The Affordable Care Act: The Current State of the States
What we’ll cover

- Background on ACA
- How the law affects your clients with Medicare & Medicaid, and those without insurance
- Medicaid expansion
- Health Insurance Exchanges
- What this means for you and your clients
- Resources
A little background

- Affordable Care Act (ACA) signed into law on March 23, 2010

- Key components of ACA are designed to:
  - Strengthen consumers’ health care choices and protections
  - Offer a wide-range of coverage options
  - Make health care affordable and accessible for all Americans

- Many changes, varying effective dates, bigger components in place by 2014
Supreme Court ruling – What about it?

- After health reform law was passed, 26 states filed a lawsuit against:
  - Individual Mandate
  - Medicaid Expansion

- On June 28, 2012, the Supreme Court:
  - Upheld that individual mandate is not unconstitutional
  - However, States cannot be “coerced” (lose current Medicaid funding) into expanding Medicaid
ACA - Implementation and Challenges

• ACA – survived the Supreme Court and the election

• More legal challenges ahead

• More political challenges
  • CLASS Act (provided for national voluntary LTC insurance program)
    • Not implemented by Administration
    • Repealed and replaced with LTC Commission
Quiz

• True or False
• Under Obamacare, Medicare will no longer pay for surgery for beneficiaries over 70 years old.
Quiz

• Under Obamacare, Medicare will cut some medical services that are currently covered.
• True or False
How ACA affects your clients with Medicare

- **Closes Part D Coverage Gap:**
  - In 2010, began with $250 rebate check
  - Increasing discounts and plan payments until 2020
  - Nearly 6 million people already saved over $5 billion on drugs in coverage gap

- **Starting with the 2012 plan year,** moved and extended annual Part D and Medicare Advantage open enrollment period (Oct 15-Dec 7)

- **As of 2011,** provides new and free preventive benefits under Medicare, including Annual Wellness Visit
  - To date, 34.1 million seniors took advantage of one or more free preventive services
How ACA affects your clients with Medicare and/or Medicaid

- Tests new models for better care, better coordination of services (www.innovations.cms.gov)
  - In 2011, CMS awarded 15 states design contracts up to $1 million to develop integrated service and delivery payment models
  - 26 states submitted proposals to align the financing and benefits of the two programs under two models. Several have withdrawn proposals.
  - Five states have signed MOUs with CMS to move forward
- Give states more flexibility to offer Home and Community Based Services (HCBS)
The current state of the states: Demonstration proposals

State demonstration proposals to integrate care and align financing for dual eligible beneficiaries, April 2013

- MOU signed with CMS to implement demonstration (5 states)
- Proposal pending with CMS (16 states and WA’s capitated proposal)
- Proposal submitted, will not pursue financial alignment but may pursue other administrative or programmatic alignment (2 states)
- Proposal withdrawn (3 states)
- Not participating in demonstration (24 states and DC)
How ACA affects those in need of insurance

- As of July 2010, establishes Pre-Existing Condition Insurance Plan (PCIP), helps people that could not get insurance due to pre-existing conditions

- Allows states option to expand Medicaid to those not traditionally covered beginning as soon as 2010

- For 2014, establishes the Health Insurance Exchanges

- And more (see www.healthcare.gov for complete list)
Medicaid Expansion – What’s happening?

- Will cover many of those not previously eligible:
  - Ages 19-64 and
  - Income under 138% (133% with a 5% disregard) of federal poverty level (FPL)
  - No resource test
  - Does not cover undocumented immigrants

- Federal government pays 100% of expansion for 2014-2016; phased down to 90% by 2020

- By 2019, Medicaid expansion estimated to cover ~16 million people who otherwise would be uninsured
Will states choose to expand
Health Insurance Exchanges – What are they?

- Exchanges available both for individuals and small employers
- One-stop shopping – single application for Exchange, Medicaid, and CHIP
- Affordable options for people with limited income (tax credits, reduced cost-sharing)
- Can’t be denied insurance even with pre-existing conditions (Guaranteed Issue)
- Standard offering of health benefits (“Essential Health Benefits”)
Quiz

• There is a tax credit/subsidy to help lower the premiums for people with low and modest incomes who purchase insurance on the “exchanges.” Financial assistance is provided to individuals with incomes:
  • a: 100-200% of FPL
  • b. 100-300% of FPL
  • C. 100 – 400% of FPL
Question

• What happens to individuals who:
  • Are not currently eligible for Medicaid,
  • Live in a state that did NOT expand Medicaid to 133% of poverty,
  • And whose income is not 100% of FPL and therefore not eligible for the tax credit/subsidy?

