Health Coverage in 2014: The New Paradigm

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Overview

New Continuum of Coverage

Current Status: Coverage Options

Consumer Awareness & Assistance

New Enrollment Systems

Key Dynamics, Opportunities and Challenges

New Continuum of Coverage

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Highlights of the New Coverage Continuum

Medicaid & CHIP Expansion and Improvements

- Expands eligibility to 133%* FPL for low-income adults
- As a result of the Supreme Court decision, some states have elected not to expand Medicaid at this time
- In all states, makes major changes to simplify enrollment and allow for coordination with the Marketplaces

Health Insurance Marketplaces for Individuals and Small Businesses

- Launched October 1, 2013 with coverage effective January 1, 2014
- Offer Qualified Health Plans (QHPs) with comprehensive benefits
- Individuals with incomes 100%-400% FPL are eligible for premium tax credits and with incomes 100-250% FPL are eligible for cost-sharing reductions to help subsidize the cost of coverage

Private Insurance Market Reforms

- Guaranteed issue & renewability
- No annual or lifetime limits
- Health status may not be considered in setting premiums
- Must cover preventive health services at no-cost
- Young adults may remain on parent's plan until age 26

* 138% FPL after accounting for 5 percentage point disregard

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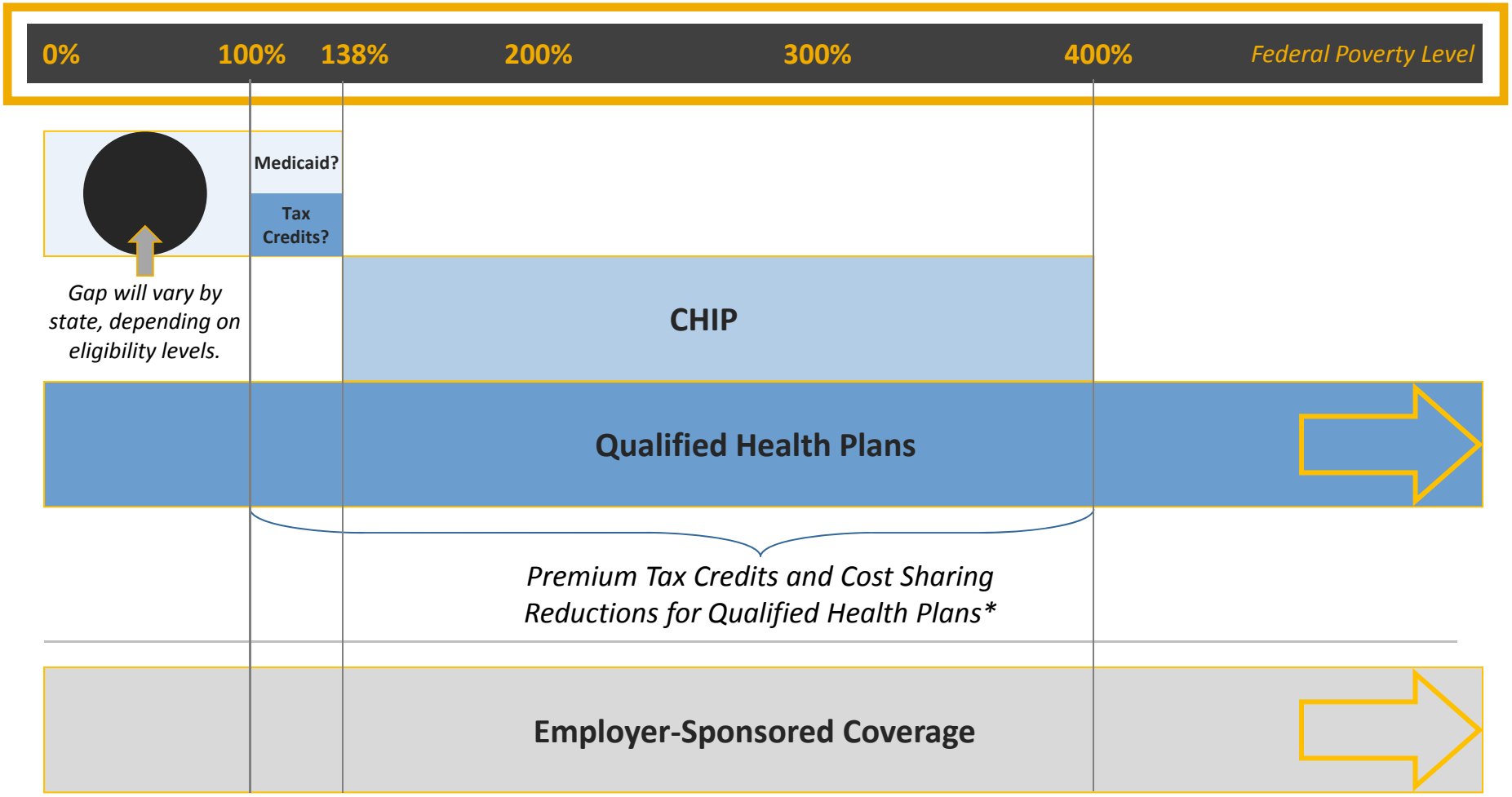
The Coverage Continuum After Supreme Court Ruling



Immigrants with incomes below 100% FPL who are lawfully present and ineligible for Medicaid because of their immigration status may be eligible for Tax Credits.

