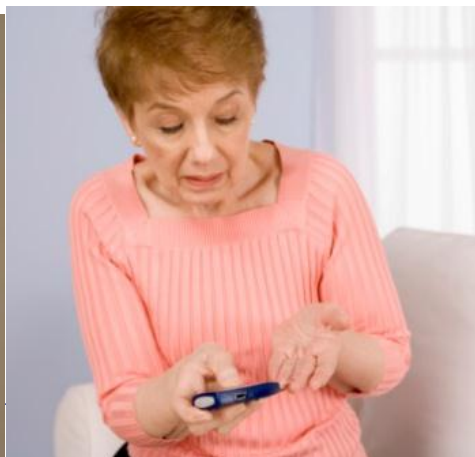


Affordable Care Act: What to Expect for Older Adults and People with Disabilities

Presenter: Leslie Fried, NCOA



What we'll cover

- Background on ACA
- How the law affects your clients with Medicare & Medicaid, and those without insurance
- Medicaid expansion
- Health Insurance Exchanges
- What this means for you and your clients
- Resources

40% of Americans are Confused

- Kaiser Poll: “Six Months Before Open Enrollment Begins, Many Americans Remain Unaware of, or Confused about, the ACA”
 - 7% - Supreme Court overturned it
 - 12% - Congress repealed it
 - 23% - Don't know

A little background

- Affordable Care Act (ACA) signed into law on March 23, 2010
- Key components of ACA are designed to:
 - ✓ Strengthen consumers' health care choices and protections
 - ✓ Offer a wide-range of coverage options
 - ✓ Make health care affordable and accessible for all Americans
- Many changes, varying effective dates, bigger components in place by 2014



Supreme Court ruling – What about it?

- After health reform law was passed, 26 states filed a lawsuit against:
 - Individual Mandate
 - Medicaid Expansion
- On June 28, 2012, the Supreme Court:
 - Upheld that individual mandate **is not unconstitutional**
 - However, States cannot be “coerced” (lose current Medicaid funding) into expanding Medicaid



ACA - Implementation and Challenges

- ACA – survived the Supreme Court and the election
- More legal challenges ahead
- More political challenges
 - CLASS Act (provided for national voluntary LTC insurance program)
 - Not implemented by Administration
 - Repealed and replaced with LTC Commission
 - **Budget Woes**

How ACA affects your clients with Medicare

- Closes Part D Coverage Gap:
 - In 2010, began with \$250 rebate check
 - Increasing discounts and plan payments until 2020
 - Nearly 6 million people already saved over \$5 billion on drugs in coverage gap
- Starting with the 2012 plan year, moved and extended annual Part D and Medicare Advantage open enrollment period (Oct 15-Dec 7)
- As of 2011, provides new and free preventive benefits under Medicare, including Annual Wellness Visit
 - To date, 34.1 million beneficiaries took advantage of one or more free preventive services

New Delivery Systems/New Acronyms

- **Independent Payment Advisory Board (IPAB)**
- **Innovations in models of health care delivery**
 - **Accountable Care Organizations (ACOs)**
 - **Independence at Home**
 - **Bundled Payments**
- **Penalties for hospital readmissions**
 - **Hospitals payments reduced for readmissions within 30 days of discharge for certain conditions**

