Health Care Reform 101:

A focus on San Luis Obispo County

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San Luis Obispo County
Staff and CBO Training
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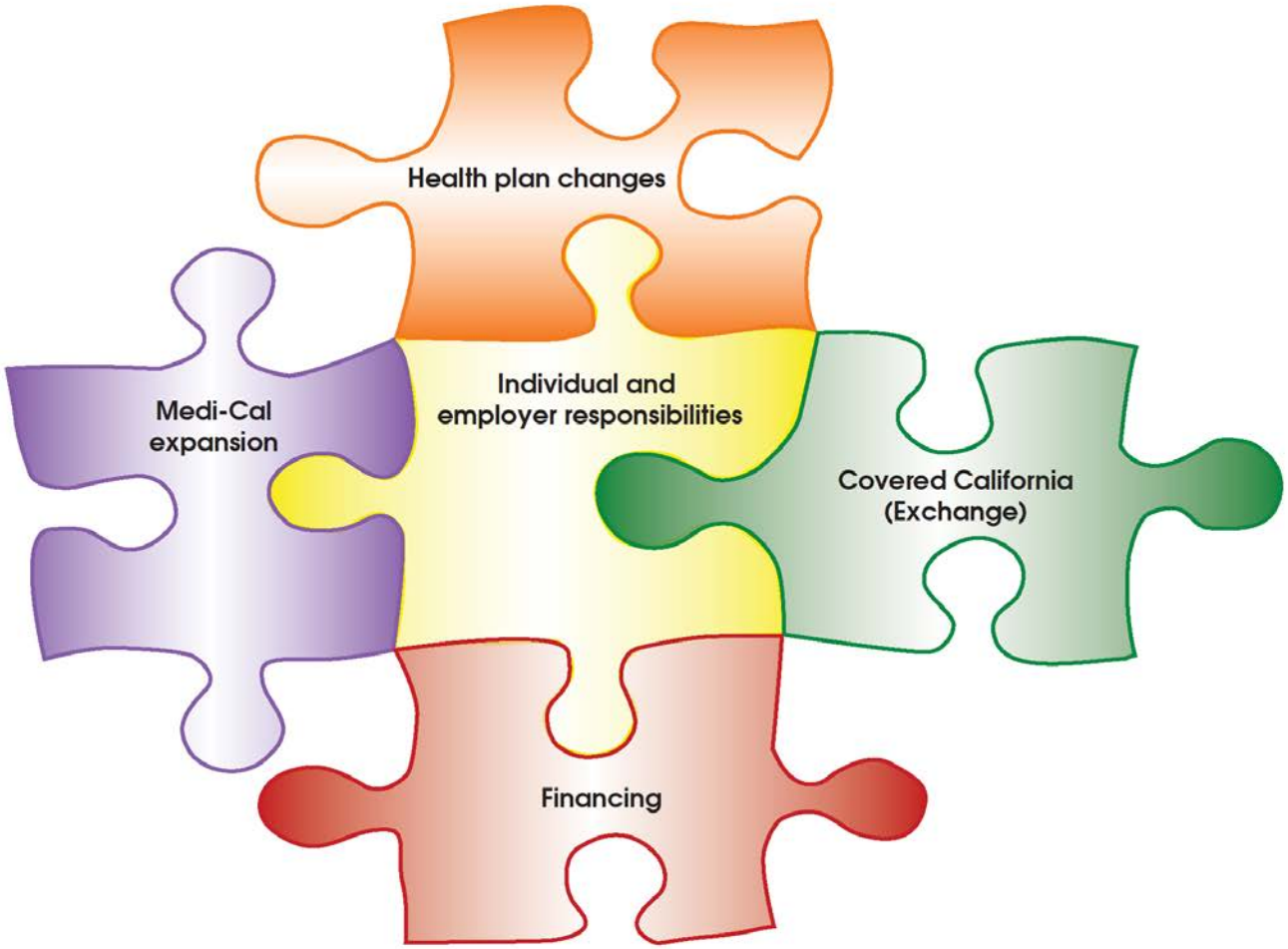
DIRINGER AND ASSOCIATES

Coverage Under the Affordable Care Act



Today's presentation

- Background on Health Coverage Reform
- Overview of the Affordable Care Act
- Local implementation
- Further information
- Flow chart
- What to tell your clients and patients

"He was doing well at first, but then he started drifting in and out of health coverage."