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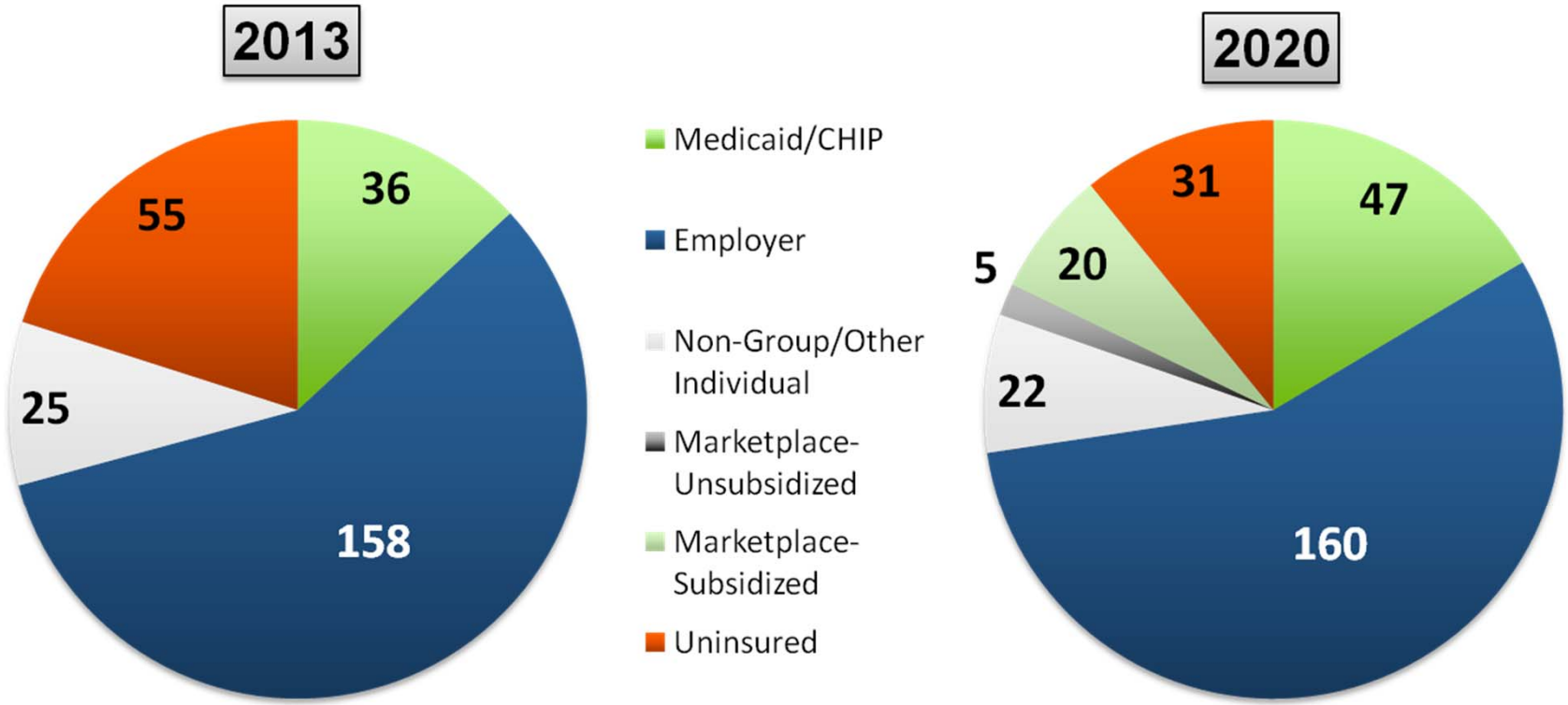
ACA Impact on Coverage

Millions Covered



Total insured: ***219 million*** *<65*

Total insured: ***254 million*** *<65*

Source: Congressional Budget Office estimates of current law, May 2013

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Eligibility for Insurance Affordability Programs in Ohio

Eligibility Levels by % FPL across Insurance Affordability Programs in Ohio

	Medicaid*	Stand-Alone CHIP*	Tax credit for Marketplace
Children (0-18)	206%	N/A	206-400%
Pregnant Women	200%	N/A	200-400%
Parents	90%	N/A	100-400%
Adults without Children	0% (selected exceptions)	N/A	100-400%

*Does not reflect the 5 percentage point disregard of income required for MAGI groups.

Source: http://medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/Medicaid-and-CHIP-Eligibility-Levels-Table.pdf

Current Status:
Coverage Options under the ACA

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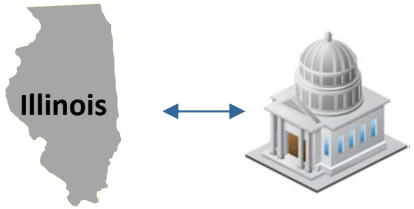
Overview of Marketplace Models

Three Marketplace Options for States:

State-Based Marketplace

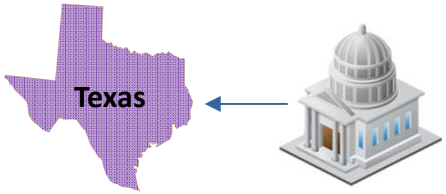
State operates all marketplace functions; state may use federal government services for certain activities.

