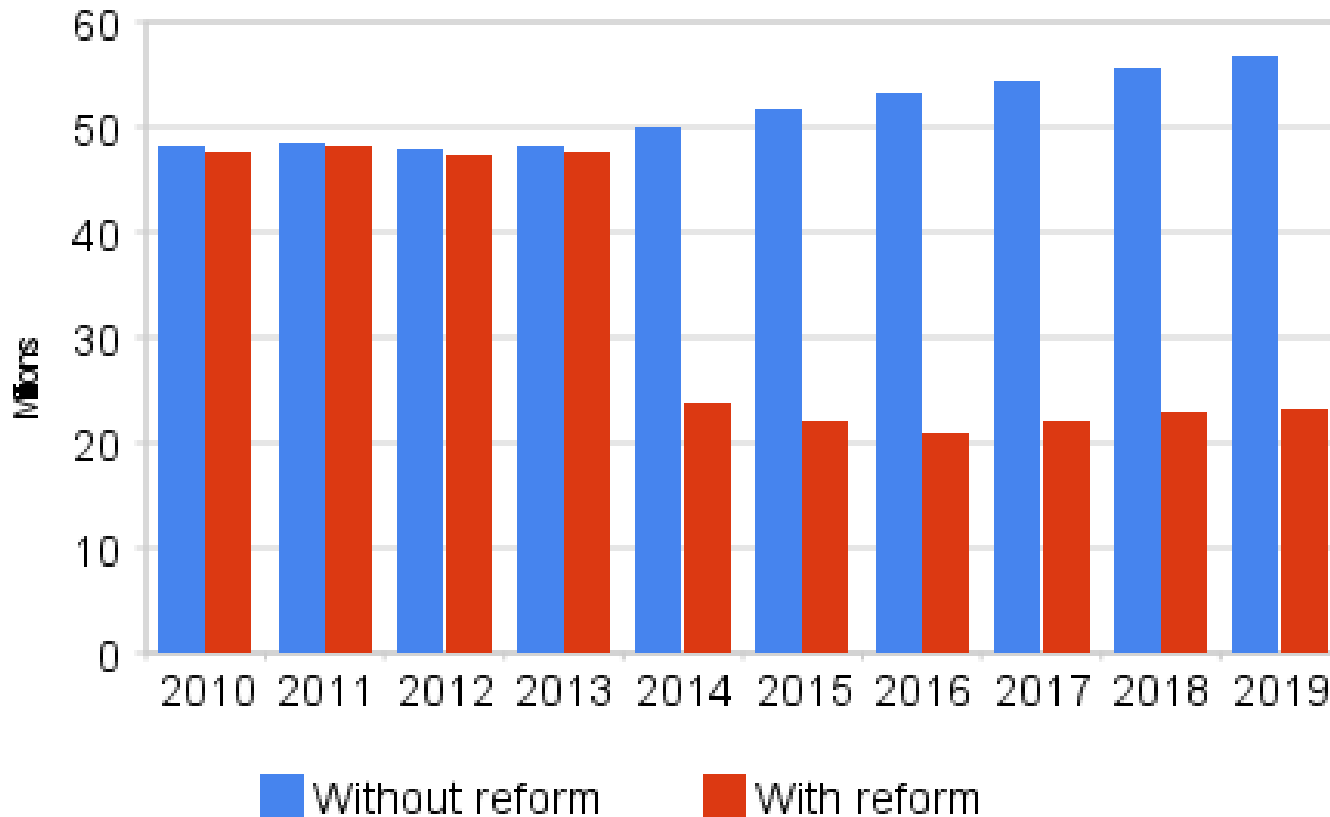
(*For those without Employer Sponsored Insurance option)

	Pregnant Women 	Children 	Parents & Caretakers 	Childless Adults 	15 or older Family Planning Only Services (FPOS) 	Elderly or Disabled 
0-100% FPL	BadgerCare No premium				Basically No Changes (some small tweaks that should make more people eligible)	NO CHANGES
100-200% FPL	BadgerCare No premium	BadgerCare No premium	Marketplace with tax credit & cost-sharing subsidy (up to 250% FPL)			
200-250% FPL		BadgerCare With premium	Marketplace with tax credit			
250-300% FPL						
300-400% FPL		Marketplace with tax credit (up to 400% FPL)				
400% + FPL	Marketplace with no tax credit					

DRAMATIC DROP IN UNINSURED

32 million Americans will gain coverage

Uninsured population with and w/out reform



Source: Congressional Budget Office

ACA Prevention & Public Health Fund

The ACA authorizes **\$15 billion over 5 years** for “expanded and sustained national investment in prevention and public health programs to improve health and help restrain the rate of growth” in health care costs. **It has never been fully funded by Congress.** Wisconsin has received more than **\$18.3 million** in funding:

Community Transformation Grants	\$5,897,000
Tobacco Use Prevention	\$79,000
Obesity Prevention and Fitness	\$683,000
Access to Critical Wellness and Preventive Health	\$782,000
HIV/AIDS Prevention	\$96,000
Public Health Workforce	\$5,265,000
Detection and Response Capacity	\$1,520,000
Public Health Infrastructure	\$2,953,000
Health Care Data Analysis and Planning	\$1,100,000