New Yorker 8/12/13

Background

- Relationships of Care, Coverage and Health
- Options for Health System Reform
- Passage of Affordable Care Act and subsequent actions

Overview of Affordable Care Act

- Health plan changes
  - No annual/lifetime limits
  - No preexisting condition exclusion; “Guaranteed issue”
  - Unmarried children up to age 26 on parents’ policies
  - Caps on out of pocket expenditures
  - No cost sharing on preventive services
- Affects most private and Covered CA plans

"Uh-oh, your coverage doesn't seem to include illness."

New Yorker - online

Overview of Affordable Care Act

- Individual mandate
  - Compliance - minimum essential coverage (or grandfathered coverage) e.g. Medicare, Medi-Cal, employer, VA, Tricare.
  - Exemption - hardships, short lapses, unaffordable, non-tax filer, undocumented, incarcerated
  - Penalty - 1% of income ($95 minimum) in 2014 to 2.5% of income ($695 minimum) in 2016+

Overview of Affordable Care Act

- Employer responsibilities
  - Employer “Pay or Play” large employers (50+ FTEs) required to cover employee (not dependents) or pay penalty --- delayed until 2015
  - No requirement for small employers. But they might be eligible for tax credit if low-wage workforce.

Overview of Affordable Care Act

- Medi-Cal Expansion – begin Jan. 1, 2014
  - Medi-Cal to 133% Federal Poverty Level (FPL) ($15,000 for individual) (250% for children);
  - No linkage required (e.g. minor child)
  - New MAGI rules, (5% disregard brings eligibility to 138% FPL)
  - No asset test for most Medi-Cal patients
  - Added mental health and substance use disorder benefits – also in private plans

Overview of Affordable Care Act

- Covered California – California's Health Benefit Exchange – coverage begins January 1, 2014
  - www.coveredca.com; tel:(800) 300-1506.
  - Public agency
  - Standardized co-pays and deductibles
  - Premium subsidies available to persons without other coverage up to 400% FPL ($46,000 indiv.)
  - Cost sharing reductions (co-pays, deductibles) for persons up to 250% FPL ($29,000 indiv.)

Overview of Affordable Care Act

- Premium subsidies
  - Only available through Covered California
  - Only legal residents who do not have offer of "adequate" and "affordable" coverage
  - Sliding scale from 133(8)% to 400% FPL ($15,000 to $46,000 individual), tied to Silver plan
  - Advance tax credit based on prior year's income – can be taken in full, in part or deferred
  - Overpayments must be repaid at reconciliation with filing of income tax return

Overview of Affordable Care Act

- Covered California
  - Standardized co-pays and deductibles
  - Standardized 10 Essential Health Benefits
    - Ambulatory services
    - Emergency services
    - Hospitalization
    - Maternity and newborn
    - Mental health/SUD
    - Rx
    - Rehab and habilitative
    - Lab
    - Preventive and chronic disease management
    - Pediatric oral and vision

Overview of Affordable Care Act

- Covered California
  - Choices of plans based on "actuarial value" – amount plan is expected to cover.
    - Bronze – 60% expected coverage
      - lower premium, higher risk
    - Silver (70% coverage); Gold (80% coverage)
    - Platinum – 90% coverage
      - higher premium, lower risk
  - Calculator on www.coveredca.com

Overview of Affordable Care Act

- Covered California
  - Open enrollment –
    - October 1, 2013 – March 31, 2014;
    - October 15 to December 7 in later years
  - Must complete by 12/15 for January 1 coverage
  - No coverage available outside open enrollment both in Covered CA and private market
  - Special enrollment periods for reasons such as birth, adoption, changes in job and marital status

