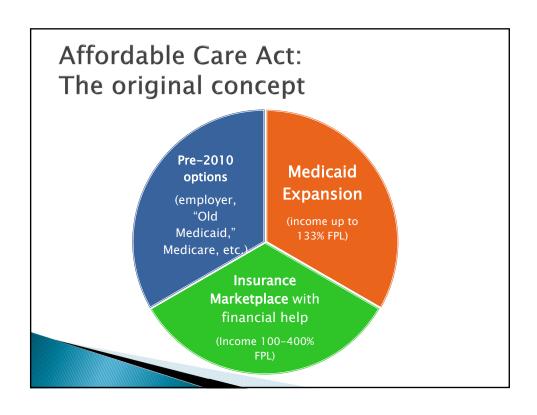
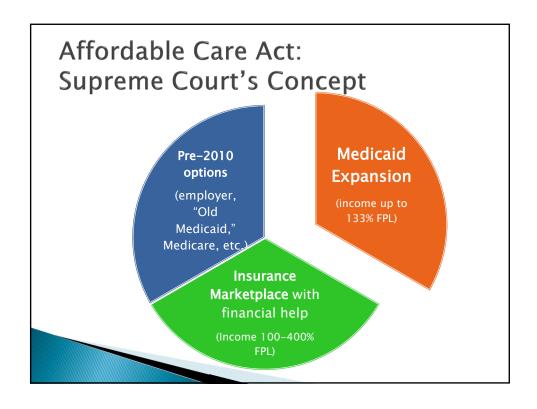
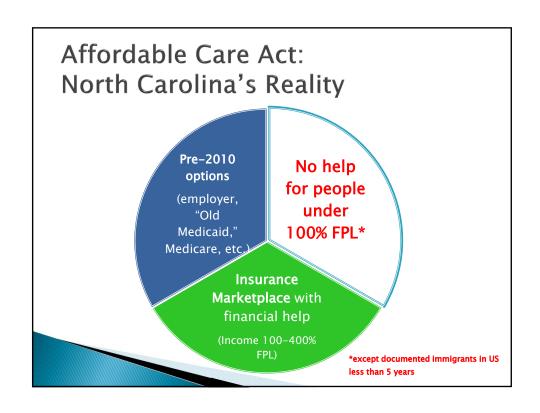
# Affordable Care Act Update

Allison Rice Duke AIDS Policy Project UNC -- January 31, 2014







# Coverage Requirement starts NOW

- Effective 2014: Almost everyone must have "minimum essential coverage"
- 2014
  WEDNESDAY
- No discrimination against people with pre-existing conditions
- Any source, as long as it meets minimum requirements
  - Employer
  - · Student health
  - Non-marketplace individual coverage
  - Public coverage: Medicaid, Medicare, Tricare, VA
  - Marketplace/Exchange individual coverage
    - Subsidies available to those 100-400% FPL without other available coverage
      - · Tax credits and reduced cost sharing
        - Eligibility determined based on tax-filing household



# NC Insurance marketplace: Basics



- Run by Federal Govt: healthcare.gov
- Open to citizens and aliens who are "lawfully present" in the US
- Subsidies available only on marketplace
- Subsidies are only available to people without access to other coverage

# Marketplace coverage Metal Levels Platinum (90%) Gold (80%) Silver (70%) Bronze (60%) Catastrophic (under 30 or hardship)

# Sliding Scale Subsidies

### Premium Tax Credit

- · Tax credit paid in advance
- Based on income and cost of second lowest cost Silver Plan
   Income between 100% and 400% FPL (\$11,490-\$45,960)

# Cost sharing reductions

- Income between 100% & 250% FPL (\$11,490 \$28,725)
- Buy a Silver plan, but get reduced co-pays, coinsurance, deductibles, out of pocket maximum

# Out of pocket maximum

- ·Annual Max of \$6350/year (\$12,700 for families)
- Lower out of pocket maximum in cost sharing reduction plans and higher metal tier plans