Relevant Timeline



October

- **(Oct 1)** Open Enrollment Begins

November

- **(Nov 18)** DHS will begin processing applications using the new income eligibility standards
- **(Nov 23)** DHS will begin notifying members of definite coverage changes effective Jan. 1, 2014

December

- **(Dec 15)** Individuals need to enroll in a plan and pay the premium if they want their coverage to begin on January 1

January

- **(Jan 1)** Marketplace coverage starts

March

- **(March 31)** Open enrollment for the Marketplace ends, HIRSP ends, BadgerCare Changes take effect

Limited Public Awareness

The majority of uninsured Americans don't know the health reform law will help them

78% of the uninsured don't know about the new health insurance exchanges

83% of people who could be eligible for the new Medicaid expansion don't know about it

How do we help?

KEEP CALM...and...

Four Key Messages to Reach Most Uninsured

All insurance plans will have to cover doctor visits, hospitalizations, maternity care, emergency room care, and prescriptions.

You might be able to get financial help to pay for a health insurance plan.

One of these =
top message
for 89% of
population

If you have a pre-existing condition, insurance plans cannot deny you coverage.

All insurance plans will have to show the costs and what is covered in simple language with no fine print.

New categories of “Enrollment Support” created by ACA

- **Certified Application Counselors**
 - CMS certification of CAC Organizations
 - OCI training
 - Government entities and tribes exempt!
- **Navigators**
 - Federal grant
 - OCI licensure



Mobilizers

What's the message?

- www.healthcare.gov
 - When in doubt, go to and refer to healthcare.gov
 - Use ACCESS if you're SURE to be under 100% FPL
 - December 15th last day to apply (AND PAY FOR) for coverage starting on Jan. 1
- Federal call line:
 - 800-318-2596
- USE ACCESS (access.wi.gov) for:
 - Foodshare, FPOS (family planning), childcare, etc.




ACCESS

[Español](#)



Your Connection to Programs for Health, Nutrition and Child Care

Before you go to the next page:

 ACCESS will work best with Internet Explorer version 8 and 9. You may experience problems if you are using other browsers such as Firefox, Safari, or Chrome. If you have questions or need help with your application, please call Member Services at 1-800-362-3002.

Am I Eligible?

- > Nutrition, Health & Child Care
- > Prescription Drug Plans
- > Energy Assistance
- > Tax Credits

Apply for Benefits!

- > FoodShare
- > Health Care
- > Family Planning Waiver
- > Child Care

Login to Account

- > Check your benefits
- > Report changes
- > Renew your benefits
- > Manage health care

OR Create an Account

Wisconsin's health, nutrition and child care programs

[Learn More](#)

Community Partners

[Login](#)

BadgerCare+ express enrollment for Children and registration for Community Access Points

[Learn More](#)

Providers

[Login](#)

BadgerCare+ express enrollment for pregnant women and children

[Learn More](#)

Employers

[Login](#)

Obtain information about reporting health insurance data

[Learn More](#)

The Health Insurance Marketplace is coming soon

A new way to get affordable coverage launches October 1.

Answer a few questions to learn if you qualify for lower costs.

[SEE YOUR OPTIONS »](#)

GET IMPORTANT NEWS & UPDATES

Email Address

[SIGN UP](#)



Enrollment for Health (E4Health) Wisconsin

*Sharing Health
Insurance Marketplace
Enrollment Resources
Across the State*

About E4Health For Enrollment Assisters For Mobilizers For Consumers Policy & Regulatory News
Regional Enrollment Networks Key Links & Resources Calendar Contact Us

About E4Health

E4Health was founded in June 2013, to coordinate statewide outreach and enrollment functions, and facilitate statewide communication about the implementation of the Health Insurance Marketplace in Wisconsin.

E4Health's website is Wisconsin's resource clearinghouse for those engaged in:

- building awareness and providing training about the Affordable Care Act's health insurance reforms, and
- directly assisting and enrolling Wisconsin residents in the state's new Health Insurance Marketplace, which opens October 1, 2013.

Organizations include consumer advocates, health care providers, social service providers, and special populations' interest groups.

The website is managed by [Wisconsin Primary Health Care Association](#), [Covering Kids & Families-Wisconsin](#), [Milwaukee Health Care Partnership](#) and the [State of Wisconsin Department of Health Services](#).

Answers from Healthcare.gov



Need health coverage?
The Health Insurance
Marketplace is open! ▶

BadgerCare+ Answers BadgerCare+ Webpage BadgerCare+ Changes FAQ

Find Training or Events

- All Events and Trainings
- Enrollment Assister & Mobilizer Events
- Consumer Events

Enroll America Blog:

- New Outreach and Enrollment Resources from the Kaiser Family Foundation September 26, 2013

In-Person Assistance

- GO TO www.e4healthWI.org for Wisconsin-based resources, to request a training and to see a Wisconsin enrollment directory
- Localhealth.healthcare.gov
- Direct enrollment assistance:
 - Community Health Centers, Libraries, Job Centers, & other locations also offering assistance

Questions/Follow-up

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WISCONSIN COUNCIL ON

**children
& families**

Raising Voices to Make Every Kid Count