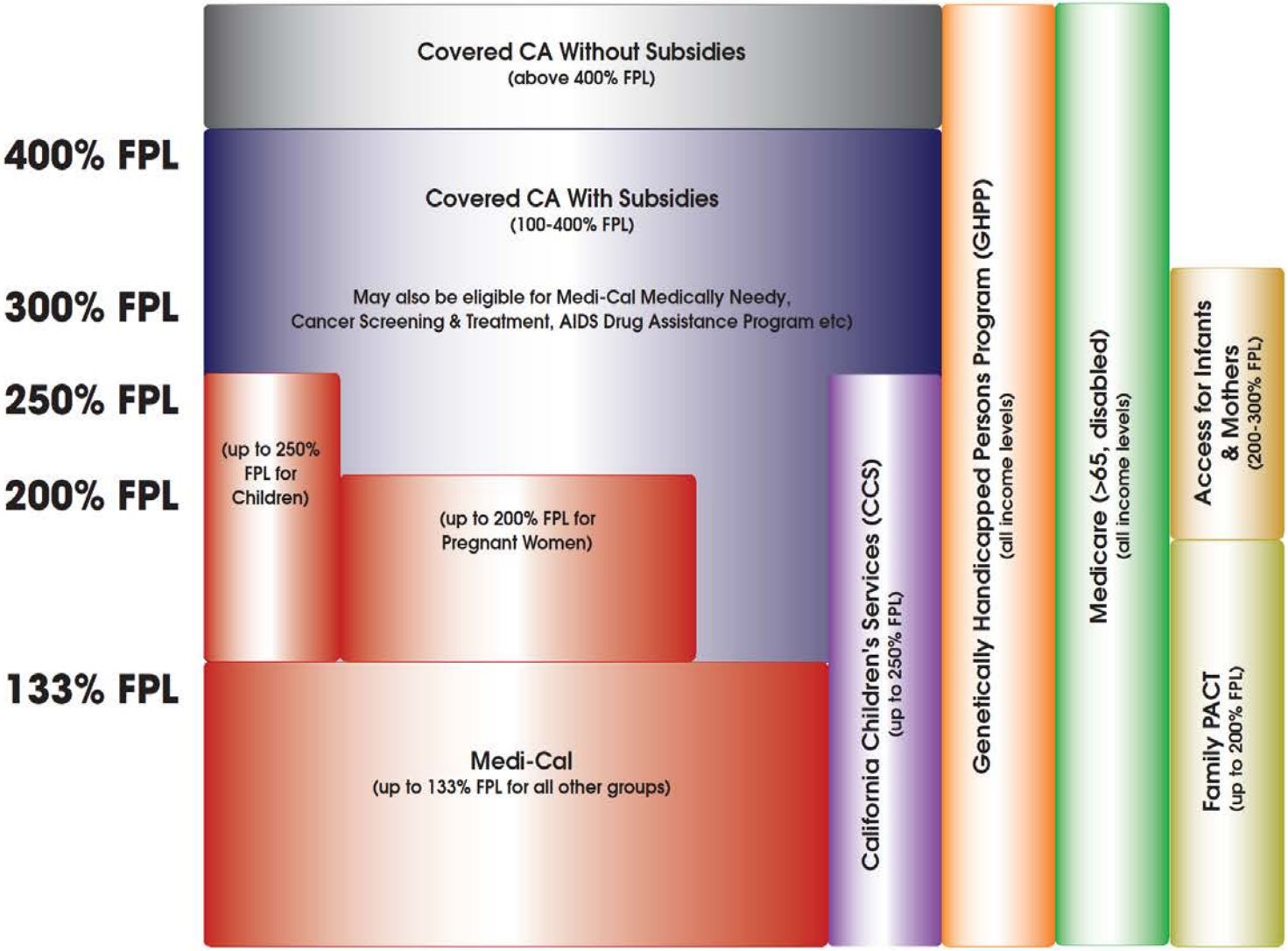
Overview of Affordable Care Act

- Covered California
  - Pediatric dental plans
    - Stand alone plans
    - Separate premiums, copays and deductibles
    - Not mandatory
    - Dental coverage may change in 2015

Overview of Affordable Care Act

- Other provisions
  - Medicare – not much change
    - Added preventive visits; closing donut hole;
  - Augmented primary care MD payments (2 yrs)
  - Preventive health focus
  - Pilot projects in payment reforms –
    - "moving from volume to value"
  - New taxes on investment income, health industry (plans, Rx, medical device), tanning salons.

