Ohio Health Coverage Options in 2014: The New Paradigm

November 4, 2013
Tricia Brooks
Two weeks ago, this was Ohio.
Then Came October 21

Thank you, Governor Kasich and the Ohio Controlling Board!

from 318,000* Low-Income Ohioans

Source: *Kaiser - Estimated # of Ohioans in Coverage Gap without Medicaid Expansion
Ohio Becomes 26th State to Expand Medicaid (including DC, as of 11/4/13)

ACA Coverage from 30,000 feet.
Medicaid Expansion: One Component in a Continuum of Coverage

**Strengthens Private Insurance**
- Young adults < age 26 remain on parent’s plan
- Guaranteed issue & renewability
- No annual or lifetime limits
- Health status, gender not factor in setting premiums
- No cost for preventive health services

**Creates New Health Insurance Marketplaces**
- Opened October 1, 2013; coverage effective January 1, 2014
- Qualified Health Plans (QHPs) with comprehensive benefits
- Premium tax credits for Individuals with incomes 138%-400% FPL
- Lower Cost-sharing for Individuals with incomes 138-250% FPL

**Improves and Expands Medicaid**
- Expands eligibility to 138% FPL for low-income adults
- Invests in technology to simplify enrollment and allow for coordination with the Marketplaces
- Maintains children’s coverage through September 2019
What does this mean for eligibility?

Current Coverage

Marketplace Subsidies
Expected Premium Contribution = 2% - 9.5% Income
Final Premium depends on Plan Selection

Cost-Sharing Reductions

Medicaid Coverage in Ohio

Children

Pregnant Women

Parents

Other Adults

Coverage in 2014

400% of the FPL
($45,960 for individual
$78,120 for family of three)

250% of the FPL
($28,725 for individual
$48,825 for family of three)

133% of the FPL
($15,282 for individual
$25,975 for family of three)

Current Coverage

200% of the FPL
($39,060 for family of three)

90% of the FPL
($17,577 for family of three)
What does this mean for coverage?

The number of Ohio uninsured, with and without the ACA, with and without a Medicaid expansion, under Urban Institute estimates (thousands)

Marketplace Models

Three Marketplace Options for States:

- **State-Based Marketplace (SBM)**
  - State operates all marketplace functions; state may use federal government services for certain activities.

- **State Partnership Marketplace (SPM)**
  - State takes on certain responsibilities for running marketplace, such as QHP plan management and consumer. However, the Federal government remains ultimately responsible.

- **Federally-Facilitated Marketplace FFM**
  - HHS operates all functions.

Ohio ➔ Technically an FFM, but ODI performs certain plan management functions!
The FFM will operate its eligibility and enrollment system (Healthcare.Gov) in 36 states.
Key State Decision: Medicaid Assessment or Determination

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

States had two 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 will transfer their files (electronically to the state Medicaid/CHIP agency for a final determination.

Ohio
A Closer Look at the ACA’s Vision for Streamlined, Coordinated Access across the Continuum of Coverage
Aligns eligibility; zaps unnecessary paperwork.

**Modified Adjusted Gross Income (MAGI)**

- Rules for counting income and household size based on IRS definitions
- All Medicaid groups based on income must align
  - Does not apply to disabled or elderly
  - Some exceptions

**Electronic Verification of Eligibility**

- Harnesses technology to modernize business practices (90% federal funding) based on proven state strategies
- Fast, efficient, cost-effective and accurate
- Relies on trusted data sources (e.g., SSA, IRS, DHS, vital statistics, State wage and unemployment)
Creates a “no wrong door” connection to coverage.

- Single, streamlined application for all coverage options
- Eligibility for all coverage options regardless of applying through Marketplace or Medicaid
- Coordination between Medicaid and Marketplace will be critical
Offers multiple ways to enroll and renew.

- Online
- Phone
- In Person
- Mail
- With assistance from navigators and certified application counselors
Diving into the details of Marketplace coverage.
QHP Overview

- 12 issuers offering coverage across the state
- Between 3 and 9 Issuers in each of 17 Rating Areas
- Between 16 and 103 Silver plans offered in each Rating Area
- Between 28 and 171 Bronze plans offered in each Rating Area

<table>
<thead>
<tr>
<th>Issuers</th>
<th>Rating Areas</th>
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<tbody>
<tr>
<td>Ambetter from Buckeye Community Health Plan</td>
<td>Humana Health Plan of Ohio</td>
</tr>
<tr>
<td>Kaiser Foundation Health Plan of Ohio</td>
<td></td>
</tr>
<tr>
<td>AultCare</td>
<td>MedMutual</td>
</tr>
<tr>
<td>CareSource</td>
<td>Molina Marketplace</td>
</tr>
<tr>
<td>HealthAmerica One</td>
<td>Paramount</td>
</tr>
<tr>
<td>HealthSpan</td>
<td>SummaCare</td>
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Sources: Healthcare.gov: [https://www.healthcare.gov/health-plan-information/](https://www.healthcare.gov/health-plan-information/)
Slide adapted from presentation by Jocelyn Guyer, Manatt Health Solutions, October 7 HPIO Forum
What’s a qualified health plan (QHP)?