# How is income counted?

- Based on income for tax filing unit tax filer and all dependents
- Income is *projected* for 2014
- "Modified Adjusted Gross Income" -
  - income before exemptions and deductions
- Can be difficult to determine income for families with self-employment or sporadic employment
- No consideration of family's assets

# Consumer's costs

- Monthly premium
  - Will vary according to plan selected, age, geographical region, smoking status
  - For consumers 100–400% FPL, tax credit will reduce premium
    - Tax Credit is based on the consumers income AND the cost of the second lowest cost silver plan available to consumer

# Consumer's costs - NC

- Cost sharing
  - Deductible (ranging from \$0 to \$6350 for individual; \$0 to \$11,200 for family)
    - · Some plans have both a medical and drug deductible
  - Copays: Set cost for services available even if deductible is not met
  - Coinsurance: Percentage cost for services, after deductible is met
- Out of Pocket Maximum:
  - Limit on consumer's total cost sharing
  - Ranges from \$500 to \$6350 for an individual (\$1000 to \$12,700 for family)

# Helping Consumers with Cost Sharing

- Cost sharing is high in all plans
- Ways to help:
  - Copay Cards: Drug companies will allow use of copay cards for Marketplace plans
  - Ryan White funds: Can be used to help with premiums and copays, but funds are limited
  - Providers can waive charges prior to deductible being met (this is being done in Asheville at WNCHHS)
  - ADAP: Subject to legislative approval, ADAP hopes to implement some form of insurance wrap around in 2015, but it may be limited

# Marketplace Insurance offerings in NC

- Only two companies:
  - Coventry offered in 39 counties
  - Blue Cross/Blue Shield several options in every county
- Rates are generally higher in rural areas

# Overview of Plans: Blue Cross

- Blue Advantage all counties
  - Wide provider network
  - HIV drugs are more affordable (copays rather than coinsurance)
  - Higher premiums
- ▶ Blue Value 28 counties
  - Narrow provider network (but does include UNC)
  - HIV drugs more expensive (all are on specialty drug tier)
  - Lower premiums
- Blue Select all counties
  - Two tiers of provider network, with different costs
  - HIV drugs more expensive (copays rather than coinsurance)
  - Lower premiums

# Overview of Plans: Coventry

- 39 counties
- 2 plan designs:
  - HMO in 4 regions:
  - Carelink Carolinas Healthcare System: Anson, Cabarrus, Mecklenburg, Stanly, Union
  - · Carelink CaroMont Health: Cleveland, Gaston, Lincoln
  - · Carelink Cornerstone: Guilford, Randolph, Davidson
  - Carelink Duke Medicine: Alamance, Chatham, Durham, Granville, Orange, Person, Vance, Wake
- Point of Service plan in 2 regions
  - · CHC Carolinas POS:
    - Mountains: Alexander, Avery, Buncombe, Burke, Caldwell, Catawba, Haywood, Henderson, Iredell, Jackson, Madison, McDowell, Mitchell, Polk, Rutherford, Transylvania, Yancey,
    - · Southeast: Harnett, Cumberland, Robeson

# One option – income under 150% FPL

- Blue Cross/Blue Shield Blue Advantage (Silver Enhanced 500-3),
  - Deductible: \$500 (individual)
  - Out of Pocket Maximum: \$700 (individual)
  - Services:
    - Primary Care doctor: \$5 copay
    - Specialist: \$10 copay
    - ER: \$150 copay
    - · Labs, imaging, etc.: 30% coinsurance, after deductible
    - Drugs: most ARVs, copay \$50 or \$70 per fill
- Premium range: \$30 and up/month (nonsmoker)
- Blue Value equivalent: \$0 and up/month (nonsmoker)