Public Coverage Programs



COVERED CALIFORNIA

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REQUEST ENROLLMENT ASSISTANCE

Enrollment Begins in October.

REQUEST ASSISTANCE

SHOP AND COMPARE

Use our online tool to calculate your potential insurance cost in 2014.

SHOP NOW!

REAL PEOPLE

Hear what real people, like you, have to say about getting health care coverage.

WATCH THEIR STORIES

HOME

ABOUT US
COVERED CALIFORNIA

GETTING COVERED
COVERAGE BASICS
FOR INDIVIDUALS AND FAMILIES
FOR SMALL BUSINESSES

RESOURCES
CALCULATING POTENTIAL INSURANCE COST IN 2014
FREQUENTLY ASKED QUESTIONS
GLOSSARY
NOTICE OF PRIVACY PRACTICES

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COVERED CALIFORNIA

Welcome to the Covered California Shop and Compare Tool

In just one click, you can find out what health insurance plans you can buy, and if you qualify for monthly premium assistance or Medi-Cal.

Get Started

What is Covered California?

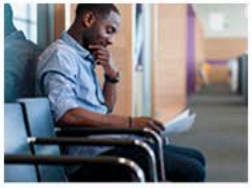
OVERVIEW

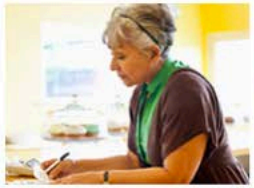
HEALTH INSURANCE BENEFITS

HELP WITH YOUR COSTS

INCOME GUIDELINES

WHAT IS AFFORDABLE?


ENROLLMENT PROCESS


COMMON QUESTIONS / FAQ

GLOSSARY

Covered California is a new marketplace where individuals, families and small businesses can get affordable health insurance. With just one application, you'll find out what you qualify for: free or low cost programs such as Medi-Cal, or affordable private insurance programs.

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COVERED CALIFORNIA

The Covered California Shop and Compare Tool

Before you get started: If you currently receive affordable health insurance through an employer or public program, unfortunately, you won't receive premium assistance to help you afford insurance purchased through Covered California. Covered California is primarily designed to help individual Californians get coverage, many of whom will get financial help.

Household Information

Number of people in the household * 3

Household income * $ 35,000.00 Annual

ZIP Code * 93401

93401: San Luis Obispo County (Region 12)

Enrollee Information

Only enter members of your household who would enroll in Exchange coverage.

