

Health Insurance Option: The Marketplace

November 18, 2013

Covering Kids & Families - Wisconsin

Updated November 1, 2013

Topics to be Covered

- What is the Marketplace?
- Insurance Plans in the Marketplace
- Essential Health Benefits
- Cost of Coverage
- Financial Assistance
 - Premium Tax Credits
 - Cost Sharing Assistance
- Enrollment Assistance
- Important Dates To Remember

What is the Marketplace?

- A website people can go to compare insurance plans, purchase healthcare coverage and apply for discounts (tax credits) on their premiums- www.healthcare.gov
- Active October 1, 2013
- Marketplaces are managed either by the state or the federal government - Wisconsin's is managed by the federal government
- Applications can be made online, by mail or through the Call Center at 1-800-318-2596

What is the Marketplace?

- Citizens and people who are lawfully present and who are not incarcerated can access the Marketplace
- In the Marketplace, an individual or family can apply for:
 - Medicaid (BadgerCare+)
 - Private plans
 - Catastrophic plans
- People with incomes below 400% of the FPL (\$45,960 annually for an individual) can qualify for tax credits if they do not have access to affordable employer group insurance

Insurance Plans in the Marketplace

- Insurance plans available through the Marketplace must be qualified and cover 10 essential health benefits
- People can choose which plan works for them based on its value (how much the insurance will pay) and the cost (premiums and out-of-pocket costs the person will pay)
- Plans are categorized as Bronze, Silver, Gold, or Platinum
- Plans may choose to include dental coverage for adults (dental coverage for children is required) or to offer a separate dental plan for adults

Catastrophic Plans

- A high-deductible-low-premium plan for young adults under age 30 or qualify for a hardship exemption; includes free preventive care; available inside or outside the Marketplace
- **Advantage:** Beneficial for people who cannot afford traditional plan premiums or who are healthy and do not need routine care
- **Disadvantage:** Costs for routine care before the deductible is met can accumulate rapidly, no premium assistance available

Essential Health Benefits

Qualified Health Plans in the Marketplace must cover:

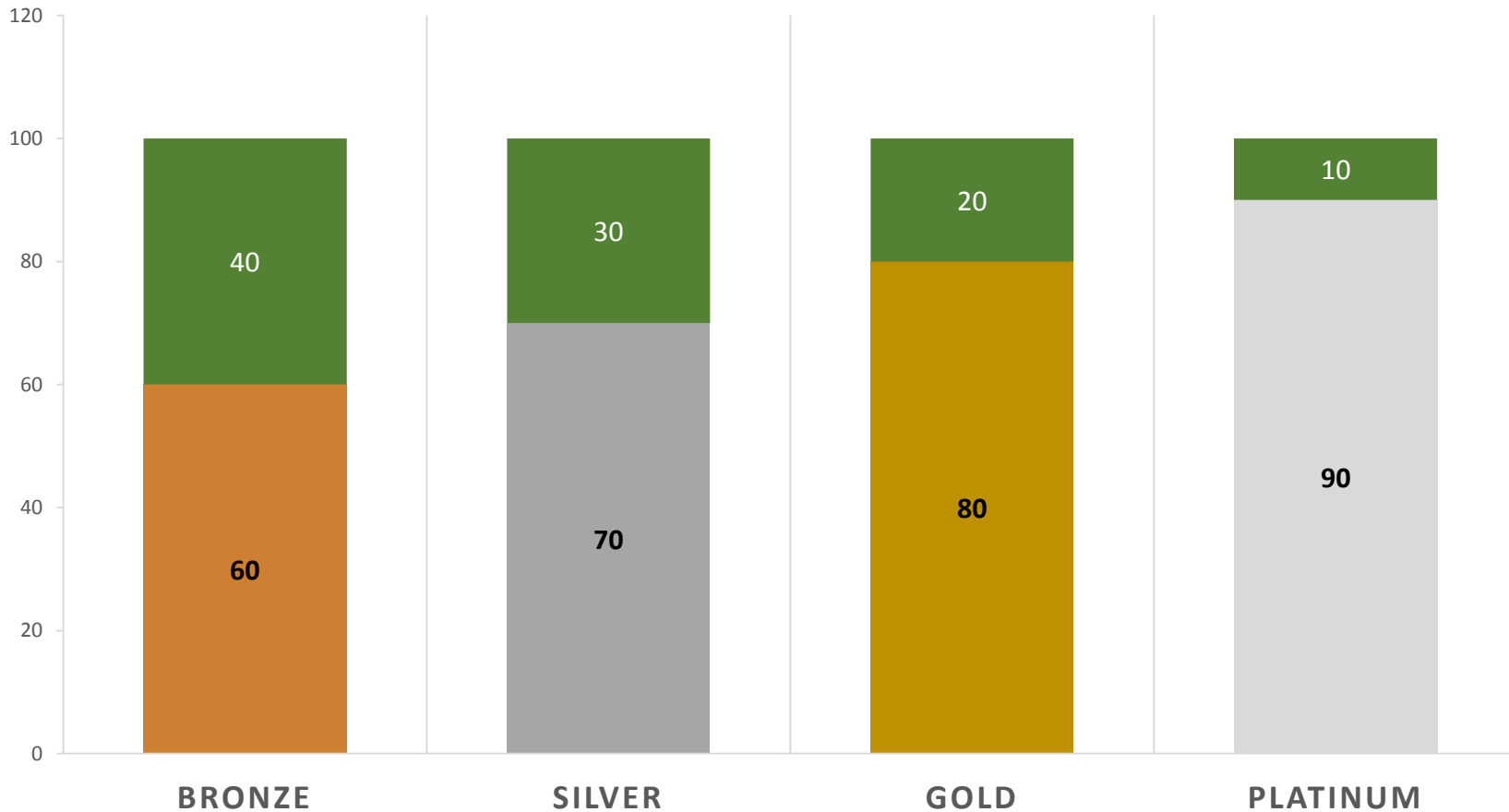
ambulatory patient services	pediatric services, including oral and vision care
emergency services	maternity and newborn care
mental health and substance use disorder services	prescription drugs
rehabilitative and habilitative services and devices	laboratory services
preventive and wellness services	chronic disease management

