

The Affordable Care Act

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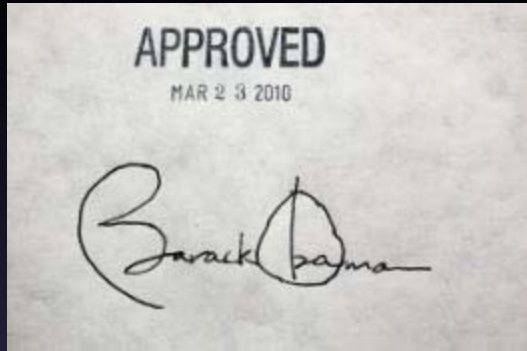
Clearwater and Delray Beach, Florida

Elder and Disability Law Forum

Spring Program 2013

Clearwater FL

Lots of new law to learn



- 906 pages of new federal law
- 73 pages of new IRS regulations
- 2.8 Million words of new federal regulations
- 1 landmark Supreme Court case

... but boils down to three things

- Insurance industry reforms
- Changes in our behavior as consumers
- Health care plan vs. sickness insurance system

Insurance industry reforms:

- Eliminates Pre-existing condition exclusions
- Eliminates Annual Caps
- Eliminates Lifetime Caps
- Guaranteed accessibility (quit your job, retire early)
- Guaranteed renewability
- Controls cost - rebates

Insurance industry reforms:

- Cost for individuals are in one year age bands
- No difference for our clients with disabilities and those without
- Sales through the online Exchange for ease of comparison between plans
- Standardized appeals of denials of coverage

Affordable Insurance Exchange

- An online storefront of insurance options
- Tools to determine availability of other assistance
- Online enrollment tools
- Calculates premiums supports
- What will they look like?

**HealthConnector**

Health Insurance for Massachusetts Residents

[Account Login](#) [E-Pay](#) [En Español](#) [Help](#) [Contact Us](#)[GO](#)[Home](#)[Find Insurance](#)[Health Care Reform](#)[About Us](#)**Individuals
& Families**
[Get Started](#)**Young Adults**
[Get Started](#)**Employees**
[Get Started](#)**Employers**
[Get Started](#)**Brokers**
[Get Started](#)

Connect to good health, Massachusetts!

Our online [Commonwealth Choice](#) marketplace is the only place where you can compare plans from the state's major insurers. We're an independent state agency, so you can shop with confidence.

Our [Commonwealth Care](#) program offers low-or-no-cost health insurance for people who qualify. It provides comprehensive benefits and a choice of health plans.

Find the plan that's right for you and enroll today!

Are you a student?

[Click here for important health insurance information](#)



Glad to be insured

"I was young, healthy. I always thought that I was invincible. It never even crossed my mind that I could get hurt..."

—[Andrew Herlihy of Malden](#)
[Hear Andrew's story and more](#)

Plans from top Mass insurers!



For Commonwealth Care Members Only

If you've been accepted for this subsidized health plan:

- [Get instructions](#) for creating your account
- [Log in](#) to your account
- [Register](#) to get online access to your account
- [Get help](#) with questions

[Visit Mass.gov](#)[Site Map](#) [Feedback](#) [Site Policies](#)

The Health Connector is an independent state agency that helps Massachusetts residents find health care coverage. Read more [about us](#).

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Find Insurance
Options Now

Prepare for the Health
Insurance Marketplace

Health Insurance Basics

The Health Care Law &
You

Prevention, Wellness &
Comparing Providers

Find Insurance Options

See which public, private and community programs meet your needs

► Let's get started. (Just two quick steps)

This tool will help you find the health insurance best suited to your needs, whether it's private insurance for individuals, families, and small businesses, or public programs that may work for you. It was created to help consumers under the health insurance reform law, the Affordable Care Act.

Watch a video demonstrating insurance finder features for small businesses.



STEP 1 of 2 - Please Answer All Questions

Which state do you live
in?

Florida

Which best describes
you?
(Select one.)

- ☐ Family / Children
- ☐ Healthy Individual
- ☐ Individual with Medical Condition
- ☐ Pregnant Woman
- ☐ Person with Disability
- ☐ Senior
- ☐ Young Adult (under 26)
- ☐ Small Employer / Self-Employed

Summary of Benefits

A uniform “apples to apples”
comparison of health insurance
plans.

Insurance Company 1: Plan Option 1

Coverage Period: 01/01/2013 – 12/31/2013

Summary of Benefits and Coverage: What this Plan Covers & What it Costs

Coverage for: Individual + Spouse | Plan Type: PPO



This is only a summary. If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at [www.\[insert\]](#) or by calling 1-800-[insert].