**Issuers Requirements**
- Issuer is licensed and in good standing to offer health insurance in Ohio
- Must offer at least 1 Silver and 1 Gold QHP
- Charges same rates for each QHP inside and outside the marketplace

**Plan Requirements**
- Rate can vary by geography, age (3-1), tobacco use
- Meets network adequacy standards
- Covers Essential Health Benefits
- ODI reviewed and recommended
- Certified by the Marketplace
What’s in Ohio’s Essential Health Benefits?

10 Categories of Services

- Ambulatory patient services
- Laboratory services
- Prescription drugs
- Emergency services
- Hospitalization
- Maternity/newborn care
- Mental health, substance use treatment
- Rehabilitative and habilitative
- Preventive and wellness services; chronic disease management
- Pediatric services, including oral and vision health

Specific Pediatric Benefits

- Oral/Vision benefits
  - Based on Federal Employee Plan
- Habilitative Services
  - Defined by the state for children diagnosed with autism spectrum

*Based on Anthem PPO – Blue 6 Blue Access
PPO Option D4 Rx Option G


**What are the metal levels in the Marketplace?**

<table>
<thead>
<tr>
<th>Premium Costs Lower</th>
<th>Catastrophic</th>
<th>Bronze</th>
<th>Silver</th>
<th>Silver if Qualifying for Cost-Sharing Reductions</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark</td>
<td>High Deductible Health Plan for individuals up to age 30 or individuals exempted from mandate</td>
<td>60% actuarial value</td>
<td>70% actuarial value</td>
<td>73%, 87% or 94% of actuarial value</td>
<td>80% actuarial value</td>
<td>90% actuarial value</td>
</tr>
<tr>
<td>Premium Costs Higher</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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**Actuarial value** = the percentage of medical costs a plan will cover based on projected costs for the average person. The balance will be covered by the enrollee though co-pays and deductibles.
Who is eligible for premium tax credits?

Not Eligible for Medicaid

- In families with income > 206% FPL
- With income > 200% FPL
- With income > 138% FPL

Not Eligible for Affordable, Minimum Value Employer Coverage

- Plan has actuarial value of > 60%
- Cost for Employee Only is less than 9.5% of Household Income

Income less than 400% of the federal poverty level

- Individual – $45,960
- Family of 4 - $94,200
- Lawfully-residing immigrants do not qualify for Medicaid but are eligible for PTCs at any income <400% FPL.
How are premium tax credits calculated?

• Determine income (MAGI)
• Multiple by % income from sliding scale = “expected premium contribution”
• Subtract expected contribution from cost of second lowest Silver plan (benchmark) = premium tax credit (PTC)
• Can be “advanced” (APTC) to pay for monthly premiums, or receive as refund on taxes
• APTC is applied to premium and individual pays the remainder

<table>
<thead>
<tr>
<th>Family of 4 at 200% FPL</th>
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<tbody>
<tr>
<td>$47,000 X 6.28% = $2,952</td>
</tr>
<tr>
<td>$8,000 - $2,952 = $5,048</td>
</tr>
</tbody>
</table>
**How do cost-sharing reductions work?**

- Three income bands, each qualifying for higher actuarial value
- Must purchase a Silver plan to receive lower cost-sharing but premium remains the same

<table>
<thead>
<tr>
<th>Examples of Reduced Cost-Sharing</th>
<th>Silver No CSR</th>
<th>201-250% FPL</th>
<th>151-200% FPL</th>
<th>100-150% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Value</td>
<td>70%</td>
<td>73%</td>
<td>87%</td>
<td>94%</td>
</tr>
<tr>
<td>Individual Deductible</td>
<td>$2,000</td>
<td>$1,750</td>
<td>$250</td>
<td>$0</td>
</tr>
<tr>
<td>Maximum OOP</td>
<td>$5,500</td>
<td>$4,000</td>
<td>$2,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Inpatient Hospital Per Admission</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$250</td>
<td>$100</td>
</tr>
<tr>
<td>Office Visit</td>
<td>$30</td>
<td>$30</td>
<td>$15</td>
<td>$10</td>
</tr>
</tbody>
</table>
Plan Selection and Enrollment Considerations

Selecting a Plan

- Not just a decision about premium costs
- Provider network
- Prescription drug formulary
- Visit limits and other benefit specifics
- Insurer participation in Marketplace and Medicaid
- Different plans may be better for different family members

Enrollment

- Requirement to have insurance
- Penalty for gap >3 months (prorated)

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<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Income</td>
<td>1%</td>
<td>2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Penalty Per Adult*</td>
<td>$95</td>
<td>$325</td>
<td>$695</td>
</tr>
<tr>
<td>Maximum Per Family</td>
<td>$285</td>
<td>$975</td>
<td>$2,085</td>
</tr>
</tbody>
</table>

* Child Rate is half the adult rate.