Coverage Tiers in the Marketplace

- 4 levels with different actuarial value for each metal tier (percentage of cost of health services covered by the insurance plan):
 - Bronze – 60%, Silver – 70%, Gold – 80%, and Platinum – 90%
- Bronze plans will have the lowest premiums (besides catastrophic), but the highest cost sharing (higher deductibles, co-payments and coinsurance)
- Platinum plans have the highest monthly premiums, but the lowest cost sharing (lower deductibles, co-payments and coinsurance)

Coverage Tiers in the Marketplace

COST SHARING BY "METAL TIER"



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What is the Cost of Coverage?

- Premiums are influenced by:
 - ✓ geographic location
 - ✓ age
 - ✓ tobacco use (if the plan chooses to apply a tobacco surcharge)
- The most an individual will pay for premiums is between 2-9.5% of their income
- Go to the Kaiser Family Foundation Premium calculator for a cost estimate: <http://kff.org/interactive/subsidy-calculator/>

What is the Cost of Coverage?

Terms To Know About Marketplace Coverage Cost:

- **Premiums** : The amount that must be paid for your health insurance or plan, usually monthly.
- **Deductible**: The amount you owe for health care services your health insurance or plan covers before your health insurance or plan begins to pay.
- **Copayments**: A fixed amount you pay for a covered health care service, usually when you get the service.

What is the Cost of Coverage?

- Total costs (premiums, deductibles, co-pays and co-insurance) will vary based on the plan and tier of coverage
- There is a maximum out-of-pocket limit in 2014 of \$6,350 for an individual and \$12,700 for a family (out of pocket limits are lower for those who qualify for cost-sharing reductions)
- Out-of-pocket limits do not include premiums
- All plans are required to provide free preventative services such as an annual exams, certain screenings, and immunizations.

Financial Assistance

- Congressional Budget Office estimates that 7 of 8 people will qualify for financial assistance in the form of a premium tax credit or cost sharing subsidy

Financial Assistance

- Premium Tax Credits (PTCs) are available for individuals with income between 100-400% FPL (any plan type)
 - ✓ \$11,490-\$45,960 for an individual



- Cost-sharing assistance is available for individuals with income between 100-250% FPL (must purchase silver level plan)
 - ✓ \$28,725 for an individual



Premium Tax Credit

- Amount of the premium tax credit (PTC) is based on the cost of second lowest cost silver plan in the individual's geographic area **and** the amount the individual is expected to pay (sliding scale of 2%-9.5% of family income)
- Eligibility determination and amount of PTC is made through the Marketplace
- Full amount of the PTC can be used to purchase any plan sold on the Marketplace – if you buy a bronze level plan, the PTC will cover more of the premium, if you buy a platinum level plan, the PTC will cover less of the premium cost

