Affordable Care Act Update
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Affordable Care Act: The original concept

- Medicaid Expansion (income up to 133% FPL)
- Insurance Marketplace with financial help (Income 100–400% FPL)
- Pre-2010 options (employer, “Old Medicaid,” Medicare, etc.)
Affordable Care Act:
Supreme Court’s Concept

- Medicaid Expansion (income up to 133% FPL)
- Pre-2010 options (employer, "Old Medicaid," Medicare, etc.)
- Insurance Marketplace with financial help (Income 100-400% FPL)

Affordable Care Act:
North Carolina’s Reality

- No help for people under 100% FPL*
- Pre-2010 options (employer, "Old Medicaid," Medicare, etc.)
- Insurance Marketplace with financial help (Income 100-400% FPL)

*except documented immigrants in US less than 5 years
Coverage Requirement starts NOW

- Effective 2014: Almost everyone must have “minimum essential coverage”
  - 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

Choices

BUY INSURANCE?  PAY PENALTY?  GET EXEMPTION?
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

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 co-insurance)
  - 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 co-insurance)
  - 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 (non-smoker)
- Blue Value equivalent: $0 and up/month (non-smoker)

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)
Penalties

What are the Penalties?

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OR (whichever is greater)

1% of the yearly household income
2% of the yearly household income
2.5% of the yearly household income

Penalty Example: Tom

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

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Penalty $95

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

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 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
  - 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

- 24-hour toll free call center
- Website
- Insurance Agents & Brokers
- Navigators
- Certified Application Counselor
- Case managers
- Friends, family
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/
- Summary of plans:
- Blue Cross Blue Shield:
- Coventry:
  - https://quote.coventryone.com/marketplace/#
- Hivhealthreform.org

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