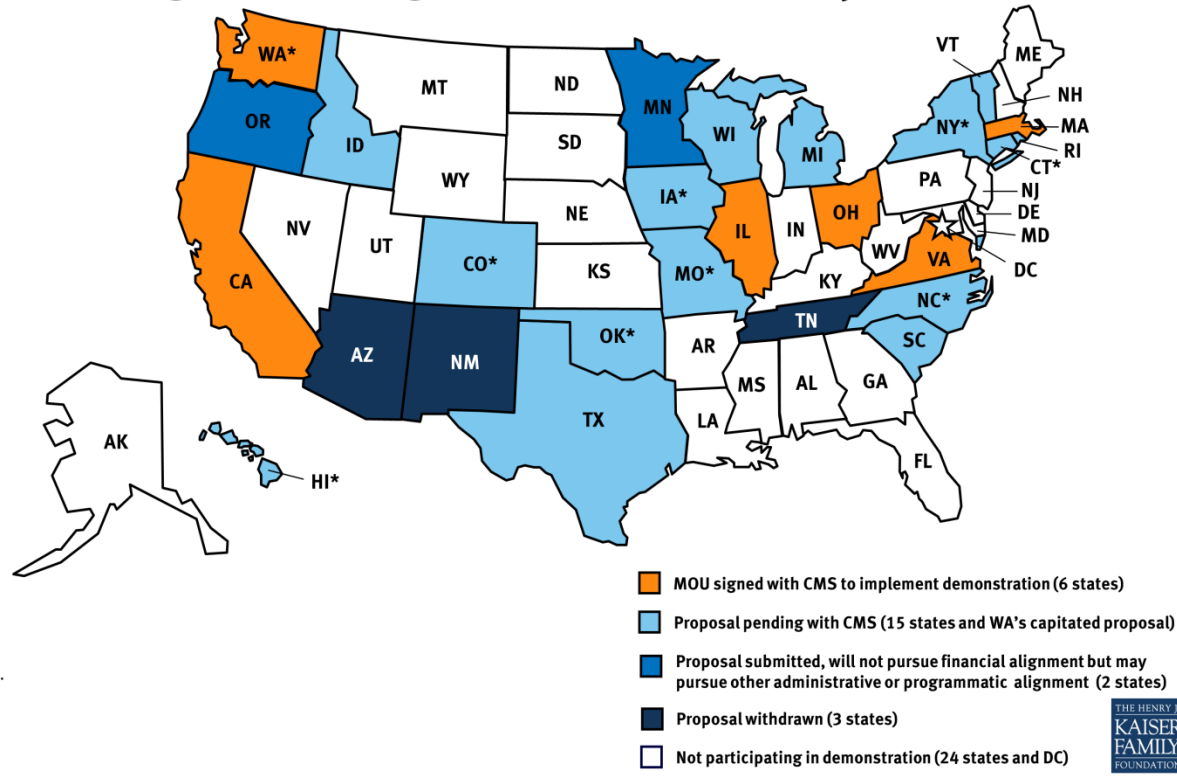
How ACA affects your clients with Medicare and/or Medicaid

- Tests new models for better care, better coordination of services (www.innovations.cms.gov)
 - In 2011, CMS awarded 15 states design contracts up to \$1 million to develop integrated service and delivery payment models
 - 26 states submitted proposals to align the financing and benefits of the two programs under two models. Several have withdrawn proposals.
 - Six states have signed MOUs with CMS to move forward
- Give states more flexibility to offer Home and Community Based Services (HCBS)



The current state of the states : Demonstration proposals

State demonstration proposals to integrate care and align financing for dual eligible beneficiaries, May 2013



