The Affordable Care Act: What Do Consumers Need To Know About Health Reform’s Changes?

Part of the Foundation’s Covering Health Reform Webinar Series

August 28, 2013
12:30 p.m. ET
Today’s Speakers from the Kaiser Family Foundation

Jennifer Tolbert
Director of State Health Reform

Karen Pollitz
Senior Fellow, Health Reform and Private Insurance

Rakesh Singh
Vice President of Communications
Promoting Health Coverage through the ACA

Universal Coverage

- Medicaid Coverage For Low-Income Individuals
- Individual Mandate
- Health Insurance Market Reforms
- Employer-Sponsored Coverage
- Marketplaces With Subsidies for Moderate Income Individuals
Many Uninsured Will Be Newly Eligible for Coverage

Health Insurance Coverage of the Nonelderly, 2011

- 56% Employer-Sponsored Coverage
- 18% Uninsured
- 21% Medicaid*
- 6% Private Non-Group

266.4 Million Nonelderly
47.9 Million Uninsured

*Medicaid also includes other public programs: CHIP, other state programs, Medicare and military-related coverage. The federal poverty level for a family of three in 2011 was $18,530. Numbers may not add to 100% due to rounding.

SOURCE: KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.
ACA Medicaid Expansion Fills Current Gaps in Coverage

Medicaid Eligibility Today
Limited to Specific Low-Income Groups

Medicaid Eligibility in 2014
Extends to Adults ≤138% FPL*

*138% FPL = $15,856 for an individual and $26,951 for a family of three in 2013.
* These states are exploring an approach to the Medicaid expansion that is likely to require waiver approval.
In States That Do Not Expand Medicaid, There Will Be Large Gaps in Coverage for Low-Income Adults

Eligibility for Medicaid and Subsidies as of 2014 in 21 States Not Expanding Medicaid at this Time:

- **Current Medicaid Eligibility Limit for Parents**
  - Median of 21 States Not Expanding: 48% FPL

- **Marketplace Subsidies**
  - 100% FPL ($11,490 for an individual)
  - 400% FPL ($45,960 for an individual)

- **Limited to Specific Low Income Groups**

- **Parents**
  - **Medicaid**
  - **No Coverage**
  - **Marketplace Subsidies**

- **Childless Adults**
  - **No Coverage**
  - **Marketplace Subsidies**
Health Insurance Marketplaces Will Facilitate Enrollment into Coverage by Individuals and Small Employers

Eligibility for Multiple Programs Determined in Real Time

Information Provided on Available Plans for Comparison

Enrollment Into Selected Plan

<table>
<thead>
<tr>
<th>Plan</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
State Have Made Their Decisions For Creating Health Insurance Marketplaces

- **State-based Marketplace (17 states including DC)**
- **Partnership Marketplace (7 states)**
- **Federally-facilitated Marketplace (27 states)**

* In Utah, the federal government will operate the individual exchange while the state will run the SHOP exchange.
** Idaho and New Mexico received approval to operate state-based marketplaces; however, due to time constraints, the states will rely on the federal government for the IT infrastructure, but will perform most other functions.
### ACA Includes New Rules for Coverage in the Non-group Market

<table>
<thead>
<tr>
<th>Pre-ACA</th>
<th>Post-ACA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Policies are medically underwritten</td>
<td>• Insurers are prohibited from discriminating based on health status</td>
</tr>
<tr>
<td>• Many policies exclude benefits such as prescription drugs and maternity care</td>
<td>• Policies must cover the essential health benefits</td>
</tr>
<tr>
<td>• Policies typically have high cost sharing</td>
<td>• Consumer out-of-pocket spending is limited</td>
</tr>
<tr>
<td>• Premiums are unsubsidized leaving them unaffordable for many</td>
<td>• Premium and cost-sharing subsidies are available</td>
</tr>
</tbody>
</table>
### Plans Sold through Marketplaces Will Be Easier to Compare

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>“Actuarial Value”</th>
<th>Typical Deductible</th>
<th>Typical Coinsurance</th>
<th>Maximum Out-of-Pocket Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronze</td>
<td>60%</td>
<td>$5,000</td>
<td>30%</td>
<td>$6,350</td>
</tr>
<tr>
<td>Silver</td>
<td>70%</td>
<td>$2,000</td>
<td>20%</td>
<td>$6,350</td>
</tr>
<tr>
<td>Gold</td>
<td>80%</td>
<td>$0</td>
<td>20%</td>
<td>$6,350</td>
</tr>
<tr>
<td>Platinum</td>
<td>90%</td>
<td>$0</td>
<td>10%</td>
<td>$6,350</td>
</tr>
<tr>
<td>Catastrophic (up to age 30)</td>
<td>NA</td>
<td>$6,350</td>
<td>0%</td>
<td>$6,350</td>
</tr>
</tbody>
</table>

All figures are for single coverage. Amounts for families would be double.

