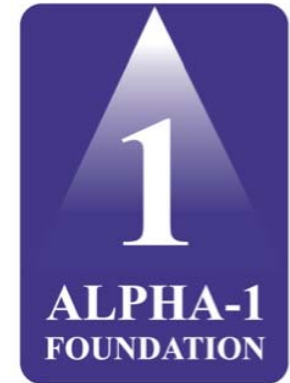




Support, Education and Advocacy since 1991

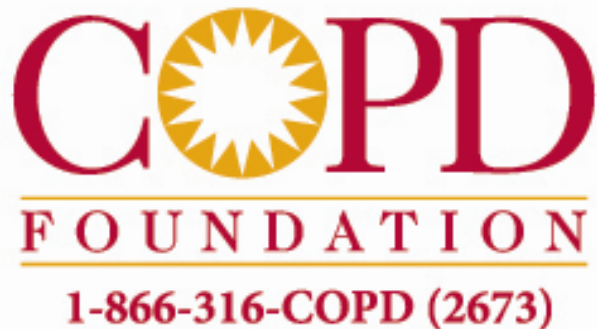


# Affordable Care Act

Miriam O'Day

2013 Myotonic Dystrophy Foundation Annual Conference

Houston, TX – November 8, 2013

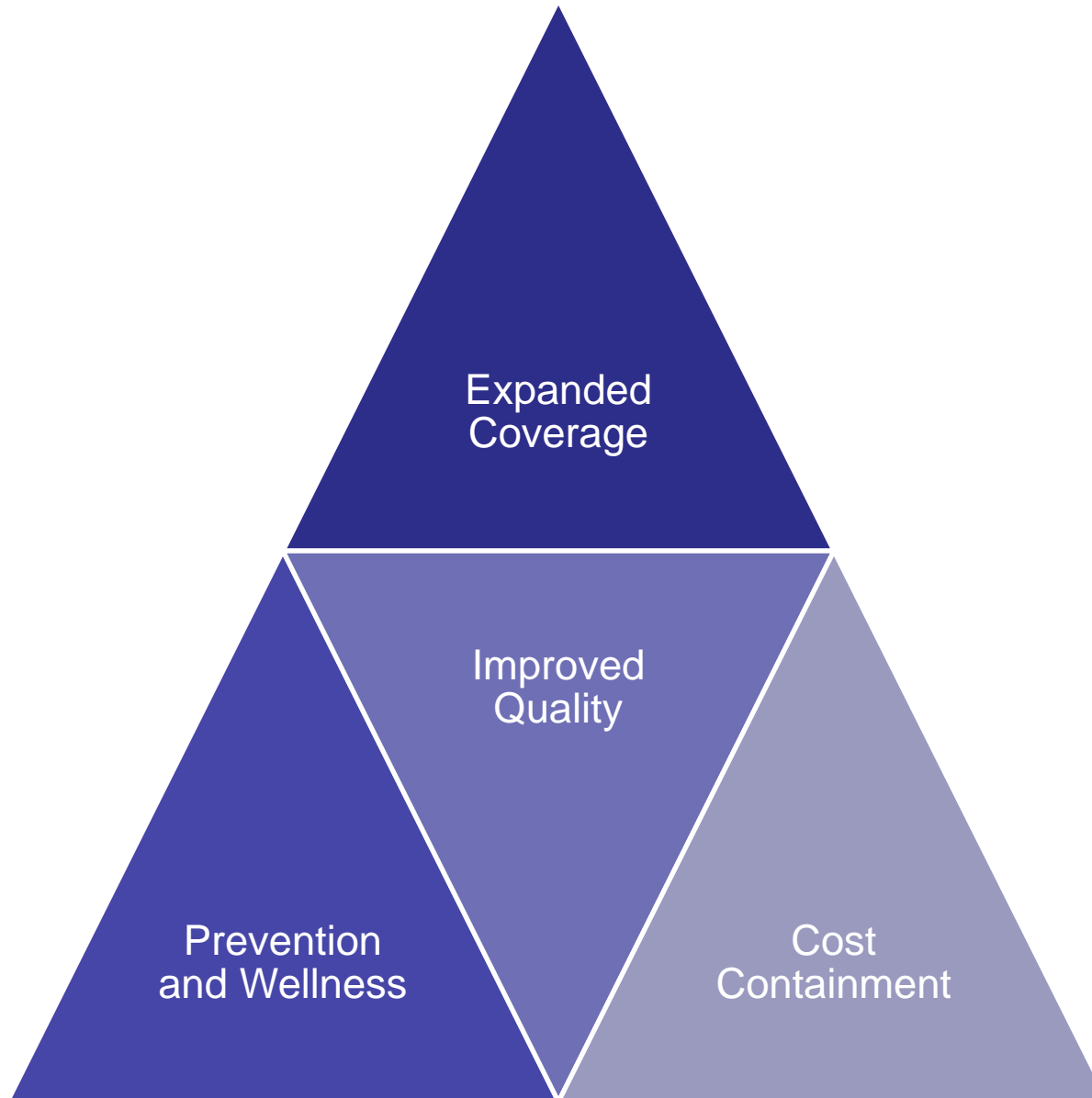


# Healthcare.gov



Enrollment for new coverage in the State Marketplaces began on October 1, 2013 for January 1, 2014 coverage  
36 states are running through the federal website Healthcare.gov  
The other Marketplaces are run by their states  
Administration admits “glitches”





## Key Principals of the Affordable Care Act

## Sunshine Provisions

Out of pocket Caps

Elimination of Lifetime Caps

Guaranteed Issue

Addresses the “Donut-Hole”

No Ban for Pre-existing Conditions

**Positive  
Provisions  
for  
Chronic  
and Rare  
Diseases**

# Definitions

## Individual Mandate

January 2014 must have an **Acceptable Form** of insurance

Employer Sponsored

Medicare

CHIP

Medicaid

Tricare

Veterans Health

# Definitions

Individual Mandate

January 2014 must have an **Acceptable** Form of insurance

**80% of**

Employer Sponsored

Health Insurance Marketplace

Medicare

CHIP

**Americans**

Medicaid

Tricare

Veterans Health