State Partnership Marketplace



State takes on some responsibility for running Marketplace, such as providing consumer assistance or managing which QHPs are offered. However, the Federal government remains ultimately responsible.

Federally-Facilitated Marketplace



HHS operates all functions.

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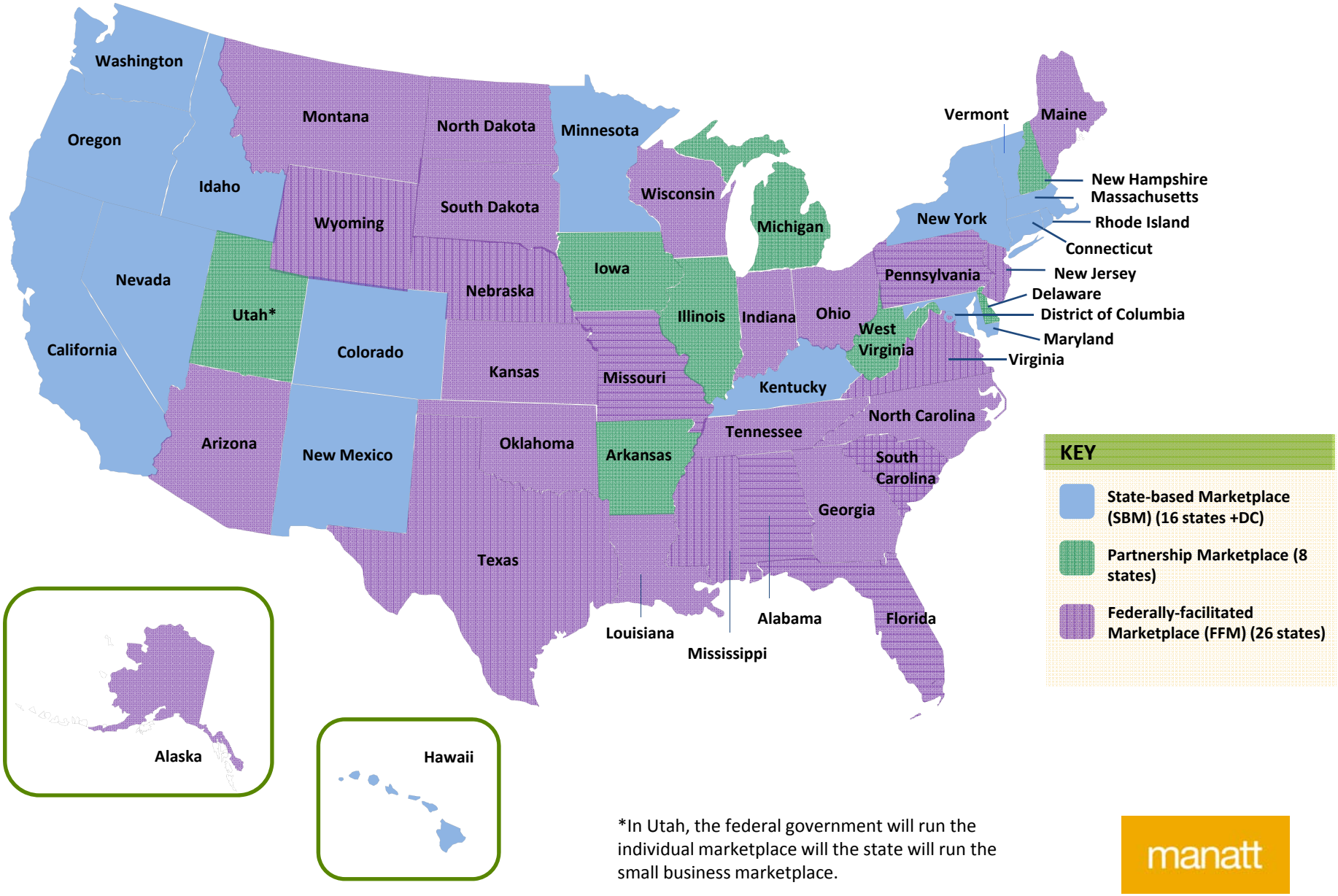
Status of State Marketplace Decisions



*In Utah, the federal government will run the individual marketplace will the state will run the small business marketplace.