How ACA affects those in need of insurance

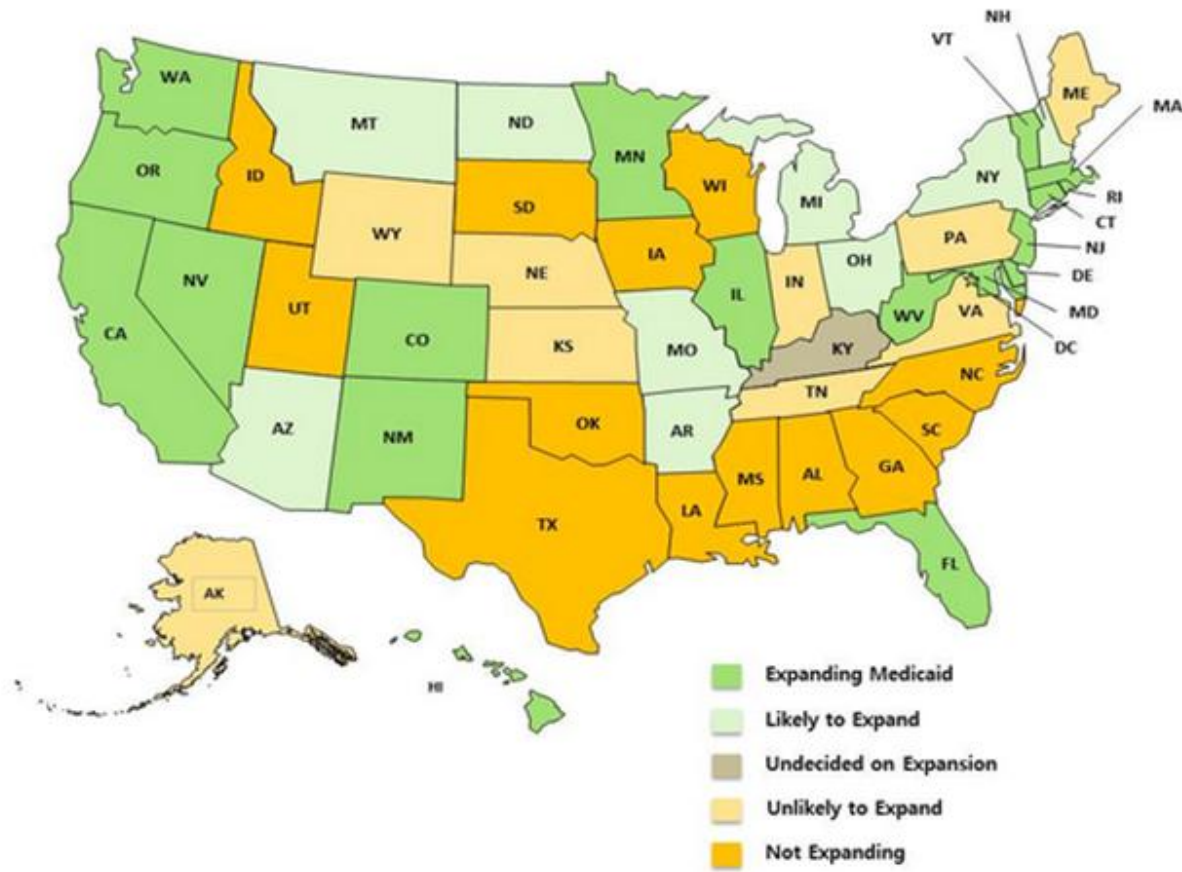
- As of July 2010, establishes Pre-Existing Condition Insurance Plan (PCIP), helps people that could not get insurance due to pre-existing conditions
- Allows states option to expand Medicaid to those not traditionally covered beginning as soon as 2010
- For 2014, individuals must obtain health insurance or pay a penalty. Establishes the Health Insurance Exchanges (Marketplaces)
- And more (see www.healthcare.gov for complete list)

Medicaid Expansion – What's happening?

- Will cover many of those not previously eligible:
 - Ages 19-64 and
 - Income under 138% (133% with a 5% disregard) of federal poverty level (FPL)
 - No resource test
 - Does not cover undocumented immigrants
- Federal government pays 100% of expansion for 2014-2016; phased down to 90% by 2020
- By 2019, Medicaid expansion estimated to cover ~16 million people who otherwise would be uninsured

Which states chose to expand?

Where States Stand: 26 Governors Support Medicaid Expansion as of June, 2013



Health Insurance Marketplaces (Exchanges) – What are they?

- Marketplaces available both for individuals and small employers
- One-stop shopping – single application for Exchange, Medicaid, and CHIP
- Affordable options for people with limited income (tax credits, reduced cost-sharing)
- Can't be denied insurance even with pre-existing conditions (Guaranteed Issue)
 - Premiums can only vary by family size, geographic location, tobacco use and age, not by health status.
- Standard offering of health benefits (“Essential Health Benefits”)

Subsidies for Premiums and Cost-sharing

- There is a tax credit/subsidy to help lower the premiums for people with low and modest incomes who purchase insurance on the “exchanges.”
- Financial assistance to pay premiums is provided to individuals with incomes between 100 to 400% of FPL
- Financial assistance to pay other cost-sharing between 100 to 250% of FPL
 - But only for “silver” level plans

Question

- What happens to individuals who:
 - Are not currently eligible for Medicaid,
 - Live in a state that did NOT expand Medicaid to 138% of poverty,
 - And whose income is not 100% of FPL and therefore not eligible for the tax credit/subsidy?