All plans must cover essential benefits: hospitalization, outpatient medical, emergency care, Rx drugs, maternity, mental health, rehab, lab tests, preventive services, pediatric dental & vision.
# Most Consumers in Marketplaces Will Be Eligible for Subsidies to Lower the Cost of Coverage

<table>
<thead>
<tr>
<th>% FPL</th>
<th>% of income</th>
<th>Occupation</th>
<th>Annual salary</th>
<th>2nd lowest cost silver Unsubsidized</th>
<th>Bronze Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 40 64</td>
<td>24 40 64</td>
</tr>
<tr>
<td>&lt;133%</td>
<td>2%</td>
<td>Fast food worker</td>
<td>$14,500</td>
<td>$290 $290 $290</td>
<td>$0 $0 $0</td>
</tr>
<tr>
<td>133-150%</td>
<td>3% - 4%</td>
<td>Retail clerk</td>
<td>$17,000</td>
<td>$660 $660 $660</td>
<td>$143 $0 $0</td>
</tr>
<tr>
<td>150-200%</td>
<td>4% - 6.3%</td>
<td>Dishwasher</td>
<td>$18,930</td>
<td>$886 $886 $886</td>
<td>$369 $225 $0</td>
</tr>
<tr>
<td>200-250%</td>
<td>6.3% - 8.05%</td>
<td>Home health aide</td>
<td>$24,320</td>
<td>$1,631 $1,631 $1,631</td>
<td>$1,115 $971 $82</td>
</tr>
<tr>
<td>250-300%</td>
<td>8.05% - 9.5%</td>
<td>Pre-school teacher</td>
<td>$30,750</td>
<td>$2,633 $2,633 $2,633</td>
<td>$2,116 $1,972 $1,083</td>
</tr>
<tr>
<td>300-350%</td>
<td>9.5%</td>
<td>Construction worker</td>
<td>$38,380</td>
<td>$3,018 $3,646 $3,646</td>
<td>$2,501 $2,986 $2,096</td>
</tr>
<tr>
<td>350-400%</td>
<td>9.5%</td>
<td>Reporter</td>
<td>$45,120</td>
<td>$3,018 $3,857 $4,286</td>
<td>$2,501 $3,197 $2,737</td>
</tr>
</tbody>
</table>

Coming Changes to Employer-Sponsored Insurance

- Large employer requirement to offer coverage or pay a penalty. *Delayed to 2015*

- Maximum limit on annual out-of-pocket cost sharing for essential benefits limited to $6,350/person or $12,700/family. *Partially delayed to 2015*

- No annual dollar limits on covered benefits

- Small group, fully insured plans must cover essential health benefits

- Already in effect: No lifetime limits on covered benefits, dependent coverage to age 26, 100% coverage for preventive services
Key Implementation Dates

October 1, 2013 – March 31, 2014

• Initial open enrollment period
  - People can enroll after March 31st if they have a qualifying event
  - Those eligible for Medicaid can enroll at any time

January 1, 2014

• Coverage through Marketplaces and expanded Medicaid coverage begins
• Insurance market rules go into effect
• Requirement to have insurance coverage takes effect

October 15, 2014 – December 15, 2014

• Marketplace open enrollment period

January 1, 2015

• Large employer requirement to offer coverage takes effect
Feature KFF’s Health Reform Resources On Your Site

Health Reform Subsidy Calculator

About This Tool
This tool was developed by the Kaiser Family Foundation to illustrate health insurance on premiums and subsidies for people purchasing insurance on their own in new health insurance exchanges (or “Marketplaces”) created by the Affordable Care Act (ACA). You can enter different incomes, ages, and family sizes to get an estimate of your eligibility for subsidies and how much you could spend on health insurance. For more information on methodology and to read answers to frequently asked questions, click here.