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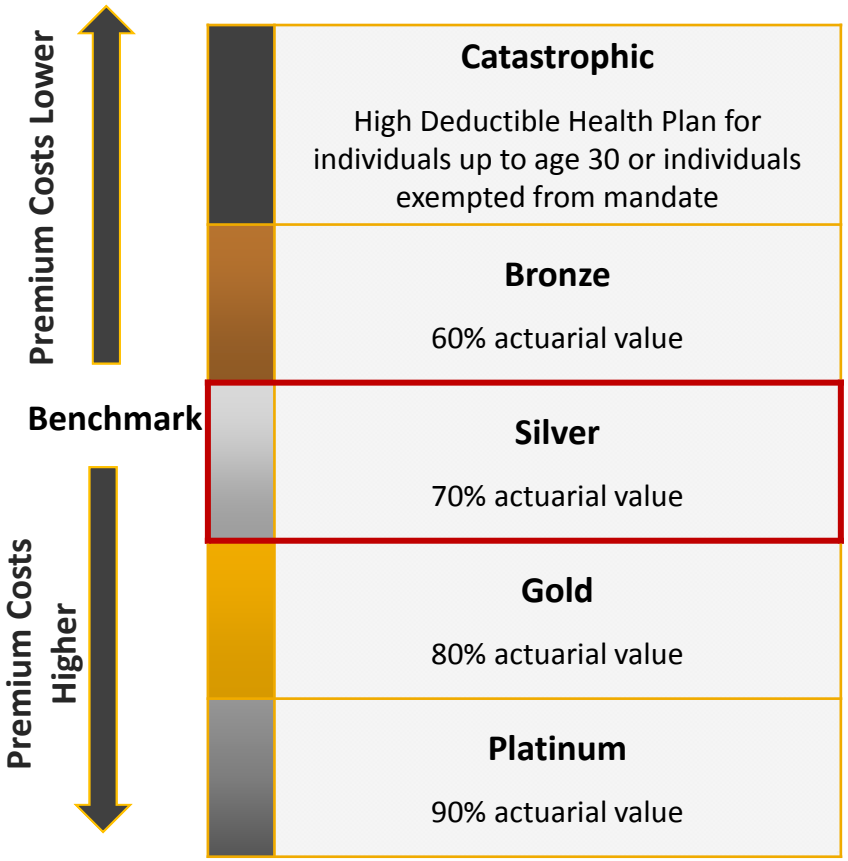
Types of Qualified Health Plans in the Marketplace



What is actuarial value?

The percentage of an enrollee's medical costs that a plan will cover on average. The balance will be covered by the enrollee though co-pays and deductibles.

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What Plans Will Be Offered in the New Marketplaces?

Plan Offerings (SPM & FFM States)

QHP Overview	
Issuers	8 issuers participating in each Marketplace on avg.
	1 to 13 issuers, per state
	~95% of non-elderly live in rating area with > 2 issuers
Participating Plans	53 plans on average across metal tiers in a rating area
	57 plans on avg., including catastrophic plans, for young adults

~25% issuers offering plans in individual market for first time in 2014

Sources:
Assistant Secretary for Planning and Evaluation Report: http://aspe.hhs.gov/health/reports/2013/MarketplacePremiums/ib_premiumslandscape.pdf;;

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Snapshot of Ohio's Marketplace

QHP Overview
12 issuers offering coverage in OH
>5 issuers of silver plans on average across all 17 rating areas (Range: 3 to 9)
16 to 103 silver plans offered across rating areas
28 to 171 bronze plans offered across rating areas

Ambetter from Buckeye Community Health Plan	Humana Health Plan of Ohio, inc.
Anthem Blue Cross and Blue Shield	Kaiser Foundation Health Plan of Ohio
AultCare	MedMutual
CareSource	Molina Marketplace
HealthAmerica One	Paramount
HealthSpan	SummaCare

Ohio Department of Insurance will continue to perform insurance regulatory functions, similar to KS, ME, MT, and other states.

Sources:
Healthcare.gov: https://www.healthcare.gov/health-plan-information/

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Illustrative QHP Rates in Ohio: Silver Plan Examples

Sally, 27 y/o
Earns $25,000
(~218% FPL)*

Before Tax Credits	$200/ month
After Tax Credits	**$145/ month**

Smith Family of Four,
Earns $50,000
(~212% FPL)*

Before Tax Credits	$768/ month
After Tax Credits	**$282/ month**

Bob, 55 y/o
Earns $25,000
(450 % FPL)**

Before Tax Credits	$471/ month
Bob is not eligible for tax credits. His income is >400% FPL	**$471/ month**

*Use Assistant Secretary for Planning and Evaluation Report: http://aspe.hhs.gov/health/reports/2013/MarketplacePremiums/ib_premiumslandscape.pdf;
** Use Kaiser Family Foundation Subsidy Calculator

