

# Update on the Affordable Care Act

Presented by:  
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Consumers for Affordable Health Care



November 3, 2015

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## Agenda

- Marketplace Basics
- Looking Back: 2014-15 Open Enrollment
- Special Enrollment Periods (SEPs)
- Looking Ahead: 2015-16 OE3!

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## Our Mission



**Consumers for  
Affordable  
Health Care**

To advocate the right to quality,  
affordable health care for every  
man, woman and child in Maine.

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## About Consumers for Affordable Health Care

- Non-profit, non-partisan mission-driven research and advocacy organization based in Augusta
  - Consumer Assistance Program and HelpLine (1-800-965-7476)
  - Public Policy Research and Advocacy

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## Marketplace Basics

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## The Health Insurance Marketplace

The Health Insurance Marketplace helps people easily shop for health coverage.

Many qualify for:

- Lower costs on private insurance plans based on your household size and family income, or
- MaineCare and the Children's Health Insurance Program (CHIP)

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## Who can buy a plan in the Marketplace?

- Anyone can buy a Marketplace plan or Qualified Health Plan (QHP)

### ❖ **Except:**

Those who get Medicare Part A free (most people on Medicare)



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## When can you buy a plan in the Marketplace?

- During Open Enrollment
  - November 1, 2015 – January 31, 2016



OR

- During a Special Enrollment Period (SEP) if you have certain life changes like:
  - Having a baby
  - Getting married
  - Moving
  - Getting out of jail
  - Losing other health coverage



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## These groups won't usually buy Marketplace plans.

- Medicare recipients
- Medicaid recipients
- Military/veterans
- People with affordable, quality employer plans (or dependent coverage through a spouse's or parent's affordable, quality plan)



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## What is an affordable, quality plan?

- A plan is affordable if your coverage is less than 9.56% of your household income
- A plan is a quality plan if it covers at least 60% of costs and covers all Ten Essential Health Benefits.

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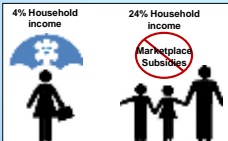
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## There is a bad Family Glitch.

If the cost of an employer plan, **for employee only**, is more than 9.56% of the total household income, the family is eligible for Marketplace subsidies.

### The Family Glitch



If the cost of an employer plan **for employee only**, is affordable, but is unaffordable when dependents are added, the family is still **NOT** eligible for Marketplace subsidies.

If the cost of covering the entire family is more than 8% of household income, the family can qualify for an Affordability Exemption.

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## There are two kinds of Marketplace financial help:

1. Advanced premium tax credits (APTCs)
2. Cost sharing reductions (CSRs)

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## Who Can Get APTCs?

You may be able to get an Advanced Premium Tax Credit to help pay if:

- You **do not** have access to insurance at work, or insurance at work is unaffordable AND;
- You **do not** have access to public insurance like Medicare or Medicaid AND;
- Your household income is between 100% & 400% FPL.

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Financial help is on a sliding scale.




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## Tax Credit Eligibility

### 2015

- 1 person: \$11,670- \$46,680
- 2 people: \$15,730- \$62,920
- 3 people: \$19,790- \$79,160
- 4 people: \$23,850- \$95,400

### 2016

- 1 person: \$11,770- \$47,080
- 2 people: \$15,930- \$63,720
- 3 people: \$20,090- \$80,360
- 4 people: \$24,250- \$97,000

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## What Income Counts?

- When calculating financial help in the Marketplace:
  - Taxable income counts, plus nontaxable Social Security and excluded foreign income
  - Nontaxable income doesn't count

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## Calculating Modified Adjusted Gross Income (MAGI)



An applicant's most recent tax returns can be useful in estimating income if their income has not changed. If a tax return is not available, or if income is different for any reason, the tax return can still be a useful list of what income and adjustments to include.

\*Gross income is all income (earned and unearned) that a person receives during the year before accounting for deductions, exemptions and credits to reduce taxable income and total tax.

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## 2014-15 Open Enrollment: Looking Back




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## 2014-15 Open Enrollment

	Maine	National
Number of people that selected a plan during Open Enrollment	74,792	11.7 Million
Percent New Enrollees	35	42
Percent Female	55	54
Percent Age 34 or Under	33	36
Percent Between 18 and 34	23	28
Percent Selected Silver	72	67
Percent Selected Bronze	19	22
Percent w/ Financial Assistance	89	87

Sources: ASPE Marketplace Summary Enrollment Report and CBO January and February Medicaid/CHIP Enrollment Reports

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Looking Forward:  
OE3!

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## 2015-16 Open Enrollment

- Next open enrollment period is from November 1, 2015 – January 31, 2016
- Plans start on Jan 1, 2016 at the earliest




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## What's New for 2015-16 Open Enrollment?

- We will be helping new enrollees sign up, but people will also need help re-enrolling

Remember!!!

All 2015 plans end December 31, 2015.  
No matter when the plan started!!!




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## What's New for 2015-16 Open Enrollment?