Answer: They may not be eligible for either Medicaid or the subsidy.
How are the Exchanges run?

- **Exchanges:**
  - Must be a government agency or non-profit
  - Must serve both individual and businesses
  - Can form regional Exchanges, or have multiple exchanges operating in one state

- **States can choose from three models:**
  - State-based exchange
  - State-federal partnership
  - Federally-facilitated exchange (FFE)
Exchange models

- **State-based exchange**
  - State runs its own exchange
  - May have an Exchange Board to settle on policy decisions (i.e., model type, benefits package, IT structure, contracts)

- **State-federal partnership**
  - State works with federal government, likely help with plan management functions such as certifying qualified health plans, oversight, etc.

- **Federally-facilitated exchange (FFE)**
  - Federal government ensures state has Exchange in place, will still need help from states
  - Default model if states do not choose a model by Feb 15, 2013
Health Exchange Status

State, Partnership, or Federal Health Insurance Exchange?
Where States Stand So Far
(as of May 10, 2013)

Key
- 16 states and DC have been conditionally approved for a state-based exchange
- 7 states conditionally approved for a partnership exchange
- 27 states will have a federal exchange

Sources:
- State Refor(u)rm Exchange Governance Chart
  http://stateforum.org/exchange-governance-chart
- State Refor(u)rm Exchange Blueprint Chart
  http://www.stateforum.org/exchange-blueprint-chart
- State Refor(u)rm Exchange Policy Decisions Chart
  http://stateforum.org/exchange-policy-decisions-chart
Streamlined, Dynamic Application Process

- Streamlined application can be used to apply for:
  - Insurance through the Individual or SHOP Exchanges
  - Medicaid
  - SCHIP

- Applications can be submitted:
  - Online via the Exchange Website
  - Call Center
  - By Mail
  - In-Person

- Information collected includes:
  - Baseline information
  - Income information (for Medicaid or tax credits)
  - Program specific information
What Plans will be Available?

- Qualified health plan
- Required to offer uniform benefits package
- Scope of benefits: 10 “general” services
- Four levels of coverage: bronze, silver, gold and platinum

- Basic Health Plan: At state option for uninsured at 133% - 200% of FPL
Who will help consumers of the Exchanges?

- **Exchanges will contract with Navigators**
  - Similar to SHIP model – objective, trustworthy for uptake
  - States required to contract with at least two agencies/organizations, with one being a community-based partner
  - Receive grant funding by the Exchange

- **Exchanges will also have Assisters**
  - For example, brokers and agents can continue to help people with the health insurance marketplace and enroll in health plans
Key Enrollment Dates through the Exchanges

- **Initial Open Enrollment Period:**
  - October 1, 2013-March 31, 2014
  - Coverage effective no sooner than January 1, 2014

- **Annual Open Enrollment Period (starting in 2015):**
  - October 15 – December 7, coverage effective following January 1

- **Also, Special Enrollment Periods (SEP) for exceptional situations**

*Note:* Medicaid & CHIP apps can go through the Exchange or through Medicaid offices, and anytime of the year
What might an Exchange website look like?

Example, Colorado’s Exchange website at: www.getcoveredco.org
What does this mean for you and your clients?

- Still a lot unknown, stay tuned for updates
- Consider the benefits already in place, take advantage
- Be ready to explain the basics of health care reform, and how the law enhances their Medicare benefits
- Use online resources to stay up-to-date on changes, updates in your state
Resources

- Where states stand on Medicaid expansion: http://ahlalerts.com/2012/07/03/medicaid-where-each-state-stands-on-the-medicaid-expansion/ (updated regularly)
- Affordable Care Act and Health Exchanges status: http://healthreform.kff.org/
- Center for Consumer Information and Insurance Oversight (CCIIO): http://cciio.cms.gov/
- National Association of Insurance Commissioners (NAIC): http://naic.org/index_health_reform_section.htm
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