Answer: They may not be eligible for either Medicaid or the subsidy.

How are the Exchanges (Marketplaces) run?

- Exchanges (aka Marketplaces):
 - Must be a government agency or non-profit
 - Must serve both individual and businesses
 - Can form regional Exchanges, or have multiple exchanges operating in one state

- States can choose from three models:
 - State-based exchange
 - State-federal partnership
 - Federally-facilitated exchange (FFE)



Exchange models

- State-based exchange
 - State runs its own exchange
 - May have an Exchange Board to settle on policy decisions (i.e., model type, benefits package, IT structure, contracts)
- State-federal partnership
 - State works with federal government, likely help with plan management functions such as certifying qualified health plans, oversight, etc.
- Federally-facilitated exchange (FFE)
 - Federal government ensures state has Exchange in place, will still need help from states
 - Default model if states do not choose a model by Feb 15, 2013

Streamlined, Dynamic Application Process

- Streamlined application can be used to apply for:
 - Insurance through the Individual or SHOP Exchanges
 - Medicaid
 - SCHIP
 - <http://www.cms.gov/CCIIO/Resources>
- Applications can be submitted:
 - Online via the Exchange Website
 - Call Center
 - By Mail
 - In-Person
- Information collected includes:
 - Baseline information
 - Income information (for Medicaid or tax credits)
 - Program specific information



What Plans will be Available?

- Qualified health plan
- Required to offer uniform benefits package
- Scope of benefits: 10 “general” services
- Four levels of coverage: bronze, silver, gold and platinum

- Basic Health Plan: At state option for uninsured at 133% - 200% of FPL **DELAYED**

Penalty if don't get insurance

- 2014 - \$95 per adult (\$47.50 per child) or 1% of family income, whichever is greater
 - up to \$285 for a family
- 2015 - \$325 per adult (\$162.50 per child) or 2% of income, whichever is greater
 - up to \$975 for a family
- 2016 and beyond - \$695 per adult (\$347.50 per child), or 2.5% of income, whichever is greater
 - up to \$2,085 for a family
- No penalty if family income is below the threshold for filing tax return

Who will help consumers of the Exchanges?