- Filing taxes for coverage year
  - Penalty assessed, or
  - Reconciliation of APTC – may get refund or owe taxes if earnings are lower or higher than projected
How do consumers get assistance?
# Types of Consumer Assisters in Ohio

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Certified Application Counselors</strong></td>
<td>Each marketplace must have a certified application counselor program. The FFM is designating qualified CAC entities who will screen staff and employees to be trained to assist with application and enrollment.</td>
</tr>
<tr>
<td><strong>State/Local Government Agencies</strong></td>
<td>Medicaid eligibility offices will assist consumers with no-wrong door access to coverage.</td>
</tr>
<tr>
<td><strong>Navigators</strong></td>
<td>HHS awarded $67 million in grants to 104 navigators across the nation to enable them to help uninsured Americans gain affordable health insurance coverage.</td>
</tr>
<tr>
<td><strong>Non-Navigator Assisters</strong>*</td>
<td>Sometimes also known as “in-person assisters,” they will provide the same services as Navigators but be funded by federal grants.</td>
</tr>
<tr>
<td><strong>FQHC Enrollment Counselors</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Agents/Brokers/Producers</strong></td>
<td>State choice to allow agents and brokers to sell QHP’s to individuals and small businesses in FFM. Agents and brokers receive commission directly from issuers.</td>
</tr>
</tbody>
</table>
### Consumer Assistance Funding across Marketplaces

#### 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 Navigators and In-Person 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

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

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Source: Manatt Health Solutions. 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.
Snapshot of Ohio’s Consumer Assistance

**Navigator Funding**
HHS awarded five organizations total of nearly $3 million (two organizations returned grants due to state law):

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

**Health Centers**
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

**CACs**
Healthcare.Gov

- CACs continue to be added
- Lists 160+ organizations when search “find local help,” includes CHCs, navigators, and CAC entities

**Brokers/Agents**
Healthbenefitsohio.org

- Searchable database of 600+ brokers and agents

Sources: Slide adapted from presentation by Jocelyn Guyer, Manatt Health Solutions, October 7 HPIO Forum
Challenges and Opportunities Looking Forward

• Consumer awareness
• Healthcare.Gov technical delays
• Many plan choices but limited consumer assistance
• Coordination between Medicaid and FFM
• Targeted strategies to facilitate enrollment
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?

Bumpy Launch for Healthcare.Gov

- Opened for business October 1
- Rates on average 16% lower than expected
- Fairly significant eligibility and enrollment IT system technical problems currently being addressed
- Boosting capacity to handle applications by phone and mail
- Delayed coordination between states and FFM
- SBMs doing better
Consumer Choices Increase Need for Assistance

- Research has shown that many choices can be overwhelming
- Consumers of health coverage need assistance in sorting through options
- Consumer assistance is limited, particularly in FFM states like Ohio
- Future remedies could include boosting consumer assistance and active purchasing to negotiate fewer, higher-quality, lower-cost products
- Important to monitor enrollment and consumer satisfaction

“There’s no way people are going to be able to make optimal decisions, except by luck,” says Barry Schwartz, a psychology professor at Swarthmore University and author of The Paradox of Choice: Why More Is Less. “If you have 40 or 50 insurance possibilities, there will be less uptake and people will make bad decisions.”
Coordination between Medicaid/Marketplace

- Effective coordination is particularly important for families with eligibility split between coverage options
- Healthcare.gov will only “assess” Medicaid eligibility; individuals could bounce back to Marketplace if determined ineligible by Ohio Medicaid
- Important to monitor transitions and consumer satisfaction, make improvements as needed
Using Data to Facilitate Medicaid Enrollment

- Temporary option to streamline process for eligible individuals and reduce administrative workload
- Use data verified for SNAP participants and parents of children enrolled in Medicaid to identify and streamline enrollment

### Early Results from Facilitated Enrollment in Select States (as of 10/20/13)

<table>
<thead>
<tr>
<th>State</th>
<th>Strategy</th>
<th>Enrollees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>SNAP</td>
<td>68,145</td>
</tr>
<tr>
<td>Illinois</td>
<td>SNAP</td>
<td>44,528</td>
</tr>
<tr>
<td>New Jersey</td>
<td>Just approved</td>
<td></td>
</tr>
<tr>
<td>Oregon</td>
<td>SNAP &amp; Parents</td>
<td>56,000</td>
</tr>
<tr>
<td>West Virginia</td>
<td>SNAP &amp; Parents</td>
<td>49,000</td>
</tr>
</tbody>
</table>
Positive Impacts of Robust* Take-Up

Medicaid Expansion

• Replace CRIS-E
  – (90%/75% Federal funding)
• 23,000 – 28,000 new jobs, wages and economic activity
• Net savings to state budget
• ~300,000 uninsured expected to gain coverage

Marketplace & Private Insurance Reforms

• More jobs, wages and economic activities
• Greater reductions in the number of uninsured
• More consumer protections in private insurance

* Many unknowns and much work yet to be done to achieve maximum benefit!
Georgetown Health Policy Institute
Center for Children and Families

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Our Website: http://ccf.georgetown.edu/

Our child health policy blog: Say Ahhh!
http://ccf.georgetown.edu/blog/