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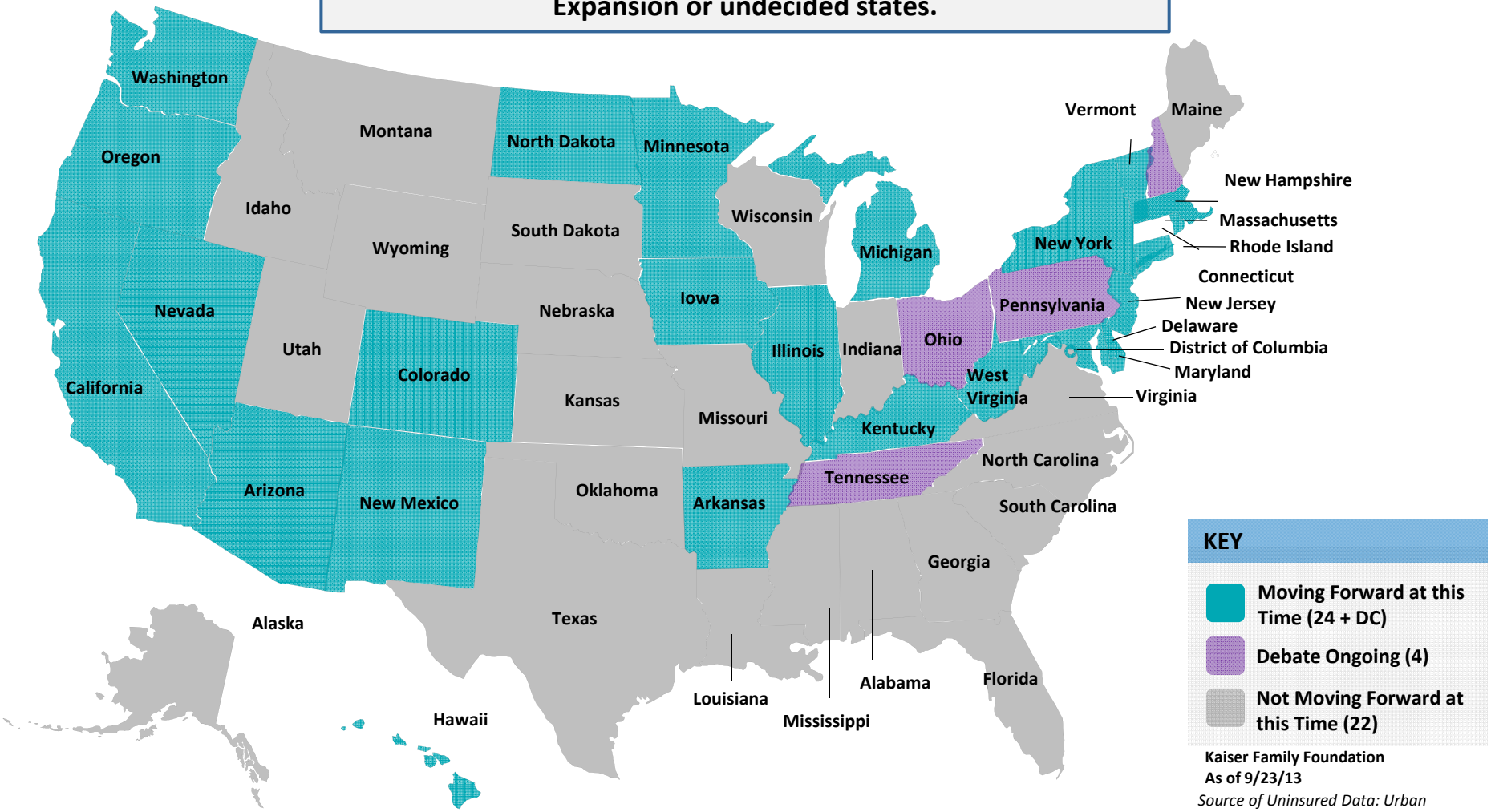
Status of States' Decisions on Medicaid Expansion

Approximately 64 % of uninsured individuals <138% live in non-Expansion or undecided states.



Kaiser Family Foundation
As of 9/23/13

Source of Uninsured Data: Urban Institute and Kaiser Family Foundation

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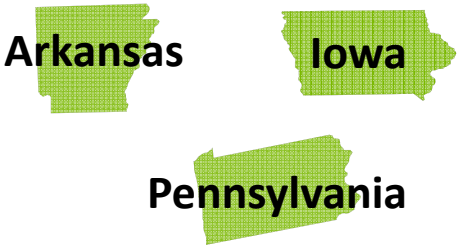
State Approaches to Medicaid Expansion Differ

Medicaid Managed Care (MMC)

State will expand managed care program to include newly eligible groups

Qualified Health Plans (QHPs)



State will use Medicaid funds to purchase coverage for newly eligible group in Marketplace QHPs (premium assistance)

Cost Sharing

State seeking to impose premiums or co-payments above historic Medicaid levels

CMS approval of Arkansas' 1115 waiver clears the way for other states leveraging private plans in the Exchange, which may prompt further consideration of state Exchange models.

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Overview of Arkansas Private Option

- State will use Medicaid funds to help low-income adults purchase Qualified Health Plans through the Marketplace.
- The Private Option is an integrated and market-based approach to covering low-income Arkansans through private, qualified health plan (QHP) coverage in the Marketplace.
- Individuals may remain with the same plan and providers as their income shifts
  - More than 35 percent of adults with incomes below 200% FPL will experience a change in eligibility within six months
- CMS has shown significant flexibility and willingness to work with states to come up with reform solutions within the parameters of federal Medicaid requirements
  - HHS approved Arkansas' waiver in 51 days.

Consumer Awareness & Assistance

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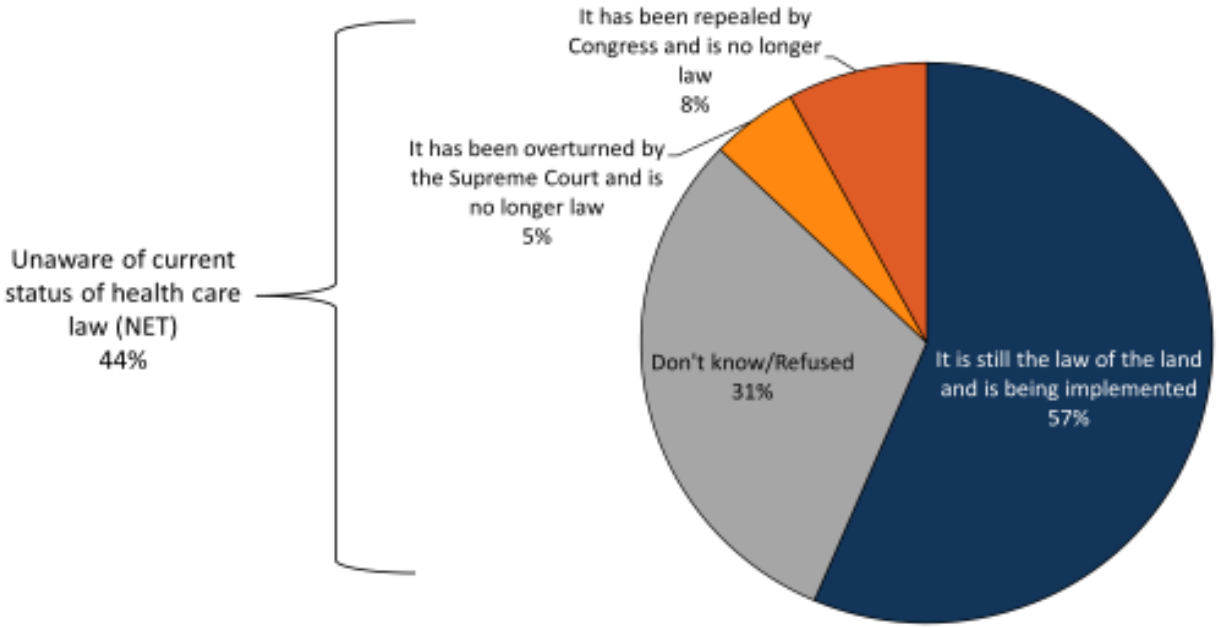
Status of Consumer Awareness, cont'd

