The Affordable Care Act: Information for Wyoming Consumers

The Wyoming Department of Insurance

• The Affordable Care Act is a federally-mandated health care and health insurance law. Wyoming citizens and employers are impacted by this law. Wyoming opposed the Affordable Care Act, and joined other states in a lawsuit to have the law overturned. The United States Supreme Court has upheld the law, and the Affordable Care Act will be implemented in Wyoming and across the country.

• Because the law impacts Wyoming citizens and employers, we believe it is our obligation to provide relevant factual information. The information is not intended to provide legal advice and it does not include all details found in the Act. Readers are encouraged to consult specific provisions of the Act and obtain advice from appropriate sources as required.

Outline of Topics

• ACA Basics
  • Guaranteed issue and renewal
  • No preexisting condition exclusions
  • Restrictions on rescissions
  • Rating guidelines: age, family composition, location, tobacco use
    • 3:1 age rating band
    • 1.5:1 tobacco rating band
  • Extension of coverage to dependents up to age 26
  • Medical loss ratio
    • Insurance companies must spend 80% of all premiums on medical benefits. Companies must issue a rebate to policyholders if not met.
  • No annual or lifetime limits on essential health benefits
  • Plans on individual and small group market must:
    • Have 10 essential health benefits (no cost sharing on preventive services)
    • Meet actuarial values (metal tiers)
    • Have a summary of health benefits

• Individual Mandate
  • Beginning January 1, 2014 most individuals will be required to have minimum essential coverage or they may have a tax penalty
  • Penalties (common misconception)
    • 2014: $95 per adult up to $285 or 1% of household income, whichever is higher
    • 2015: $325 per adult up to $975 or 2% of household income, whichever is higher
    • 2016: $695 per adult up to $2,085 or 2.5% of household income, whichever is higher
  • Penalty for a child is half that of an adult

ACA Basics

Market Reforms

• Guaranteed issue and renewal
• No preexisting condition exclusions
• Restrictions on rescissions
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  • 1.5:1 tobacco rating band
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• Medical loss ratio
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Individual Mandate

- Can be satisfied by
  - Government sponsored programs
    - Medicare
    - Medicaid
    - CHIP
    - TriCare
    - Peace Corps volunteers
    - Veteran’s healthcare program
  - Employer sponsored coverage (includes COBRA and retiree coverage)
  - Individual market coverage
    - Includes catastrophic plans
    - Student health plans
  - Grandfathered coverage (individual enrolled in a plan prior to March 23, 2010)

- Exemptions
  - Individuals who cannot afford coverage (cost of insurance exceeds 8% of household income)
  - Individuals with income below tax filing threshold
  - Tribal members
  - Religious exemption
  - Members of a healthcare sharing ministry
  - Incarcerated individuals
  - Individuals not lawfully present in the United States
  - Individuals who experience a short coverage gap (less than 3 months)
  - Individuals living abroad for more than 330 days a year

Marketplace

- The Marketplace (AKA “Exchange”) is a virtual market designed to simplify purchasing health insurance
- Features
  - Apples-to-apples comparison of plans
  - Determines premium subsidies and cost-sharing reductions
  - Inform the consumer they may qualify for Medicaid or CHIP
  - Wyoming Department of Health makes final eligibility determinations
  - All plans sold on the Marketplace will satisfy the individual mandate
  - All plans will meet ACA market reforms

