

Affordable Care Act (ACA)

*The Affordable Care Act: What's Happened So Far,
What's Happening, and What's Coming Next*

Employers' Fraud Task Force

January 28, 2014



Office of the Regional Director

- Community Resource
- California-Based, extensive travel to NV, AZ, and HI and significant work with the Pacific
- Day-to-day, week-to-week, month-to-month
- Educate the public on the benefits of healthcare reform
- Troubleshooting within HHS and other Federal agencies/departments

Affordable Care Act – Expanding Coverage

- More than 9 million people have signed up for private insurance through the Marketplace, have learned they're eligible for Medicaid, or have renewed their Medicaid coverage.
- Since Oct. 1st more than 3 million people have enrolled in private insurance through the Marketplace.
- Through December, 6.3 million people had learned they were eligible for Medicaid or renewed their coverage.

Affordable Care Act – Accomplishments: Quality and Cost

- Slowest sustained national health spending growth in 50 years
 - Low growth continued in 2012 for Medicare and Medicaid
 - Resulting in No Increase in 2014 Medicare Part B Premium
- \$1.6 billion returned to consumers in 2011 and 2012
 - Plans must spend 80% now on healthcare
- Rate increases fell from 75% in 2010 to 14% so far in 2013
- \$4.2 billion recovered in 2012 from anti-fraud efforts – a record high – for a total of nearly \$15 billion over the last 4 years, double that of the previous 4 years

Affordable Care Act –

Accomplishments: Consumer Protection

- The 85 percent of Americans who have insurance have more choices and stronger coverage than ever before
 - 71 Million People w/ Private Insurance Gained Improved Coverage for Preventive Services
 - 105 Million Americans No Longer Have Lifetime Limits on Their Insurance
- 3.1 million young adults were able to stay on their parents' health insurance plans until age 26
- 7.3 Million Americans with Medicare Have Saved Over \$8.9 Billion on Prescriptions since the ACA was enacted. That is on average, \$1,209 per beneficiary.

Affordable Care Act – Coverage Accomplishments in California

- 500,108 Californians have enrolled for health insurance and selected plans through the Marketplace through the end of 2013 and 584,000 applicants were determined likely eligible for Medi-Cal coverage
- 435,000 young adults have gained insurance through their parents' plans
- 299,896 people with Medicare through 2012 received \$182.7 million in prescription drug discounts
- 2.1 million people with Medicare received a free preventive service
- 8 million privately insured people gained improved coverage for preventive services
- 12 million California residents have had lifetime limits removed from their insurance

Individual Requirement

- January 1, 2014
- Exemptions include:
 - Financial hardship;
 - Religious objections;
 - Native Americans
 - Without coverage for less than 3 months;
 - Incarcerated individuals; and
 - Cost exceeds 8% of individual's income.

Employer Requirement (Shared Responsibility)

- No Employer Requirement until 2015.
- Less than 50 full-time equivalents – exempt from any requirement.

Expanded Medicaid Programs

- Expands eligibility to adults ages 19 – 64 with incomes up to 138% of the Federal Poverty Level
 - \$15,856 per year for an individual
 - *\$23,499 for a family of four

Medicaid/Medi-Cal Reimbursements

- Increases Medicaid payment rates for primary care to 100% of Medicare rates in 2013 and 2014.
- The federal government will pay 100% of the cost of covering newly-eligible individuals for the first three years of expansion.

Introduction to the Marketplace

The Marketplace (Exchange)

- Place for individuals and small employers to directly compare private health insurance options
 - Known as Qualified Health Plans (QHPs)
- Can directly compare on the basis of price, benefits, quality, and other factors

Marketplace Establishment

California is a State Based Marketplace:

The State creates and runs its own Marketplace, Covered California – Funded from ACA

Federal Government:

Healthcare.gov and CuidadodeSalud.gov

1-800-318-2596 – Consumer Call Center (24/7)

1-800-706-7893 – Small Business Call Center

www.localhelp.healthcare.gov

Help to Pay Health Plan Costs

- Based on family income and size
 - Premium discounts
 - Family of 4 with annual income \$23,550* – \$94,200*
 - And not eligible for certain other insurance coverage like Medicaid
 - Lower cost-sharing (like copays)
 - Family of 4 with annual income \$58,875* or less (some other restrictions)

*2013 amounts



All Qualified Health Plans Will Cover These Essential Health Benefits

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

Plan Levels of Coverage

Levels of Coverage	Plan Pays On Average	Enrollees Pay On Average* <i>(In addition to the monthly plan premium)</i>
Bronze	60 percent	40 percent
Silver	70 percent	30 percent
Gold	80 percent	20 percent
Platinum	90 percent	10 percent

*Based on average cost of an individual under the plan and may not be the same for every enrolled person.

Enrolling in SHOP: Who, When & How?

Who's eligible?

- 2014 /2015 - Upper limit of 100 FTEs. Some Marketplaces may opt to set the upper limit at 50.
- 2016 - Marketplaces must accommodate 100 FTE and below.
- 2017 and Beyond - States can decide their upper limit.

When can businesses enroll?

- Starting October 1, 2013, for coverage beginning January 1, 2014
Thereafter, throughout the year

How can businesses enroll?

- Directly through the SHOP
- Through a broker registered with the SHOP

Removing the Obstacles: Small Business Tax Credits

The Small Business Health Care Tax Credit Is available to those employers :

- With fewer than 25 “full-time equivalent” employees
- Whose employees’ wages average less than \$50,000 per year
- Who contribute at least 50% of employees’ premium costs
- Who buy health insurance through the SHOP **only, starting in 2014**

Is worth:

- Up to 35% of employer’s premium contribution (up to 25% for tax-exempt employers) **now**
- Up to 50% of employer’s premium contribution (up to 35% for tax exempt employers) **starting in 2014**

Thank you!

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