# Plan selection considerations

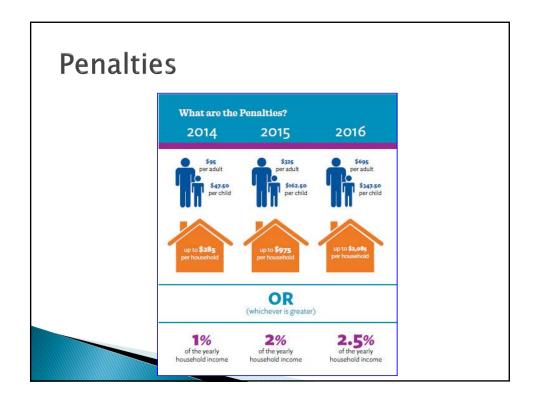
- Monthly Premium Cost will vary by income, age, county of residence, and smoking status
- Provider networks
  - Blue Advantage has widest network, but more expensive
  - Blue Value does have UNC in network good option for UNC patients
- Cost sharing, especially drugs
  - All plans but Blue Advantage place ARVs on specialty tier with 25-50% coinsurance, after deductible
- Deductible/Out of Pocket Maximum:
  - Best for PLWHA to enroll in an individual, NOT family plan to obtain lower deductible & OPM
    - Platinum & Silver Cost Sharing Reduction will have lowest deductible and OPM
    - Choose plan with lowest out of pocket maximum that you can afford

# If you don't have coverage: Exemptions

- Based on low income:
  - Under Medicaid expansion threshold (133% FPL/about \$15,800 for single)
  - Under tax filing threshold (\$10,150 for single; \$13,050 head of household; \$20,300 married filing jointly)
- Affordability:
  - · Premium for cheapest plan would exceed 8% of income
- Hardship
  - · Premiums more than 8% of income
  - · Previous individual coverage discontinued by insurer
  - · Eviction, foreclosure, high medical debt, etc.
- Not lawfully present in the US

# Obtaining exemptions

- Complicated!!!
- Some exemptions must be obtained through the marketplace, during open enrollment
  - Currently only way to apply is via a paper application
- Some exemptions must be obtained from IRS when filing taxes for 2014
- Some exemptions can be claimed either way
- For some exemptions, no action necessary (e.g., income below tax filing threshold)



# Penalty Example: Tom



- Single, taxable income \$32,150
- Tax filing threshold = \$10,150

Flat penal	ty	1% income		
\$95 x 1		Income		\$32,150
		Filing threshold	_	<u>\$10,150</u>
		Excess		\$22,000
			Х	<u> </u>
Penalty	\$95	Penalty		\$220
Greater of penalties = \$220				

# If patient doesn't have coverage: Ryan White Rules

- Grantees must:
  - 1. "Make every reasonable effort to get clients enrolled in coverage
  - 2. If not eligible for Medicaid, assess for private insurance eligibility"
  - 3. "inform clients about any consequences of not enrolling," including that they may have to pay a fee
  - 4. Have policies on the process for trying to get clients enrolled
  - 5. Document steps taken toward getting enrollment
- If after "extensive documented efforts," client still doesn't enroll, s/he can still receive services
  - A certificate of exemption will enable a client to continue receiving services [but is not required under the policy]

### **Scenarios**



- Jane
  - Age 45, income \$5000, single, Moore County
    - · Would be eligible for Medicaid if expanded
    - · Not eligible for subsidies on marketplace
    - Can buy unsubsidized coverage in marketplace, but cost prohibitive
    - If she could be claimed as a dependent by someone with income over 100% FPL, she might be able to get subsidized insurance
    - · Exempt from coverage requirement
      - Under tax filing threshold, so doesn't need to file for exemption

# **Scenarios**



### John

- Age 40, income \$15,000, single, Durham County
  - · Would be eligible for Medicaid, if expanded
  - · Can buy subsidized coverage in marketplace
  - · Exempt from coverage requirement
    - Medicaid expansion
      - Needs to apply for this exemption through Marketplace, during open enrollment
    - Can't use hardship/affordability exemption: will be able to access coverage for less than 8% of his income
    - If other special circumstances, could seek hardship exemption when filing taxes next year
  - If no exemption obtained, penalty is \$95 for 2014