Premium Tax Credit

- Based on income as a percentage of federal poverty level between 100% and 400%

<table>
<thead>
<tr>
<th>Household Size</th>
<th>100%</th>
<th>133%</th>
<th>150%</th>
<th>200%</th>
<th>300%</th>
<th>400%</th>
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<tbody>
<tr>
<td>1</td>
<td>$11,490</td>
<td>15,282</td>
<td>17,235</td>
<td>22,260</td>
<td>34,470</td>
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<td>15,510</td>
<td>20,628</td>
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<td>46,530</td>
<td>62,040</td>
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<td>70,650</td>
<td>94,200</td>
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<td>5</td>
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<td>36,668</td>
<td>41,355</td>
<td>55,140</td>
<td>82,710</td>
<td>110,280</td>
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<tr>
<td>6</td>
<td>31,590</td>
<td>42,015</td>
<td>47,385</td>
<td>63,180</td>
<td>94,770</td>
<td>123,360</td>
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<tr>
<td>For each additional person, add</td>
<td>$4,020</td>
<td>$5,347</td>
<td>$6,030</td>
<td>$8,040</td>
<td>$12,060</td>
<td>$16,080</td>
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<th>Income Level</th>
<th>Benefit Level is Increased to:</th>
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<td>100 – 150% FPL</td>
<td>94%</td>
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<tr>
<td>150 ± 200% FPL</td>
<td>87%</td>
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<tr>
<td>200 ± 250% FPL</td>
<td>73%</td>
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- Only available for individuals enrolled through the Marketplace

Cost Sharing Reductions

- Lowers out-of-pocket costs (deductibles, copay, coinsurance)
- Only available to individuals enrolled in a silver-level plan through the Marketplace
- The amount varies with income:

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- No cost sharing for tribal members under 300% FPL
### Enrollment Period

- **Initial Open Enrollment:** Oct. 1, 2013 to March 31, 2014

<table>
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<th>Effective Date</th>
<th>For Coverage Purchased:</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2014</td>
<td>On or before December 15, 2013</td>
</tr>
<tr>
<td>February 1, 2014</td>
<td>Between 12/16/2013 – 1/15/2014</td>
</tr>
<tr>
<td>March 1, 2014</td>
<td>Between 1/16/2014 – 2/15/2014</td>
</tr>
<tr>
<td>April 1, 2014</td>
<td>Between 2/16/2014 – 3/15/2014</td>
</tr>
</tbody>
</table>

- **Annual Enrollment:** October 15 to December 7
- **Special Enrollment:** Can enroll within 60 days after a triggering event [common misconception]
  - Losing minimum essential coverage
  - Gaining/becoming a dependent through marriage, birth, or adoption
  - Error in enrollment
  - Insurance company violates a material provision of the contract
  - An individual becomes newly eligible or ineligible for subsidies or a change in cost-sharing reductions
  - When new coverage becomes available as a result of a permanent move

### Group

- **Size of group determined by full-time-equivalent employees [common misconception]**
  - Takes into account full time and part time employees
  - Small employer = 49 or fewer full-time-equivalent employees
  - Small employers do not need to provide health insurance to employees
  - Small Business Health Options Program (SHOP) is a Marketplace for small employers to shop for coverage for employees
  - If purchase plan through SHOP, may qualify for tax credits
  - 70% participation rate for enrollment
  - Large Employer = 50 or more full-time-equivalent employees
  - Must provide coverage that is
    - Affordable: Cost cannot exceed more than 9.5% of family income
    - Adequate: Insurance covers at least 60% of health care expenses
  - If large employer does not provide affordable and adequate insurance, may face a tax penalty (delayed until 2015)

### Wyoming Marketplace

- **Three options**
  - (1) State run
  - (2) State partnership
  - (3) Federally facilitated (default)

- **Deciding**
  - A 2011 report estimated that a state run exchange would cost Wyoming $4.2 million
  - Upon deadline for decision, there were still many uncertainties about the law
  - On November 14, 2012, Governor Mead announced Wyoming would default to the Federally Facilitated Marketplace

### Wyoming Marketplace Plans

- **Two insurance companies on the Marketplace, more than two plans [common misconception]**
  - Blue Cross Blue Shield
    - **Group**
      - Gold
      - Silver
      - Bronze, Bronze HSA
    - **Individual**
      - Gold
      - Silver
      - Bronze, Bronze HSA
      - Catastrophic
  - Winhealth
    - **Group**
      - Platinum
      - Gold
      - Silver, Silver HSA
      - Bronze
      - Same plans with dental
    - **Individual**
      - Platinum
      - Gold, Gold HSA
      - Silver, Silver HSA
      - Bronze
      - Catastrophic
      - Same plans with dental