Enter the AGE of each adult

Adult 1 (over 18) 35

Adult 2 (over 18) 33

+ Add adult − Remove adult

Number of dependents age 18 or under

0 | 1 | 2 | 3 or more

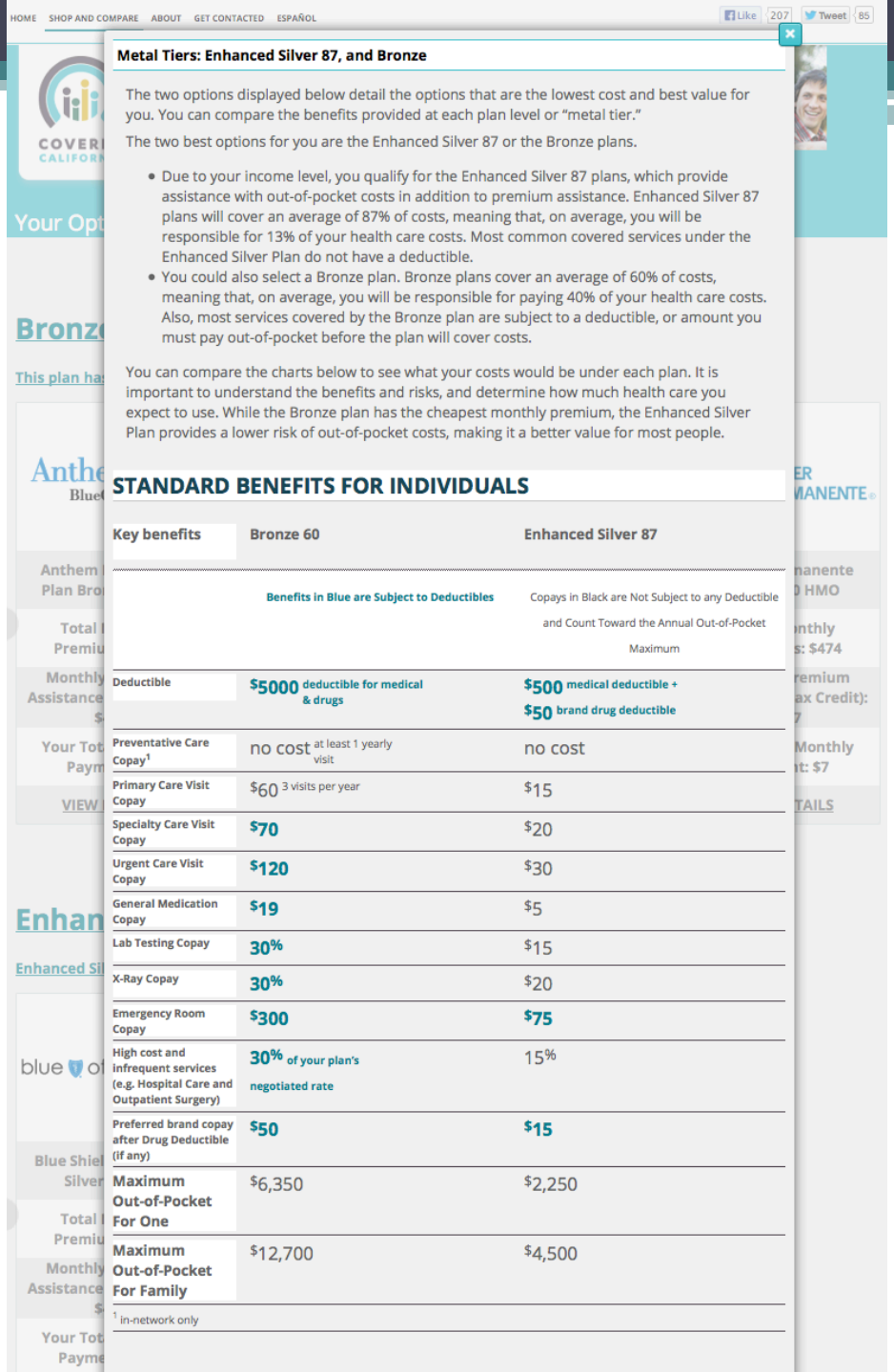
Total people covered: 3

Breaking Down the Monthly Cost

Good news! Based on your income, the children in your household may qualify for Medi-Cal Kids! The adults in your household may qualify for help with paying for health insurance through Covered California. Now, let's take a look at the health insurance plans that may be available in your area!

See My Options

Clear



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Metal Tiers: Enhanced Silver 87, and Bronze

The two options displayed below detail the options that are the lowest cost and best value for you. You can compare the benefits provided at each plan level or "metal tier."

The two best options for you are the Enhanced Silver 87 or the Bronze plans.

- Due to your income level, you qualify for the Enhanced Silver 87 plans, which provide assistance with out-of-pocket costs in addition to premium assistance. Enhanced Silver 87 plans will cover an average of 87% of costs, meaning that, on average, you will be responsible for 13% of your health care costs. Most common covered services under the Enhanced Silver Plan do not have a deductible.
- You could also select a Bronze plan. Bronze plans cover an average of 60% of costs, meaning that, on average, you will be responsible for paying 40% of your health care costs. Also, most services covered by the Bronze plan are subject to a deductible, or amount you must pay out-of-pocket before the plan will cover costs.

You can compare the charts below to see what your costs would be under each plan. It is important to understand the benefits and risks, and determine how much health care you expect to use. While the Bronze plan has the cheapest monthly premium, the Enhanced Silver Plan provides a lower risk of out-of-pocket costs, making it a better value for most people.