# Definitions

## Individual Mandate

January 2014 must have an **Acceptable Form** of insurance

Plans purchased on the  
**Health Insurance Marketplace**  
Will be an acceptable form of  
insurance



Individual Mandate

**Acceptable**

Form of insurance

or pay a

penalty/tax of

\$95.00

Individual Mandate  
Acceptable  
Form of insurance  
or pay a  
penalty/tax of  
\$95.00



"NO, I'M FROM THE IRS. YOUR HEALTH INSURANCE PAPERS, PLEASE."

Year	2014	2015	2016 & beyond
Adult Penalty Minimum	\$95.00	\$325.00	\$695.00
Child Penalty Minimum (50% of Adult Penalty)	\$47.50	\$162.50	\$347.50
% of Income	1.0%	2.0%	2.5%
<i>Example: Penalty at 251% FPL (\$28,840/year*)</i>	\$288.00	\$577.00	\$721.00
<i>Example: Penalty at 401% FPL (\$46,075/year*)</i>	\$461.00	\$922.00	\$1,152.00

## Individual Mandate

**Acceptable** Form of insurance or pay a penalty/tax of \$95.00 for 2014 – then it goes up!

# **Status of Medicaid Expansion**

**ACA Expansion to 138% of FPL**

**from 16% Alabama to Mississippi 105%**

About 5 million poor uninsured adults have incomes above Medicaid eligibility in their state

6% in NC

6% in OH

8% in GA

15% in FL

20% in TX

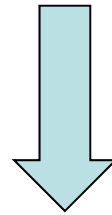
# Status of Medicaid Expansion

Federal Share of this program:

**100% 2014**

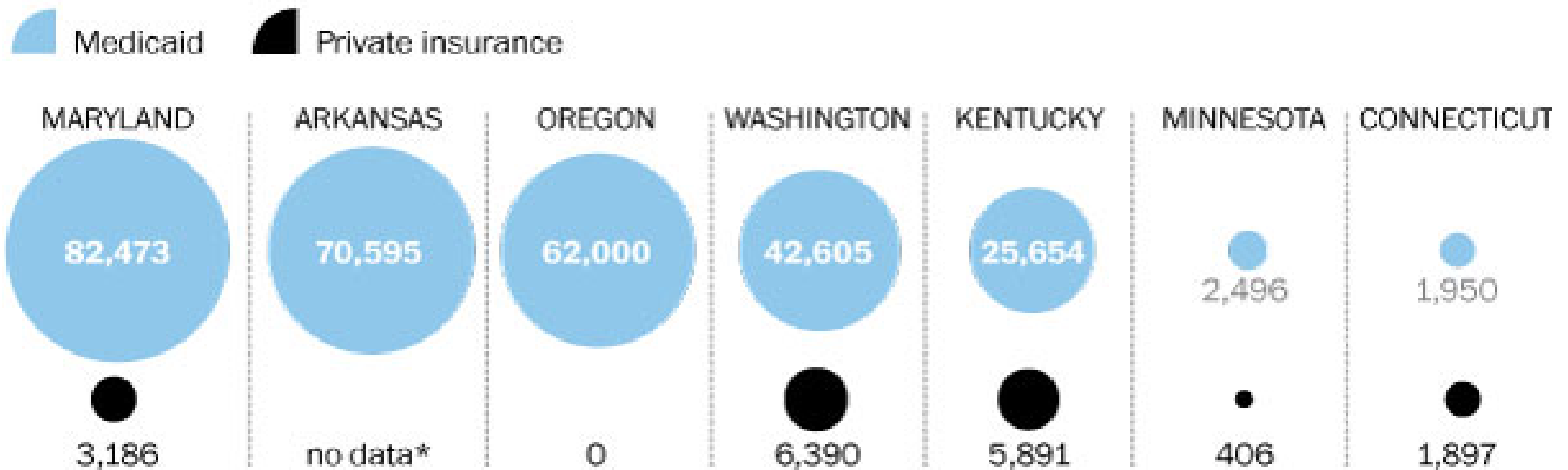
**100% 2015**

**100% 2016**



**90% 2020**

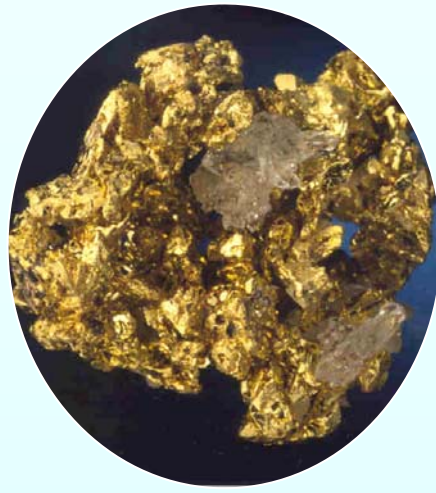
# Status of Medicaid Expansion



\*Arkansas' private insurance marketplace is run by the federal government, which will not release enrollment figures until mid-November.



Platinum  
90%



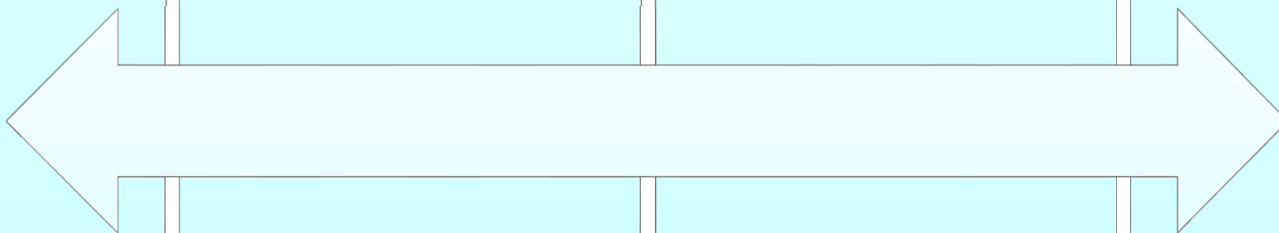
Gold  
80%



Silver  
70%



Bronze  
60%



# Implementation Challenges

No widely accepted definition of individual “affordability” when it comes to health insurance premiums

ACA sets insurance Premiums such that individuals and families will be required to spend no more than a specified percentage of income on premiums for specified health insurance plans in an exchange

For 100% and 400% FPL contributions will be limited from 2.0% to 9.5% of income. Individuals and families with income at or above 400% of poverty will be ineligible for premium credits.