Premium Tax Credit

Income		Expected Premium Contribution Remaining After Premium Credit	
Percentage of poverty line	Annual dollar amount (2013 \$)	Premium contribution as percentage of income	Monthly premium contribution
Individual			
100 - 133%	\$11,490 - \$15,282	2%	\$19 - \$25
133 - 150%	\$15,282 - \$17,235	3 - 4%	\$38 - \$57
150 - 200%	\$17,235 - \$22,980	4 - 6.3%	\$57 - \$121
200 - 250%	\$22,980 - \$28,725	6.3 - 8.1%	\$121 - \$193
250 - 300%	\$28,725 - \$34,470	8.1 - 9.5%	\$193 - \$272
300 - 350%	\$34,470 - \$40,215	9.5%	\$272 - \$318
350 - 400%	\$40,215 - \$45,960	9.5%	\$318 - \$364

Source: Center on Budget and Policy Priorities

<http://www.cbpp.org/files/QA-on-Premium-Credits.pdf>

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Premium Tax Credit Example

- John is 24 years old
- His annual income is \$12,000 = 104% FPL
- Benchmark Silver plan for John = \$2,428 annual premium
- Expected contribution is 2% of income = \$240 a year
- John's Premium Tax Credit = \$2,188 (\$2,428-\$240) annually or \$182 per month
- John will pay \$240 annually or \$20 monthly for a silver plan
- If John bought a Bronze plan that costs \$1800 a year, he would pay no premium because his annual credit is \$2,188.

Source: Center on Budget and Policy Priorities

<http://www.cbpp.org/files/QA-on-Premium-Credits.pdf>

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Cost-Sharing Assistance

- The Cost-Sharing Reduction is designed to increase the actuarial value of the silver plans (70% without Cost-Sharing Assistance)
- CAUTION: The consumer must purchase a silver level plan to receive the cost-sharing assistance

Income Level	Actuarial Value
100-150% FPL	94%
150-200% FPL	87%
200-250% FPL	73%

Enrollment Assistance

In person:

- Navigators and Certified Application Counselor organizations
 - Inventory available - www.e4healthwi.org
- Agents and brokers

By phone:

- front page of healthcare.gov now includes phone option through the national call center 1-800-318-2596

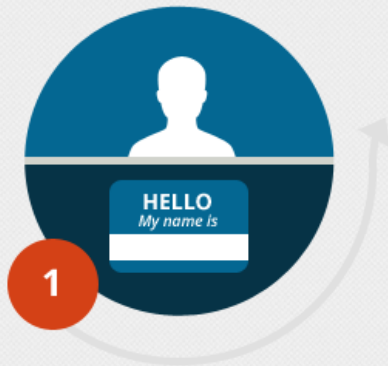
Online:

- chat with a Marketplace representative when filling out an application at www.healthcare.gov/chat

On Your Own:

- www.healthcare.gov

How the Marketplace works



Create an account

First you'll provide some basic information. [Sign up for Marketplace](#) emails now and we'll let you know as soon as you can create an account.



Apply

Starting October 1, 2013 you'll enter information about you and your family, including your income, household size, and more.

[Use this checklist](#) now to help you gather the information you'll need.



Pick a plan

Next you'll see all the plans and programs you're eligible for and compare them side-by-side.

You'll also find out if you can get [lower costs](#) on monthly premiums and out-of-pocket costs.



Enroll

Choose a plan that meets your needs and enroll!

Coverage starts as soon as January 1, 2014.



Pay monthly premium
for coverage

Marketplace Application Process

- **Create an Account online** with name, address, e-mail
- **Complete and Submit** an individual or family application online, by phone or through the mail
- **Eligibility is determined** for BadgerCare+ or Marketplace coverage
- **Enroll** - applicants choose from available insurance plans and will know their costs of coverage right away
- **Pay** monthly premium for coverage to begin

Enrollment Assistance

In person:

- Navigators and Certified Application Counselor organizations
- Inventory available - www.e4healthwi.org
- Call 2-1-1 for Milwaukee supports
- Agents and brokers – list available at OCI

By phone:

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Online:

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Important Dates to Remember

- **October 1, 2013- March 31, 2014:** Open Enrollment: Individuals can sign up for health insurance plans on the Marketplace
- **December 15:** First premium payment due and deadline to enroll for January 1 coverage
- **Special Enrollment Periods:** qualifying life events such as losing other insurance coverage, moving out of a plans service area, getting married or divorced, or having children may qualify someone for a special enrollment period
 - *Note: getting injured or sick doesn't count as a qualifying event*