STANDARD BENEFITS FOR INDIVIDUALS

Key benefits	Bronze 60	Enhanced Silver 87
	Benefits in Blue are Subject to Deductibles	Copays in Black are Not Subject to any Deductible and Count Toward the Annual Out-of-Pocket Maximum
Deductible	$5000 deductible for medical & drugs	$500 medical deductible + $50 brand drug deductible
Preventative Care Copay[1]	no cost at least 1 yearly visit	no cost
Primary Care Visit Copay	$60 3 visits per year	$15
Specialty Care Visit Copay	$70	$20
Urgent Care Visit Copay	$120	$30
General Medication Copay	$19	$5
Lab Testing Copay	30%	$15
X-Ray Copay	30%	$20
Emergency Room Copay	$300	$75
High cost and infrequent services (e.g. Hospital Care and Outpatient Surgery)	30% of your plan's negotiated rate	15%
Preferred brand copay after Drug Deductible (if any)	$50	$15
Maximum Out-of-Pocket For One	$6,350	$2,250
Maximum Out-of-Pocket For Family	$12,700	$4,500

[1] in-network only

Bronze 60

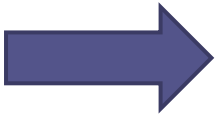
This plan has a substantially higher cost share when you use healthcare.

Anthem Multi State Plan Bronze 60 PPO	Kaiser Permanente Bronze 60 HSA HMO	Anthem Multi State Plan Bronze 60 HSA PPO	Kaiser Permanente Bronze 60 HMO
Total Monthly Premiums: $466	Total Monthly Premiums: $467	Total Monthly Premiums: $469	Total Monthly Premiums: $474
Monthly Premium Assistance (Tax Credit): $467	Monthly Premium Assistance (Tax Credit): $467	Monthly Premium Assistance (Tax Credit): $467	Monthly Premium Assistance (Tax Credit): $467
Your Total Monthly Payment: $2	Your Total Monthly Payment: $2	Your Total Monthly Payment: $2	Your Total Monthly Payment: $7
VIEW DETAILS	VIEW DETAILS	VIEW DETAILS	VIEW DETAILS

Enhanced Silver 87

Enhanced Silver Coverage: ≈87%

Blue Shield Enhanced Silver 87 PPO	Anthem Multi State Plan Enhanced Silver 87 PPO	Kaiser Permanente Enhanced Silver 87 HMO
Total Monthly Premiums: $601	Total Monthly Premiums: $623	Total Monthly Premiums: $636
Monthly Premium Assistance (Tax Credit): $467	Monthly Premium Assistance (Tax Credit): $467	Monthly Premium Assistance (Tax Credit): $467
Your Total Monthly Payment: $134	Your Total Monthly Payment: $156	Your Total Monthly Payment: $169
VIEW DETAILS	VIEW DETAILS	VIEW DETAILS



The Covered California Shop and Compare Tool

Before you get started: If you currently receive affordable health insurance through an employer or public program, unfortunately, you won't receive premium assistance to help you afford insurance purchased through Covered California. Covered California is primarily designed to help individual Californians get coverage, many of whom will get financial help.

Household Information

Number of people in the household * 3

Household income * $ 40,000.00 Annual

ZIP Code * 93401

93401: San Luis Obispo County (Region 12)

Enrollee Information

Only enter members of your household who would enroll in Exchange coverage.

Enter the **AGE** of each adult

Adult 1 (over 18) 35

Adult 2 (over 18) 33

+ Add adult − Remove adult

Number of dependents age 18 or under

0 | 1 | 2 | 3 or more

Total people covered: 3

Breaking Down the Monthly Cost

See My Options

Clear

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VERVIEW	HEALTH INSURANCE BENEFITS	HELP WITH YOUR COSTS	INCOME GUIDELINES
HAT IS AFFORDABLE?	ENROLLMENT PROCESS	COMMON QUESTIONS / FAQ	GLOSSARY