# Implementation Challenges

Income Levels at 400% FPL, 2013

Number of Persons in Family

*48 Contiguous States – different for AK and HI*

1 \$45,960

2 \$62,040

3 \$78,120

4 \$94,200

5 \$110,280

6 \$126,360

7 \$142,440

8 \$158,520

# Implementation Challenges

## Two Types of Subsidies

- Premium Tax Credits

- Help people pay the monthly cost to have a plan

- Cost-Sharing Reductions

- Decrease the charges enrollees must pay when receiving health care services covered by the plan

# Implementation Challenges

## How Is the Amount of the Tax Credit Determined?

- **Cost of the benchmark plan: Determined by the Marketplace (second-lowest cost “silver” plan)**

**Cost of benchmark plan – Expected premium contribution = Credit Amount**

- **Expected premium contribution: A maximum percentage of income someone is expected to pay, based on sliding scale**



# Implementation Challenges

Example: Single Individual

Benchmark: \$5,000

Karen:

- Income of \$22,980 (200% FPL)
- Maximum expected contribution:  
6.3% or  
\$1,448 (\$121 per month)

Premium Credit:

$\$5,000 - \$1,448 = \$3,552$

Karen can use this \$3,552 to purchase a plan in the Marketplace. If she chooses a plan that costs more than \$3,552, Karen will pay the difference.



# Implementation Challenges

Is there an out-of-pocket limit on my expenses?