Important Questions	Answers	Why this Matters:
What is the overall deductible ?	\$500 person / \$1,000 family Doesn't apply to preventive care	You must pay all the costs up to the deductible amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the deductible starts over (usually, but not always, January 1st). See the chart starting on page 2 for how much you pay for covered services after you meet the deductible .
Are there other deductibles for specific services?	Yes. \$300 for prescription drug coverage. There are no other specific deductibles.	You must pay all of the costs for these services up to the specific deductible amount before this plan begins to pay for these services.
Is there an out-of-pocket limit on my expenses?	Yes. For participating providers \$2,500 person / \$5,000 family For non-participating providers \$4,000 person / \$8,000 family	The out-of-pocket limit is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
What is not included in the out-of-pocket limit ?	Premiums, balance-billed charges, and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the out-of-pocket limit .
Is there an overall annual limit on what the plan pays?	No.	The chart starting on page 2 describes any limits on what the plan will pay for <i>specific</i> covered services, such as office visits.
Does this plan use a network of providers ?	Yes. See www.[insert].com or call 1-800-[insert] for a list of participating providers.	If you use an in-network doctor or other health care provider , this plan will pay some or all of the costs of covered services. Be aware, your in-network doctor or hospital may use an out-of-network provider for some services. Plans use the term in-network, preferred , or participating for providers in their network . See the chart starting on page 2 for how this plan pays different kinds of providers .

Cost of Insurance & Rebates

- “Medical Loss Ratio” – The ACA limits how much an insurance company can spend on things other than health care. The MLR is a cap on profits.
- The MLR is equal to 80%-85% of premium income
- The insurer must rebate any remainder.

Cost of Insurance & Rebates

- Florida: In 2012, \$124 Million was rebated.

Florida was #2 in the country.



Cost of Insurance & Rebates

- Florida: In 2012, \$124 Million was rebated. Florida was #2 in the country.
- Texas: In 2012, \$167 Million was rebated. Texas was #1 in the country.
- New York: In 2012, \$87 Million was rebated making New York a distant #3.

Cost of Insurance & Rebates

For people who want to participate in the exchange but who cannot afford premiums, there are subsidies:

- Subsidies are provided for those up to 400% of the FPL
- If people still cannot afford the policies, they can seek coverage through Medicaid, newly expanded in some states to help those caught in the gap.

Patient Choice: Emergency Room Access

- Major ER Restrictions Abolished: The ACA allows patients to select an ER outside of the plan's network without prior approval and without higher co-pays.
- Effective Date: September 23, 2010

Patient Choice: Women's Health

- Women may see an OB-GYN without a referral.
- Effective Date: September 23, 2010

Patient Choice: Primary Care

- The right of the patient to select the primary care physician is protected by the ACA.
- Some plans are expected to be HMO-like and others PPO-like
- The plan itself is not allowed to assign the doctor.

Individual Responsibility – the Mandate

- Without a broad pool, the system fails.
- All states (but one) failed on inclusive health care plans because mostly sick people enrolled.
- Massachusetts succeeded by including a mandate.

Mandatory Participation

- Under the ACA, most Americans must secure coverage by January 1, 2014.
- Those who do not comply will pay a penalty.

Mandatory Participation

Year	Annual Penalty
2014	\$95 per adult/\$285 max family or 1% of income*
2015	\$325 per adult/\$975 max family or 2% of income*
2016	\$695 per adult/\$2,085 max family 2.5% of income*

*The maximum penalty can never be higher than the cost of the lowest level plan offered on the exchange.

Mandatory Participation

- Larger employers must participate or pay a penalty.
- Smaller employers (less than 25) are not required to provide coverage but are given a tax incentive if they do so.

Young Adults

- Young adults may remain insured on their parents' policies until age 26.
- Status no longer trumps age. It no longer matters that the child:
 - Has married
 - Is or is not enrolled in school
 - Lives at home or has moved away

Individual Responsibility - Preventive Care – Health Care versus Sickness Insurance

- Preventive care improves quality of life
- Preventive care saves lives
- Preventive care saves money

Preventive Care

- The ACA requires plans to provide certain preventative care, at no additional cost including:
 - Blood pressure, diabetes and cholesterol tests
 - Many cancer screenings incl. mammograms and colonoscopies
 - Counseling programs on weight loss, quitting smoking, treating depression and reducing alcohol use
 - Vaccinations & Shots
 - Healthy pregnancy visits

Preventive Care

- How's it working?
- Through June 2012, 54 Million Americans gained preventive care coverage with no cost sharing.