Over Four in Ten Unsure Whether ACA Remains Law

As you may know, a health care bill was signed into law in March 2010. As far as you know, which comes closest to describing the current status of the health care law?



SOURCE: Kaiser Family Foundation Kaiser Health Tracking Poll Omnibus Supplement (conducted August 15-18, 2013)

THE HENRY J. KAISER FAMILY FOUNDATION

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Status of Consumer Awareness

According to Kaiser's September polls, about half of the public (51 percent), and two-thirds of the uninsured (67 percent) continue to say they don't have enough information about the law to know how it will impact their families.

Of those consumers who said they do not have enough information, they most wanted answers on the following questions:

1) What are the costs and what will people have to pay?
2) What is the law and how does it work?
3) How will the law improve the health care system?
4) What is the impact of the law on specific groups such as the uninsured or young people?
5) How will people personally be impacted?
6) What are the benefits and other coverage provided?

Source: Kaiser Family Foundation, September 2013. http://kff.org/health-reform/poll-finding/kaiser-health-tracking-poll-september-2013/

Types of Consumer Assisters Available

	Certified Application Counselors	**Many states already have groups, such as hospitals, clinics, and non-profit organizations, that help individuals apply for Medicaid and CHIP. To continue doing so under the new Marketplaces, they must undergo training and meet other requirements to become "certified application counselors."**
	State Agency (e.g., Depts. Of Health / Social Services)	**State eligibility workers will continue to help people apply for coverage. They may see an increase in volume as people hear about new coverage options.**
	Navigators	**Marketplaces will establish new "Navigator" programs to help people applying for coverage. They will assist with QHP enrollment, but also be knowledgeable about Medicaid and CHIP.**
	Non-Navigator Assisters*	**Sometimes also known as "in-person assisters," they will provide the same services as Navigators but be funded by federal grants.**
	Agents/ Brokers/ Producers	**Will help people and small businesses apply for Marketplace coverage.**

*This assistance is not available in FFM states.

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Summary of Consumer Assistance Funding

STATE-BASED MARKETPLACE

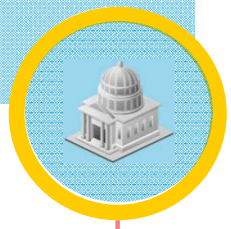
- **Number of States:** 16 + DC
- **Number of Consumer Assistance Entities:** 319
- **Total Funding:** $164,191,503
- **Funding per Uninsured Person:** ~$11

STATE-PARTNERSHIP MARKETPLACE

- **Number of States:** 8
- **Number of Consumer Assistance Entities:** 107
- **Total Funding:** $62,446,474
- **Funding per Uninsured Person:** ~$16

FEDERALLY-FACILITATED MARKETPLACE

- **Number of States:** 26
- **Number of Consumer Assistance Entities:** 85
- **Total Funding:** $53,793,991
- **Funding per Uninsured Person:** ~$2



The federal government distributed a total of $67m in Navigator grants to Partnership and FFM states

Note: This slide represents publicly-available information on entities/awards as of September 2013. Public information about SBM awards or assister awards in SPM states is limited, thus total spending is under-stated.

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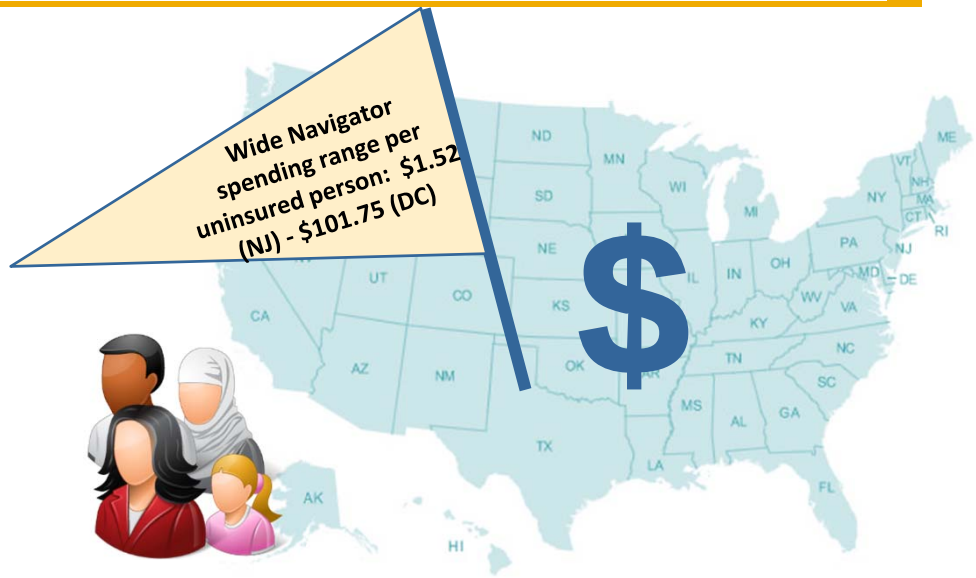
HHS Funding of Navigators & Outreach