Yes

\$6,360 person

\$12,700 for a family

Use Caution – IN NETWORK

Why not just buy a bronze plan

Access to Specialists

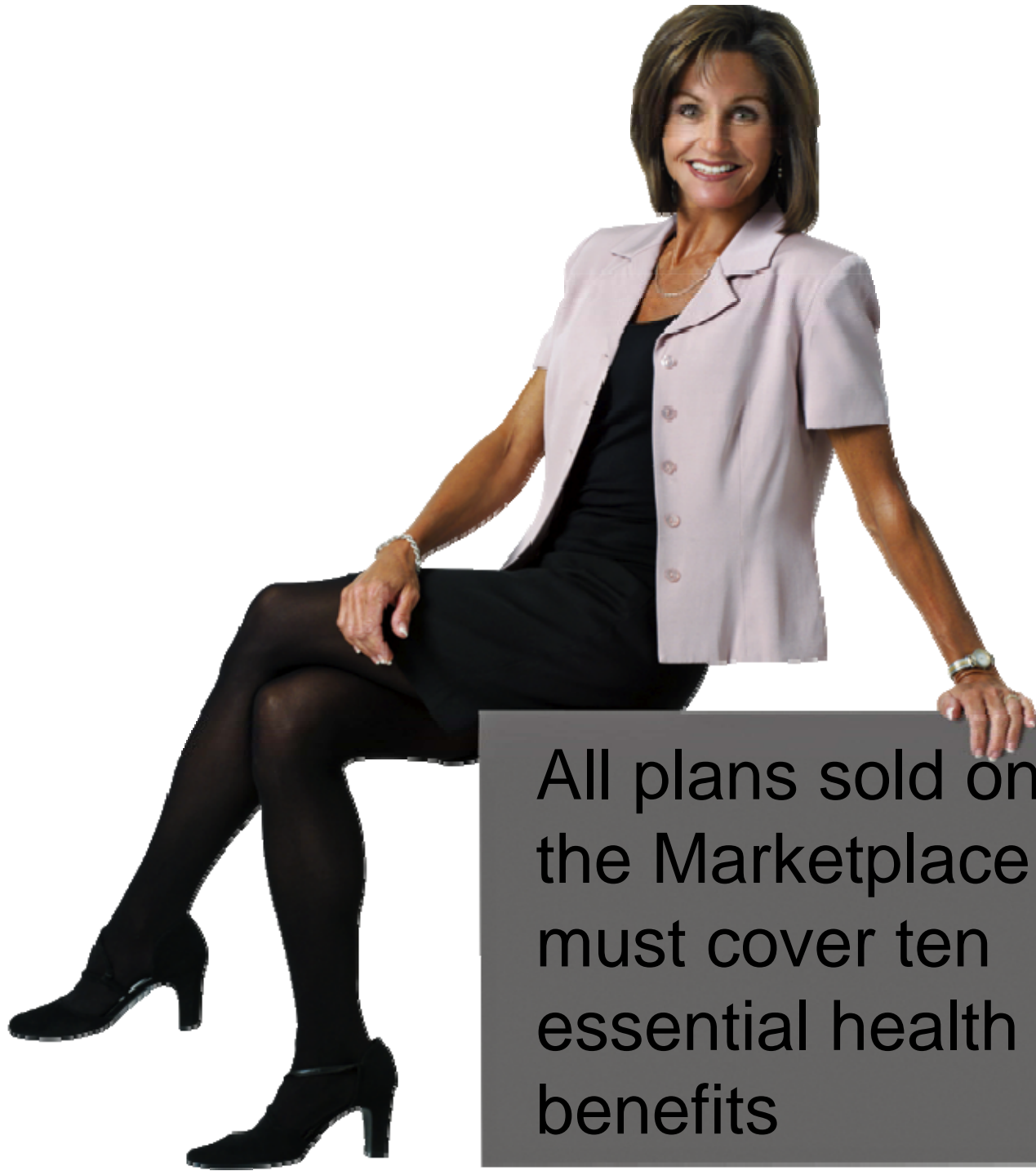
Consider all options



# Implementation Challenges

- Enrollment will be the focus in 2014
- Need to document 2014 & 2015 experience...
  - To create best practices,
  - To help others find the coverage
  - AND access the care that best meets their needs,
  - To influence State & Federal Policy





All plans sold on  
the Marketplace  
must cover ten  
essential health  
benefits

# 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

Preventive and wellness services and chronic  
disease management

Pediatric services, including oral and vision care



# What about Hospital Readmissions?

Rates vary amongst institutions

Evidence based guidelines not being used for maintenance therapy or acute exacerbations



## How is this paid for?

The ACA's provisions are funded by a variety of taxes and offsets.

- Cuts to Medicare Reimbursement
- Taxes on Health Care Industries

There are also taxes on pharmaceuticals, and high-cost diagnostic equipment



# How is this paid for?

A 10% federal sales tax on indoor tanning services...



## Looking Ahead

### What about premium increases

The law does not prohibit rate increases

The law requires insurers to spend at least 80% of the money they collect in premiums on medical claims

The law allowed DHHS to provide funding for states to better review and regulate rates  
Premium increases over 10% must be submitted with data to state and federal regulators for review

Republicans are asking the Internal Revenue Service (IRS) to hand over details about ObamaCare enrollment that may not come out in the administration's official report due the week of November 11<sup>th</sup>. Nov 6<sup>th</sup>: House Ways and Means Committee



# Looking Ahead

Self Attested income invites fraud

Adverse Selection – People pay the penalty instead of the premium **until they get sick**

400% of poverty level is too generous

Medicaid Expansion

Will employers pay the penalty instead of the premium?

Privacy Breaches will happen



# Challenges Solutions

## ADVOCACY

Tools to evaluate private insurance plans

Tools available to evaluate Medicare plans

Local resources available to assist in evaluation of plans

Availability of Patient Assistance Programs





**Strengthening Our Voice:**  
Strategies for Becoming an Effective Alpha-1 Advocate



Alpha-1

**Private Health Insurance**  
A Guide for Alphas and Their

**Private Health Insurance**  
A Guide for Alphas and Their

# Navigators

The ACA established the Navigator Program designed to help individuals navigate health insurance options; tax credits and enrollment

States will have an online list of Navigators – they will also be available via toll free numbers

CMS is trying to enroll Community Centers; Churches; Health Clinics and other Community based organizations as Navigators

# Navigators

## Questions to Ask

Does the plan cover my medication?

How much is the co-pay?

Is there Co-insurance?

Does the plan require prior authorization?

Does the plan require that I fail on one therapy before the next is prescribed?

Where do I file a complaint?





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