*Off Marketplace: 4 additional group carriers, 3 additional individual carriers*
Wyoming Rates

- Department of Health and Human Services estimates WY premiums are the highest in the nation
- WY rates have consistently been some of the highest rates in the nation even before ACA reforms
- Factors for high premiums in WY
  - Limited competition in the market (only 2 insurance companies on the Marketplace)
  - Limited competition among a small number of health care providers
  - Small population
    - 15% of population is uninsured (aligned with national average)
    - Approximately 83k uninsured (2010 report)
    - Population spread over large geographic area
  - Aging population

Enrollment

How to Enroll

- 5 Ways to Enroll
  - (1) Online: healthcare.gov
  - (2) Federal consumer hotline: 1-800-318-2596
  - (3) Paper application: Call consumer hotline to have application mailed to you
  - (4) In-person assistors (services are always free to consumers)
    - Navigators
    - Certified application counselors
  - (5) Agents, brokers, and consultants

Wyoming Navigators

- Wyoming Navigator Grant Recipients
  - Wyoming Senior Citizens, Inc.
  - Memorial Hospital of Laramie County
- Enroll Wyoming
  - The grant recipients along with a number of community organizations have joined together under Enroll Wyoming
  - 2-1-1 is the referral source, can call and get contact information for Navigators in a specific region of the state
- Access Events
  - Enroll Wyoming is planning access events
  - There will be general information about the ACA, question and answer sessions, and consumers can set up appointments with in-person assistors.
  - Wyoming211.org

Fraud

- New law + lots of confusion = opportunity for fraud
- Signs of possible fraud
  - Asking for money to help a consumer enroll
  - Cold-calling telling consumers they need to enroll
  - Telling people they will have jail-time if they don’t buy insurance
  - Telling Medicare beneficiaries they need to enroll in Obamacare
- How to protect yourself
  - Do not give out personal information to anyone that asks for money or cold-calls
  - Verify that in-person assistors are certified
  - If enrolling online, always start at healthcare.gov
  - Call Wyoming DOI if you have questions
How to Report Suspected Fraud

- Wyoming Department of Insurance: (307) 777-7401
- Federal Consumer Hotline: 1-800-889-4325
- Federal Trade Commission
  - ID Theft Hotline: 1-877-438-4338
  - Visit: ftc.gov/idtheft
- Report to local law enforcement

What College Students Need to Know About the ACA

What College Students Need to Know

- Dependents up to 26 can remain on a parent’s health plan
  - Can remain on plan even if
    - Married
    - Not living with parents
    - Attending school
    - Not financially dependent on their parents
    - Eligible to enroll in employer’s plan
  - Coverage extends through the end of the month which they turn 26
  - Turning 26 will trigger a special enrollment period (loss of coverage)

- Catastrophic Plans
  - Generally will have a low premium and a higher deductible
  - Covers at least three primary care visits per year without cost sharing
  - To be eligible
    - Must be under 30 years old
    - Financial hardship (cost of insurance exceeds 8% of household income)
  - Will satisfy the individual mandate

- Student Health Plans
  - Will satisfy the individual mandate
  - UWYO insurance carrier is United Healthcare
  - Plan year August 2013 to July 2014 (no 2014 ACA reforms)
  - Plan year August 2014 to July 2015 (will need to be certified)

- Living Abroad
  - Individuals living abroad for more than 330 days a year are exempt from the individual mandate
  - Study abroad for one semester (approximately 120 to 130 days), will NOT be exempt from the individual mandate
  - Church service out of the country for more than 330 days, will be exempt from the individual mandate