Navigator Funding

In August 2013, HHS awarded $67 million in grants to FFM states to fund Navigators.



Outreach and Enrollment Funding

HHS allocated $140 million in outreach and enrollment funding for purposes of enrolling eligible children in Medicaid and CHIP coverage and keeping them enrolled for as long as they qualify.

- $14 million for a national outreach campaign
- $14 million in grants for Indian Tribes and health care providers that serve Tribes
- $112 million in grants to community-based organizations, states, community health centers, faith-based organizations, school districts and Tribal organizations
  - Awarded in three grant cycles (September 2009, February 2011, July 2013)

HHS awarded $150 million in grants to 1,159 health centers across the nation to enable them to help uninsured Americans gain affordable health insurance coverage.

Numerous private initiatives are underway to explain enrollment opportunities (e.g., Enroll America)

Sources: http://www.insurekidsnow.gov/professionals/outreach/grantees/; http://www.insurekidsnow.gov/professionals/outreach/get_covered_campaign/CHIPRA-Cycle-II-Grant-Summaries.pdf; http://www.kaiserhealthnews.org/stories/2013/may/05/insurance-exchanges-marketplaces-navigators-consumers.aspx

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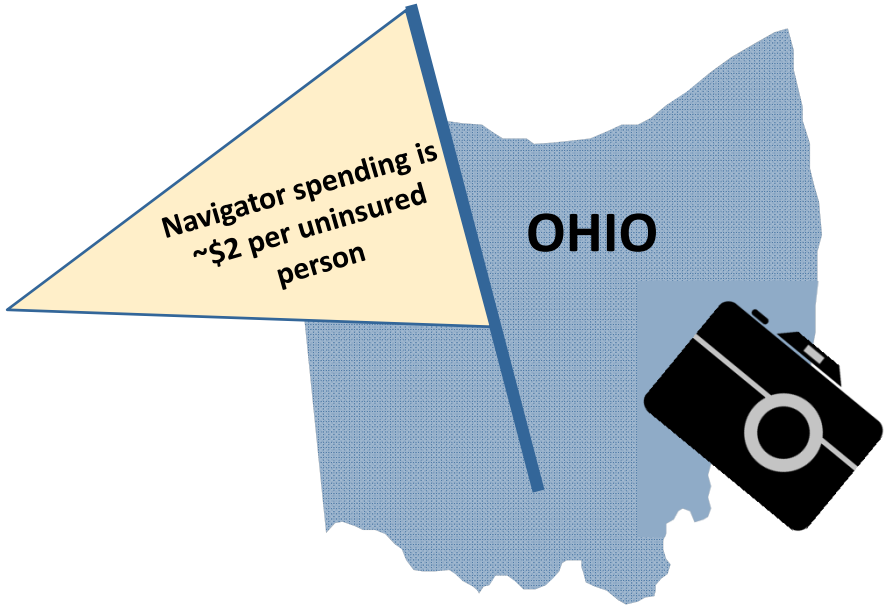
Snapshot of Ohio Consumer Assistance & Outreach Funding

Navigator Funding

HHS awarded five organizations total of over $3 million (two organizations required to return grants):

- Ohio Association of Foodbanks, $1,958,961
- Helping Hands Community Outreach Center, $230,920
- Neighborhood Health Association, $684,630



Outreach and Enrollment Funding

HHS awarded a total of over $1.2 million in outreach and enrollment funding for purposes of enrolling eligible children in Medicaid and CHIP coverage and keeping them enrolled for as long as they qualify.

Cycle I:

- Dayton Public Schools, $327,900
- Legal Aid Society of Cincinnati, $316,418

Cycle II:

- Economic and Community Development Institute , $200,000
- Legal Aid Society of Cincinnati, $360,000

**OH did not receive any Cycle III or tribal grants.*

HHS awarded $3,908,021 to 36 health centers across Ohio to enable them to help uninsured Americans gain affordable health insurance coverage.

Expect to hire 75 additional workers

Sources: http://www.healthpolicyreview.org/daily_review/2013/07/ohio-officials-plan-no-aca-outreach-efforts.html; http://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-Releases/2009-Press-Releases-Items/2009-09-30.html; http://www.healthpolicyreview.org/daily_review/2013/07/ohio-officials-plan-no-aca-outreach-efforts.html

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New Enrollment Systems

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Overview of ACA Enrollment System Requirements

ACA establishes strong provisions to ensure that state enrollment policies and procedures and supporting technology systems help individuals and families enroll and stay covered, and also foster efficient administration.