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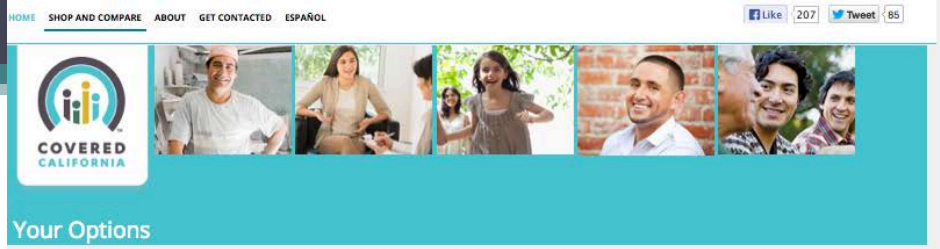


Your Options

Bronze/Silver | Gold/Platinum

Bronze 60

This plan has a substantially higher cost share when you use healthcare.

Anthem Multi State Plan Bronze 60 PPO	Kaiser Permanente Bronze 60 HSA HMO	Anthem Multi State Plan Bronze 60 HSA PPO	Kaiser Permanente Bronze 60 HMO
Total Monthly Premiums: $466	Total Monthly Premiums: $467	Total Monthly Premiums: $469	Total Monthly Premiums: $474
Monthly Premium Assistance (Tax Credit): $407	Monthly Premium Assistance (Tax Credit): $407	Monthly Premium Assistance (Tax Credit): $407	Monthly Premium Assistance (Tax Credit): $407
Your Total Monthly Payment: $58	Your Total Monthly Payment: $60	Your Total Monthly Payment: $62	Your Total Monthly Payment: $67
VIEW DETAILS	VIEW DETAILS	VIEW DETAILS	VIEW DETAILS

Enhanced Silver 73

Enhanced Silver Coverage: ≈73%

Blue Shield Enhanced Silver 73 PPO	Anthem Multi State Plan Enhanced Silver 73 PPO	Kaiser Permanente Enhanced Silver 73 HMO
Total Monthly Premiums: $601	Total Monthly Premiums: $623	Total Monthly Premiums: $636
Monthly Premium Assistance (Tax Credit): $407	Monthly Premium Assistance (Tax Credit): $407	Monthly Premium Assistance (Tax Credit): $407
Your Total Monthly	Your Total Monthly	Your Total Monthly

Overview of Affordable Care Act

- Who will be left out
  - Undocumented residents
    - no access to Covered CA or Medi-Cal (except for emergency services);
    - private coverage, including employers, OK.
  - Persons for whom coverage remains unaffordable (i.e. exceeds 9.5% of family income)
  - Persons in transition (job change, incarceration, abroad).

Local implementation

- Who will be affected in SLO County?
  - ~ 40,000+ uninsured
    - Medical Eligible – ~18,000
    - Exchange subsidy eligible – ~14,000
    - Non-citizens – ~7,000
- Available plans in SLO
  - Blue Shield PPO, Anthem PPO
  - Monthly premiums for silver plan – family of 3
    - $35,000 income: $134 - $156; child on Medi-Cal
    - $55,000 income: $384 - $411
    - $75,000 income: $567 - $594

Local implementation

- Local outreach and enrollment efforts
  - Monthly ACA Planning Group and Speakers Bureau
  - Enrollers:
    - Community Health Centers of the Central Coast
    - DSS (mostly Medi-Cal)
    - CBOs – AIDS Support Network, others?
    - Certified insurance agents
  - Community outreach material at:
    - www.slopublichealth.org/aca
    - www.coveredca.gov