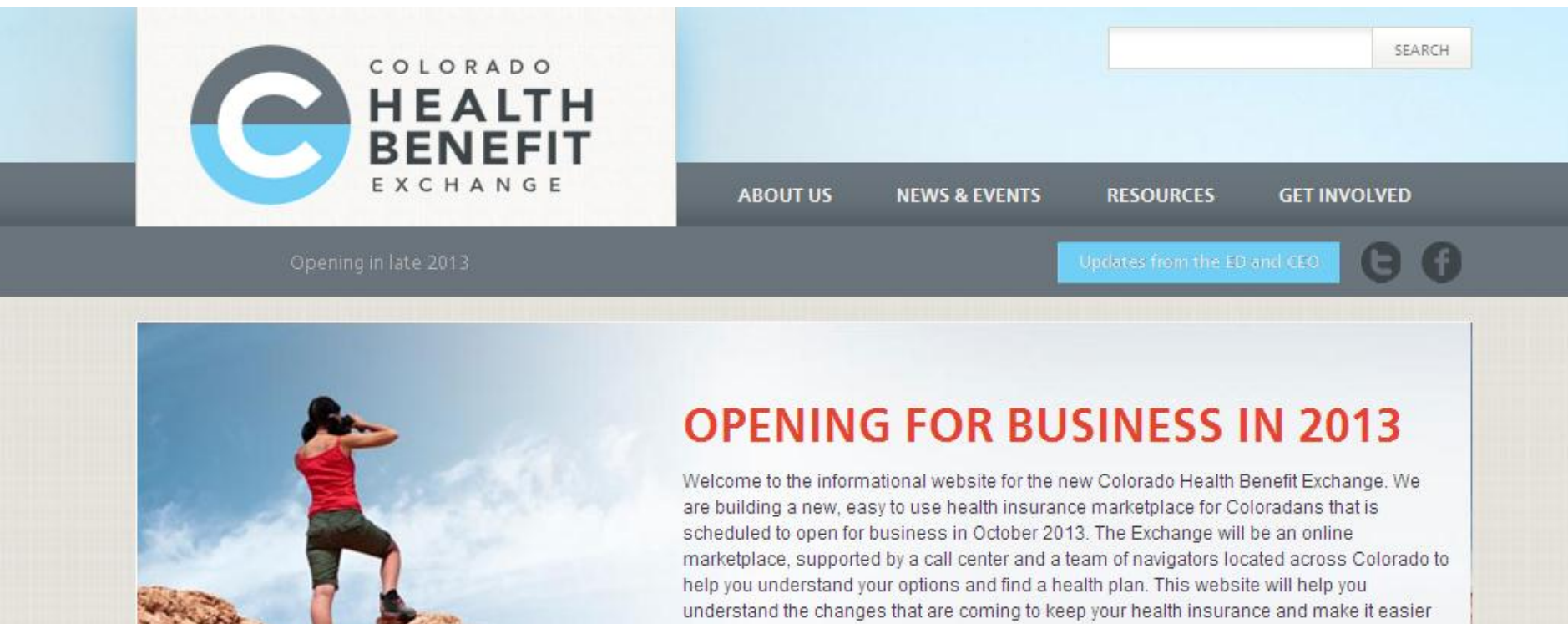
- Exchanges will contract with **Navigators**
 - Similar to SHIP model – objective, trustworthy
 - Provides public education
 - States required to contract with at least two agencies/organizations, with one being a community-based partner
 - Receive grant funding by the Exchange
- Exchanges may also have **Assisters**
 - Only available for state-based and partnership exchanges , **not** federal facilitated exchanges
 - For example, brokers and agents can continue to help people with the health insurance marketplace and enroll in health plans
- **Certified Application Counselors**

Key Enrollment Dates through the Exchanges

- Initial Open Enrollment Period:
 - October 1, 2013-March 31, 2014
 - Coverage effective no sooner than January 1, 2014
 - Annual Open Enrollment Period (starting in 2015)
 - October 15 – December 7, coverage effective following January 1
 - Also, Special Enrollment Periods (SEP) for exceptional situations
- *Note:** Medicaid & CHIP apps can go through the Exchange or through Medicaid offices, and anytime of the year



What might an Exchange website look like?



- Example, Colorado's Exchange website at: www.getcoveredco.org

What does this mean for you and your clients?

- Still a lot unknown, stay tuned for updates
- Consider the benefits already in place, take advantage
- Be ready to explain the basics of health care reform, and how the law enhances their Medicare benefits
 - Urge clients to sign up for Medicare as soon as eligible unless have employer coverage due to active employment
- Use online resources to stay up-to-date on changes, updates in your state



Resources

- Health care reform: www.Heathcare.gov
- Where states stand on Medicaid expansion: <http://ahlalerts.com/2012/07/03/medicaid-where-each-state-stands-on-the-medicaid-expansion/> (updated regularly)
- Affordable Care Act and Health Exchanges status: <http://healthreform.kff.org/>
- Duals Integration: <http://www.ncoa.org/public-policy-action/long-term-services--supports/duals-integration.html> and <http://dualsdemoadvocacy.org/>
- Center for Consumer Information and Insurance Oversight (CCIIO): <http://cciio.cms.gov/>
- NASUAD: www.nasuad.org/medicaid_expansion_tracker.html#WA

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