HHS Information Portal

- Operate information portal, www.healthcare.gov, to assist consumers and states

Same Income Counting Rules

Single Streamlined Application

- May only request information required for IAP eligibility determination

"No Wrong Door"

- Application may be submitted by phone, on-line, by mail or in person to Marketplace or Medicaid/CHIP agency
- Regardless of where an application submitted it will be considered for *all* Insurance Affordability Programs

Applies whether or not a State expands Medicaid

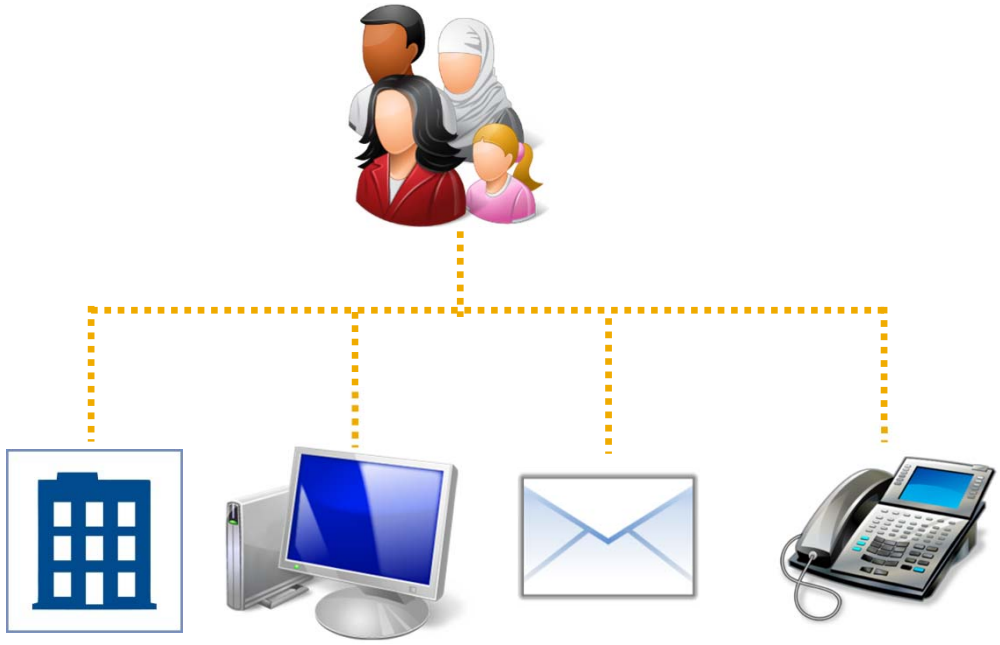
The Single Streamlined Application

Individuals and families can use a new application to apply for Medicaid, CHIP and other insurance affordability programs

- A new application that can be used to apply for Marketplace coverage and all insurance affordability programs (Medicaid, CHIP, premium tax credit and cost sharing reductions).
- People do not need to know in advance the program for which they are likely to qualify. If they submit the single, streamlined application, they will be evaluated for all insurance affordability programs.
- The application may only include questions that are necessary to determine an individual's eligibility for coverage.
- Individuals who are not applying for coverage can still apply for other eligible family members without providing Social Security Numbers or immigration status
- No in-person interviews can be required.

New Ways to Apply

Individuals will have new ways to submit an application for coverage. They can apply online, in-person, by mail, or by phone.



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Coordinating Eligibility Across Affordability Programs

People are not eligible for the new insurance affordability programs if they qualify for Medicaid or CHIP. As a result, the Marketplaces must determine eligibility for Medicaid and CHIP before they evaluate eligibility for premium tax credits and cost sharing reductions.

States have two basic choices:

1. **Determination model** – The Marketplace operating in the state can directly determine eligibility for Medicaid/CHIP

2. **Assessment model** – The Marketplace operating in the state can assess potential eligibility for Medicaid/CHIP. When applicants appear eligible, it can transfer their files to the state Medicaid/CHIP agency for a final determination.

In any given state, the details of how Medicaid/CHIP eligibility will be handled will depend on a state's decision whether to use the "determination" or the "assessment" model.

Status of IT Systems

- High volume of web traffic; major challenges accessing system
  - I.d. proofing
  - Email problems for low-income individuals
- Some states relying on temporary workarounds
- In longer run, key factor may be ability of states/FFM to respond as issues continue to emerge
- Need for more training on new IT systems

Key Dynamics, Opportunities, and Challenges

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Dynamics to Watch

- Efforts to defund ACA and government shutdown
- Congressional investigations and oversight
- Adverse selection in early enrollment
- IT challenges
- Uptake in coverage

Key Challenges and Opportunities in Ohio

Opportunities

- Provide a "roadmap" to the current landscape
- ACA allows on-going evaluation of coverage options
- Significant state flexibility to tailor to Ohio's priorities

"At the end of the day, we're all here to serve the citizens of South Carolina even if we may have differences about health care reform and its implications," When South Carolinians "need to get to the right place, it's our responsibility to route them there."
- John Supra, deputy director of S.C.'s Health and Human Services

Challenges

- Coordinating exchange between Medicaid/CHIP and FFM
- Ensuring effective communication and outreach in light of federal role
- IT systems implementation and coordination

Questions?

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