# **Scenarios**



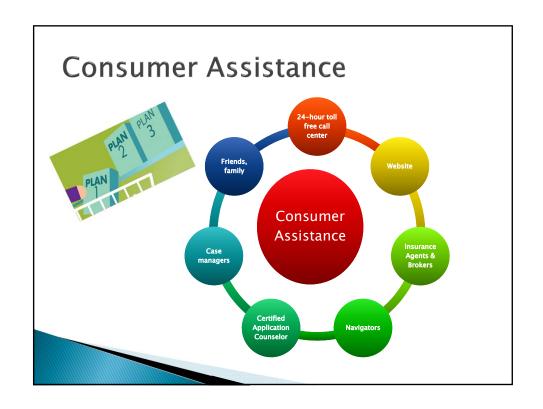
### Afiya

- Age 32, income \$25,000, single, Chatham County
  - Would not be eligible for Medicaid expansion
  - Can buy subsidized coverage in marketplace
  - Cheapest available plan =
    - \$113/month (Blue Value Bronze, \$5500 deductible) or \$81/month (Coventry, \$3750 deductible, but UNC not in network and drugs are 40% coinsurance, after deductible)
  - Best? \$168/mo (Blue Advantage Silver Enhanced, \$3000 deductible; ARV copays \$50-\$70 per drug)
  - Exemptions?
    - Hardship/Affordability? No she can get plan for 5% of her income
    - If other special circumstances, could seek hardship exemption when filing taxes next year
  - · If no exemption obtained, penalty is \$148 for 2014

# **Scenarios**



- Garcia family, Income \$45,000, married, 2 kids
  - · Dad is not "lawfully present"
  - · Neither mom nor dad would not be eligible for Medicaid expansion
  - · Children may be eligible for current Medicaid program
  - Can mom buy subsidized coverage in marketplace?
    - Yes, as long as she doesn't have offer of coverage from her job or husband's job
  - Exemptions?
    - Hardship/Affordability? Possibly, if cost for all insurance (except dad's) exceeds 8% of household income (\$300/month)
    - If other special circumstances, could seek hardship exemption when filing taxes next year
    - · Apply for hardship exemption now through marketplace or when filing taxes
    - · Dad is exempt because he's not lawfully present in US
  - · If no exemption obtained, penalty 2014:
    - \$47.50 x number of uninsured kids -- \$0
    - Mom: \$247 (1% of income exceeding tax filing threshold of \$20,300 for married filing jointly)
    - · Dad: exempt



# Consumer Assistance Organizations

- Many Ryan White providers & ASO's are Certified Application Counselors
  - Ryan White grantees required to make "every reasonable effort" to enroll clients
- NC Navigator Consortium
  - Legal Aid of North Carolina; CCNC, Benefits Bank, Disability Rights, NC, and other organizations
- Community Health Centers
  - Received special federal funding
- NC Toll Free number for enrollment assistance appointments:
  - 1-855-733-3711

# Assisting patients

- Refer to navigator/CAC
  - Preferably HIV organization
- When enrolling, client should have a list of providers, medications, and anticipated medical care needs
- If clients DO enroll in insurance, they need to know they can't continue in ADAP or receive Ryan White services (except services not covered by insurance)
- If clients choose not to enroll, they can continue to receive ADAP/Ryan White

  But need to know about penalties and exemptions

# **Information & Resources**

- North Carolina enrollment assistance toll free number:
  - → 1-855-733-3711
- Healthcare.gov
- http://kff.org/health-reform/
- http://marketplace.cms.gov/
- Summary of plans:
  - http://tinyurl.com/NC-QHPs-2014
- Blue Cross Blue Shield:
  - https://www.bcbsnc.com/assets/shopper/public/quote/ind ex.htm#/
- Coventry:
  - https://quote.coventryone.com/marketplace/#/
- Hivhealthreform.org

# My contact information

Allison Rice
Duke AIDS Legal Project
(919) 613-7135
rice@law.duke.edu