Medicare

- Medicare's single-payor system remains intact.
- More preventive care
- More assistance for prescription drugs
- The Development of Accountable Care Organizations (ACOs)

THE DONUT HOLE

"IT'S THE QUALITY"



ENTRANCE

2012/12/30 11:37

THE
DONUT HO
"IT'S THE QUALITY"

ENTRANCE

12/30 11:37

Medicare: Prescription Drugs

- The coverage gap existing under Medicare Part D is gradually eliminated by 2020.

Year	Coverage
2013	47.5%
2014	47.5%
2015	45%
2016	45%
2017	40%
2018	35%
2019	30%
2020	25%

- Patient pays first \$310
- Patient then pays 25%
- There is still a spending limit (\$4700 in 2012) after which patient pays a much smaller percentage.

Medicaid Expansion

Medicaid is currently available to:

- Kids under 6 and pregnant women who are below 133% of the FPL
- Kids 6-18 under the FPL
- Most seniors and persons with disabilities who are on SSI
- Other limited eligibility groups who meet criteria

Medicaid Expansion

Medicaid expansion was an integral party of Obamacare until the U.S. Supreme Court made it a state option that expands the eligibility pool for those who cannot afford health insurance.

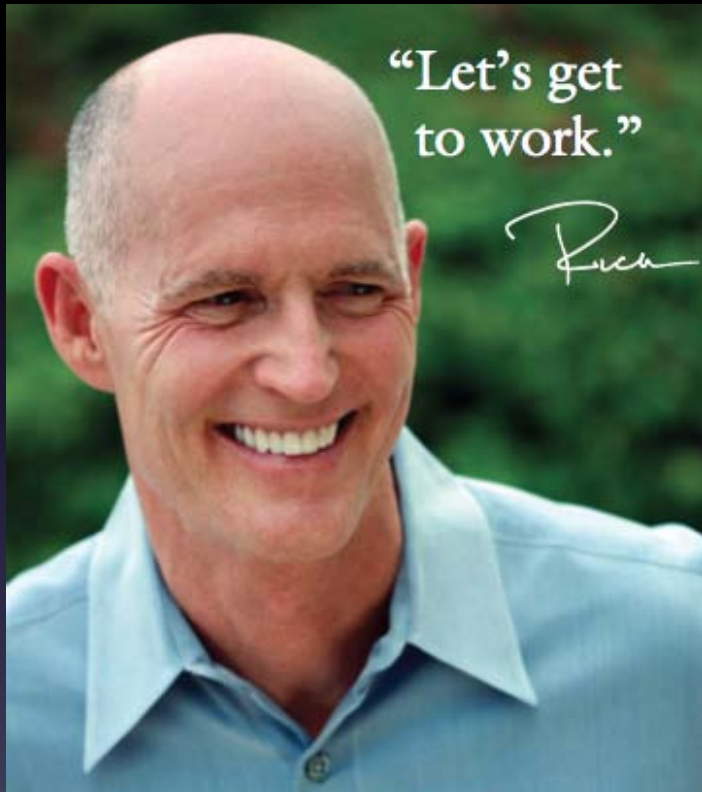
- Makes Medicaid available to most people below 133% of FPL
- That's about 1 million people in Florida- who if they don't get covered by Medicaid Expansion will be covered by.....
you and me

Medicaid Expansion

Medicaid expansion:

- Does not affect people over the age of 65
- Does not affect institutional care or long-term care waivers
- Applies only to Medicaid health insurance
- Does not affect anyone on Medicare

Medicaid Expansion



2010 Rick Scott – lead public
plaintiff to stop
Obamacare

2013 Rick Scott – lead
politician to expand
Obamacare in Florida

WHY THE 180° TURN?

Medicaid Expansion

1. **ACA's Elimination of Disproportionate Share Hospital (DSH) Support**
2. **Potential bankruptcies of Florida Hospitals**
3. **Florida employer penalties >\$1 Billion**
4. **Florida taxes supporting other states**
5. **Increase in premiums for the rest of us**

Medicaid Expansion

Medicaid expansion:

- States that say “yes” pay no additional cost for 3 years and then 10% of the additional cost phased in by 2020.
- CMS says the difference should be 2.8% more than what is currently being spent by states.

What will Florida decide?

- House plan – use \$230+ of Florida state taxes only to cover 130,000 people
- Senate plan – accept the Medicaid Expansion funds and use them to purchase private insurance
- Governor's plan – accept Medicaid Expansion



That's all Folks!