Mainers will have a fourth company to pick from:

- ~~NEW!~~ Aetna (available in York, Cumberland, Sagadahoc, Franklin, Knox, Lincoln, Oxford, Androscoggin, and Waldo counties)
- Anthem
- Harvard Pilgrim
- Community Health Options (formerly Maine Community Health Options)

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## What's do plans look like for OE3?

- Rate increases are moderate
  - 0.5% average **increase** for Community Health Options
  - 4.8% average **increase** for Anthem
  - 6.4% average **decrease** for Harvard Pilgrim
- Out of pocket costs have changed in some plans
- Some changes in networks:
  - Intermed joined CHO
  - Some Harvard Pilgrim plans in Southern Maine offer a tiered network

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### Good News

- The **good** news: people who are in a Marketplace plan now will keep being covered without having to re-apply.



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### Not So Good News

- If you don't update your application, you may lose your APTC/CSR
- Even if you don't lose your APTC/CSR, you might not get the right amount of help
- Our job is to get people to actively re-enroll



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## For people who are already in a QHP...

For people who are currently enrolled:

- They will automatically be re-enrolled in the same QHP
- If the plan they were enrolled in is no longer available, they will automatically be re-enrolled in the most similar QHP from the same issuer

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## If you don't contact the Marketplace...

And you authorized the Marketplace to get updated IRS information:

- The Marketplace will calculate your financial help based on the newest income data available
- But APTCs may be lower than what you qualify for

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## You are in danger of losing your APTC/CSR:



These groups will be automatically re-enrolled in QHP, but at **full price!!!!!!**

- Updated tax information shows that your income will be above 500% FPL in 2016
- You did not authorize the Marketplace to request updated tax information
- **NEW!** You got APTC/CSR, but did not file taxes and reconcile your APTC

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## 4 steps to ensure you get the right financial help:

To ensure the financial help you get accurately reflects your level of need:

1. Contact the Marketplace for an eligibility redetermination
2. Authorize the Marketplace to get updated tax information from the IRS
3. Report any changes in income to the Marketplace within 30 days of the change
4. File your taxes

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## Making sure you are on the right plan

Automatically re-enrolling in the same QHP will be easy. But it's still important to look at your options.

Here's why:

- Another plan might better meet your needs
- The cost of the plan you are in might change

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## What else is on the horizon?

- Increases in tax penalty for being uncovered
  - 2015: \$325 per adult or 2% of income
  - 2016: \$695 per adult or 2.5% of income
- Fight to close the coverage gap continues




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## What about people with incomes below 100% FPL?



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## Medicaid Expansion is a key part of the ACA



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## MaineCare Today

- MaineCare is the public health insurance program funded by the federal and state governments together
- Often confused with Medicare – some people do have both
- Today MaineCare covers some people with low income in some categories only:
  - Seniors
  - Children
  - Parents
  - Disability
  - Pregnant Women



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## MaineCare Today

- The Legislature and Governor cut 25,000 people from the program effective December 31, 2013.
- The ACA creates the option for states to cover **all adults** under 65 with incomes at or below 138% FPL (\$15,800/year for one person, \$1,322/month)
- About 27 states are officially expanding to cover this group; 3 others are still debating the issue



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## MaineCare

- From 2014 -2016 Feds will cover 100% of the costs
  - 2017: 95%
  - 2018: 94%
  - 2019: 93%
  - 2020 and thereafter: 90%
- It is estimated that up to **70,000** uninsured Mainers would gain coverage under the proposed change in Medicaid eligibility



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## The “Coverage Gap”

- Only people with incomes between 100-399% FPL qualify for Marketplace subsidies
- Since Maine has not accepted federal funds to cover adults below 138% in MaineCare, **those below 100% have no assistance to buy coverage in the Marketplace**



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## The Coverage Gap: What this means for Mainers

- Anyone whose income is **over 100% FPL** may qualify for tax credits
- For those with income **under 100% FPL**
  - Parents & children: May qualify for MaineCare
    - No asset test
  - People with disabilities: May qualify for MaineCare
  - Everyone else: Catastrophic coverage, hospital free care, or other safety net programs

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## Talking to People in or Near the Coverage Gap

- Make sure their income projection is accurate:
  - Does it include all countable sources of income? (some people may not include Social Security, unemployment, rental income...)
  - Is it based on projections for 2014 rather than past years?
- Make sure they understand why this gap exists – and who can change it
- Talk about “coverage gap” rather than “Medicaid expansion”

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## Maine’s Safety Net Programs

- Hospital Free Care
- Sliding Scale Clinics, Free Clinics
- Prescription Assistance Programs
- MedAccess
- CarePartners
- Other local programs?

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## Working with People Just Over 100% FPL

- If at year end, income turns out to be less than 100% FPL, they are not required to repay their tax credits. Instead, their tax credit would be calculated based on actual annual income
- When estimating income, remember:
  - Must be a good faith projection of income
  - May have to provide documentation if very different

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## Q & A and Thank You!

**Consumers for Affordable Health Care**  
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YouTube: <http://www.youtube.com/user/maineahcchannel>

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