Enter Information About Your Household
1. Enter annual income (dollars)
2. Is employer coverage available?
3. Number of people in family
4. Number of adults (21 and older) enrolling in exchange coverage
5. Number of children (20 and younger) enrolling in exchange coverage

Submit

http://www.kff.org/interactive/subsidy-calculator/

Animated Video

2014 and Beyond

http://kff.org/youtoons-obamacare-video/

Examples of these embedded resources:
CNNMoney: http://economy.money.cnn.com/2013/07/18/obamacare/
Q&A

• TO ASK: Please press the number 1 followed by the number 4 to ask a question. Your line will be unmuted when it is your turn.

• TO WITHDRAW: If your question has been answered, you may press 1 followed by the number 3 to withdraw your question.

• In the interest of time, please try to only ask one question. If you have any follow-up questions, you can use the chat function in the Q&A tab or you can contact us via email at acawebinars@kff.org.
Individual Mandate

- Infographic: Visualizing Health Policy – Health Coverage Under the Affordable Care Act

kff.org/infographic/visualizing-health-policy-health-coverage-under-the-affordable-care-act-aca
Employer Mandate

• Infographic: Employer Responsibility Under the Affordable Care Act

• 2013 Annual Employer Health Benefits Survey
Medicaid Expansion

- Issue Brief: What is Medicaid’s Impact on Access to Care, Health Outcomes, and Quality of Care? Setting the Record Straight on Evidence
- Issue Brief: Analyzing the Impact of State Medicaid Expansion Decisions
- Report: State and Local Coverage Changes Under Full Implementation of the Affordable Care Act
- Report: The Cost of Not Expanding Medicaid
- Issue Brief: The Impact of Current State Medicaid Expansion Decisions on Coverage by Race and Ethnicity
- Issue Brief: Key Lessons from Medicaid and CHIP for Outreach and Enrollment Under the Affordable Care Act
- Fact Sheet: Medicaid and Its Role in State/Federal Budgets and Health Reform

http://www.kff.org/medicaid/
Exchanges/Marketplaces

- State Health Insurance Marketplace Profiles: kff.org/state-health-exchange-profiles
- Table/Map: Status of State Action on the Medicaid Expansion Decision
- Issue Brief: Quantifying Tax Credits for People Now Buying Insurance on Their Own
- Issue Brief: Ensuring the Health Care Needs of Women: A Checklist for Health Exchanges
- Issue Brief: Navigator and In-Person Assistance Programs: A Snapshot of State Programs
- Brief: Explaining Health Care Reform: Questions About Health Insurance Exchanges

http://www.kff.org/tag/marketplaces/
Interactive Resources: Quizzes, Infographics & More

- **Quizzes on Women’s Health, Health Reform/ACA, Uninsured, Medicaid, Medicare**
  - Each quiz has 10 questions; includes explanations & related resources with results

- **Health Reform Implementation Timeline**
  - Shows how & when provisions of the health reform law will be implemented

- **Health Poll Question Finder**
  - Search our archive of poll questions on health issues by topic or keyword

- **Zooming In On Health Reform Tool**
  - See how the number & composition of individuals enrolled in Medicaid (or who are uninsured) could change in local areas and at the state level if your state expands Medicaid

- **Infographic: Medicaid Spending & Enrollment**
  - Click through to see who is covered & what the program spends on their care

Spanish Language Resources

• Video: La Reforma del Cuidado de la Salud Llega al Publico
  – kff.org/health-reform/video/video-la-reforma-del-cuidado-de-la-salud-llega-al-publico
  – Released with the first animated YouToons video by KFF, “Health Reform Hits Main Street” – released in 2010

• Coming Soon!
    • English video: kff.org/health-reform/video/youtoons-obamacare-video
For more information

• Contact: Rakesh Singh, VP of Communications, Kaiser Family Foundation
  – Based in Menlo Park, California headquarters
  – Email: RSingh@KFF.org

• More Health Reform Resources:
  – www.kff.org/health-reform
  – www.kff.org/aca-consumer-resources
Today’s Webinar Will Be Archived

- kff.org/health-reform/event/what-do-consumers-need-to-know-about-health-reforms-changes

- The full webinar presentation and PowerPoint slides will be posted by tomorrow morning.

- The transcript of today’s webinar will be posted in the coming week.