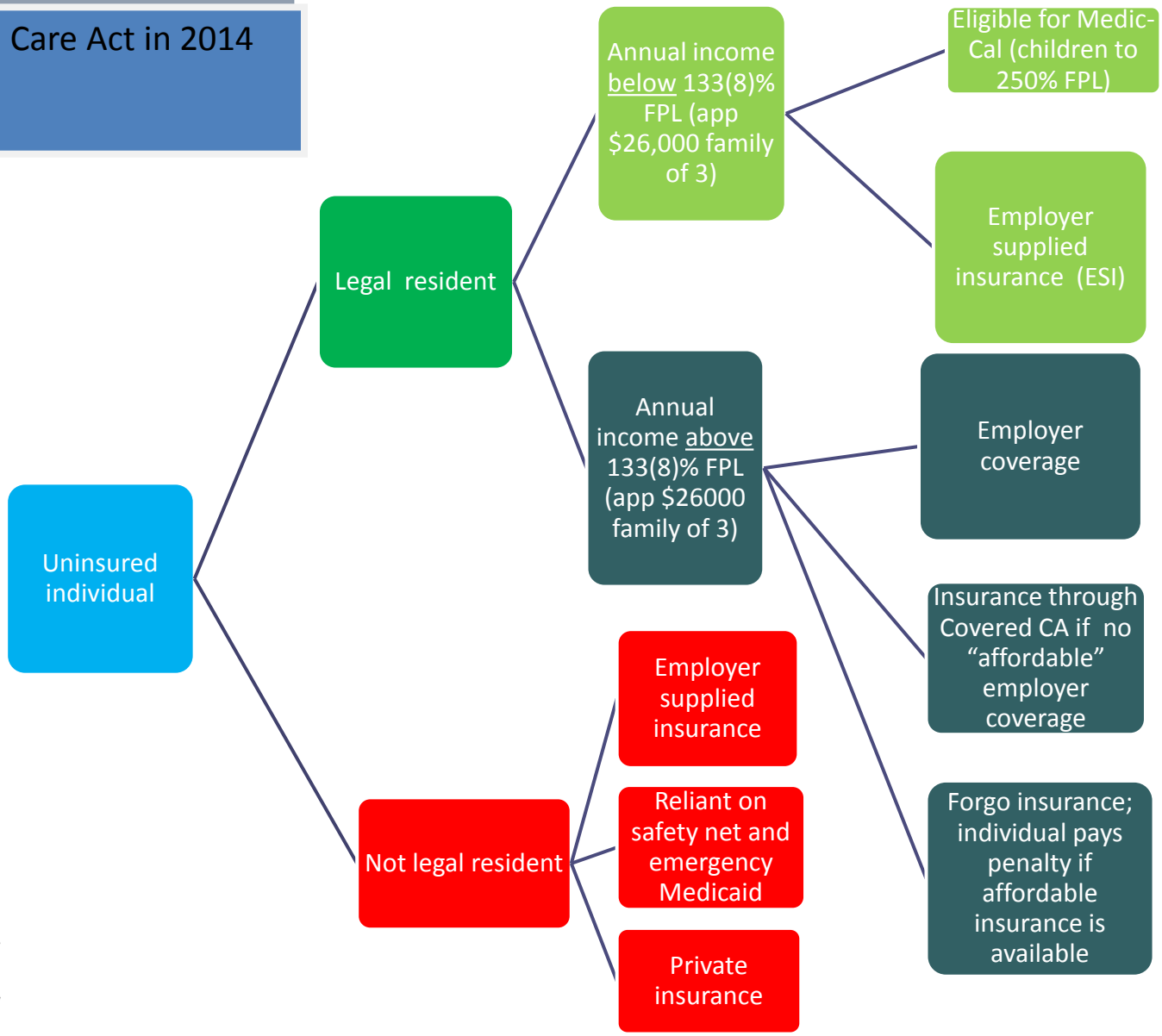
Local implementation

- Transition of County Medical Services Program (CMSP)
  - Most will go on Medi-Cal;
  - Others to be referred to Covered California
  - Small “residual” program may remain for W&I Code Section 17000 obligation

Further information

- Federal
  - healthcare.gov - cuidadodesalud.gov
  - Kaiser Family Foundation (kff.org)
- State
  - CoveredCA.com (consumer site)
  - healthexchange.ca.gov
  - Insure the Uninsured Project (itup.org)
- Local
  - slopublichealth.org/aca
  - slohealthaccess.org

Affordable Care Act in 2014



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Summary

- New coverage begins January 1, 2014
- Open enrollment starts October 1 – must complete enrollment by 12/15 for 1/1 coverage
- Enrollment for Medi-Cal and Covered CA:
  - www.coveredca.com;
  - (800) 300-1506;
  - In-person certified enrollment counselor or agent

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